MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2023

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BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Alon Bar Achilleas Dorotheou Athanasios Karagiannis Aristotelis Karytinos Christophoros Papachristophorou Alexios Pipilis Charalambos Michael (resigned 31/1/2024)
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

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of MHV Mediterranean Hospitality Venture Plc (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 2023.

Principal activities and nature of operations of the Group

The Group 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.

Hospitality

As at the reporting date, the Group owns and/or manages the following properties in the hospitality and tourism sector:

- Parklane, a Luxury Collection Resort & Spa, in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,
- The Landmark hotel in Nicosia through its wholly-owned subsidiary, The Cyprus Tourism Development Company Limited (the "Landmank Nicosia"),
- 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. On 5 January 2024, the Company signed an agreement to sell its shares in Aphrodite Hills Resort Limited (Notes 27, 33 and 46).
- Nikki Beach hotel in Porto Heli in Argolida, Greece, through its wholly-owned subsidiary, Porto Heli Hotel & Marina S.A.
- Moreover, 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.

Real Estate

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

- Park Tower which comprises of luxury flats in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,
- 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,
- An office and a residential tower being developed at the land plot of the Landmark Nicosia, Cyprus,
- Plots and properties in Aphrodite Hills Resort, which the Company, through a joint venture in 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. On 5 January 2024, the Company signed an agreement to sell its shares in Aphrodite Hills Resort Limited (Notes 27, 33 and 46).

Change of Company name and listing on Cyprus Stock Exchange Emerging Companies Market

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

On 16 October 2023, the Cyprus Stock Exchange (CSE) announced listing of the Company on the CSE Emerging Companies Market (ISIN code CY0200721716). Total number of shares listed are 120.200.720 ordinary shares with a nominal value of €1,00 and a trading price of €3,219 per share. Trading of securities commenced on 17 October 2023.

Changes in group structure
During the year the Group proceeded with a 100% sale of MHV Lifestyle Limited as mentioned in note 24 and 25 of the consolidated financial statements.

In addition, on 5 January 2024, the Company entered into an agreement for the sale of its 50% shareholding in Aphrodite Hills Resort Limited as disclosed in Notes 46.

Review of current position, and performance of the Group's business
The net loss for the year attributable to the shareholders of the Group amounted to €2.099.131 (2022: profit €344.074). On 31 December 2023 the total assets of the Group were €598.413.380 (2022: €563.884.471) and the net assets of the Group were €403.524.695 (2022: €422.684.358). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory, under the circumstances.

During the year ended 31 December 2023 the revenue of the Group amounted to €56.727.060 compared to €99.637.262 for the year ended 31 December 2022. The variance is mainly due to lower revenue from real estate activities of €34.385.998. 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 year ended 31 December 2023, after the sale of a 50% stake in said subsidiary in November 2022. Aphrodite Hills Resorts Limited's consolidated revenue in the Group's financial statements for the year ended 31 December 2022 amounted to €31.104.774.

The Group's operating loss for the year ended 31 December 2023 was €4.911.235, as opposed to profit of €2.347.895 for the year ended 31 December 2022, mainly due to the following:

- the impact of reduced real estate activity on the subsidiary Parklane Hotels Limited's operating profit (decrease of €9.253.606) compared to the year ended 31 December 2022.

- impairment charge amounting to €2.856.252 on goodwill recognised at acquisition of the subsidiary Porto Heli Hotel & Marina S.A.

Finance costs, excluding Aphrodite Hills Resort Limited, increased to €6.738.048 from €4.992.749, mainly due to the increased borrowings and the increase in the interest rates on the Group's loan facilities.

Other comprehensive income for the year ended 31 December 2023 decreased to €7.908.140 compared to €106.663.116 for the year ended 31 December 2022, mainly due to the revaluation gain on land and buildings in the previous year.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 7, 8 and 43 of the consolidated financial statements.

Future developments of the Group
The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Group in the foreseeable future.

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.

Share capital
During the year there were changes in the share capital of the Company, as reported in note 34 of the consolidated financial statements.

Corporate Governance
The Group has not adopted the Corporate Governance Code of the Cyprus Stock Exchange ('CSE') which is not compulsory for companies listed in the Emerging Companies Markets of the CSE. Hence, the Company 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).

Board of Directors
The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. Mr. Charalambos Michael resigned from the position of Director on 31 January 2024.

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.

Participation of Directors in the Company's share capital
The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190 2007 04), as at 31 December 2023 and 24 April 2024 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2023	24 April 2024
	%	%
Alon Bar	0,00025	0,00025
Achilleas Dorotheou	0,00025	0,00025
Athanasios Karagiannis	0,00000	0,00000
Aristotelis Karytinos	0,00000	0,00000
Christophoros Papachristophorou	0,00000	0,00000
Alexios Pipilis	0,00000	0,00000
Charalambos Michael	0,00000	N/A

Main shareholders
The following shareholders held directly or indirectly over than 5% of the share capital of the Parent Company as at 31 December 2023 and 24 April 2024 (5 days before the approval of the financial statements by the Board of Directors):

	31 December 2023	24 April 2024
	%	%
Flowpulse Limited	19,99000	19,99000
Prodea Real Estate Investment Company S.A.*	25,00000	79,99000
Ascetico Limited**	54,99900	0,00000

*Prodea Real Estate Investment Company S.A. 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 Emerging Companies Market of the Cyprus Stock Exchange

Operating Environment of the Group
Any significant events that relate to the operating environment of the Group are described in note 43 of the consolidated financial statements.

Climate change
Climate change affects the hotel industry and could potentially cause significant financial challenges related to implementing eco-friendly strategies that mitigate climate change effects. In addition, extreme weather conditions can lead to a reduction of tourists' arrivals, leading to decreased revenue. The upcoming Corporate Sustainability Reporting Directive (CSRD) adds further reporting implications since businesses such as hotels would need to transparently report sustainability information. This will require investing in data collection and reporting systems to ensure compliance with the directive and avoid imposition of penalties. In addition, "green taxes", which are coming into force to prevent further ecological destruction, are expected to increase the cost of sales and operating expenses of the hotels. However, effectively addressing these challenges can reduce "green taxes" and bring economic opportunities, such as long-term savings from energy-efficient practices and attraction of eco-conscious consumers and investors.

The Management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the consolidated financial statements, but Management continues to monitor developments in this area.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 46 of 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, 29 April 2024

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of MHV Mediterranean Hospitality Venture Plc (the "Company") for the year ended 31 December 2023, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 13 to 88:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Alon Bar, Non - Executive Director

Achilleas Dorotheou, CEO and Executive Director

Athanasios Karagiannis, Non - Executive Director

Aristotelis Karytinos, Non - Executive Director

Christophoros Papachristophorou, Non - Executive Director

Alexios Pipilis, Non - Executive Director

Responsible person for the preparation of these financial statements

Konstantinos Katechos, Chief Financial Officer

Limassol, 29 April 2024

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Independent Auditor's Report

To the Members of MHV Mediterranean Hospitality Venture Plc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MHV Mediterranean Hospitality Venture Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 13 to 88 and comprise the consolidated statement of financial position as at 31 December 2023, 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 of the consolidated financial statements, including material accounting policy information.

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 2023, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
Fair Value of the Group's land and buildings (Note 8, 9 and 20)	
Based on IAS 16 'Property, Plant and Equipment' and the accounting policy as disclosed in Note 5, the Group presents its land and buildings at fair value, less subsequent depreciation and impairment. Revaluations are made at regular intervals so that the amounts presented in the consolidated statement of financial position do not differ materially from their fair value at the reporting date. The Group's land and buildings were revalued by Management at fair value on 31 December 2023 based on valuation assessments and reports made by independent real estate appraisers, with recognized professional qualifications and recent experience in the location and category of the properties being valued. Our audit has focused on assessing the fair value of the Group's land and buildings, due to the size of the specific assets on the consolidated statement of financial position, as well as the uncertainty and significant exercise of judgement required in this assessment. Relevant disclosures in respect of the fair value of the Group's land and buildings are presented in Note 8 'Critical accounting estimates, judgements and assumptions', Note 9 'Fair value measurement' and Note 20 'Property, plant and equipment'.	Our audit procedures applied for the examination of this matter included, amongst others, the following: • We requested and received from Management the external valuation reports for the Group's main land and buildings, and we obtained an understanding of the valuation process and methods. • We compared the amounts presented in the consolidated financial statements with the respective valuation reports of the external valuation experts adopted by Management and we verified the correctness of the revaluation adjustments posted. • We assessed the competence, capabilities and objectivity of the external valuation experts who have prepared the property valuations on behalf of Management. • Using the services of an external auditor expert, a real estate valuer with experience in the Cyprus real estate market, we: - performed an independent estimation of an acceptable fair value range for a sample of the Group's land and buildings as at 31 December 2023 and we compared this with the corresponding fair value estimates of Management. - assessed the appropriateness and reasonableness of the methodology and the significant parameters and assumptions used by Management's external valuation experts and concluded on the overall reasonability of the fair value estimates adopted by Management. • We re-performed on a sample basis sensitivity analysis by stressing the key assumptions used in Management's valuation reports and we checked the mathematical accuracy of the relevant calculations. • We assessed the adequacy of the required disclosures in the consolidated financial statements.

Key audit matters (continued)

The key audit matter	**How the matter was addressed in our audit**
Net realizable value of the Group's real estate inventories (Note 8 and 29)	
Based on IAS 2 "Inventories" and the accounting policy as disclosed in Note 5, the Group presents its real estate inventories at cost or net realisable value, whichever is the lower. As at 31 December 2023, the Group's real estate inventories amounted to €155.254.233, and during the year then ended, based on Management's assessment, an amount of €756.424 was recognised in the statement of profit or loss and other comprehensive income as a reversal of impairment in respect of the value of land under development for the Landmark Office Tower. The net realisable value is based on Management's estimates which were primarily made based on external valuation reports for the Group's main real estate inventories, obtained as at 31 December 2023, from independent real estate appraisers, with recognised professional qualifications and recent valuation experience in the location and category of the properties being valued. Due to the size of these assets on the consolidated statement of financial position and the judgment required in assessing the net realisable value of real estate inventories, we considered this matter as a key audit matter. Relevant disclosures in respect of real estate inventories are presented in Note 8 'Critical accounting estimates, judgements and assumptions' and Note 29 'Inventories'.	Our audit procedures applied for the examination of this matter included, amongst others, the following: • We obtained an understanding of the process followed by Management to estimate the net realisable value of real estate inventories and its comparison with their respective costs. • We assessed whether the methodology used by Management is in line with the requirements of International Financial Reporting Standards. • We requested and received from Management the valuation reports for the Group's real estate inventories, and we obtained an understanding of the valuation process and methods. • Using the services of an external auditor expert, a real estate valuer with experience in the Cyprus real estate market, we: - performed on a sample basis an independent estimation of an acceptable value range for the Group's real estate inventories as at 31 December 2023 and we compared this with the corresponding estimates of Management. - assessed the appropriateness and reasonableness of the methodology and the significant parameters and assumptions used by Management's external valuation experts and concluded on the overall reasonability of their estimates. • We examined on a sample basis property sales contracts, title deeds and relevant development and building permits, to the extent relevant. • We assessed the adequacy of the relevant disclosures in the consolidated financial statements.

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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated 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 and Those Charged with Governance 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 IFRSs 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.

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.

Those charged with governance are 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.

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

- 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated 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 light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.

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Other Matter

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

The engagement partner on the audit resulting in this independent auditor's report is Andreas Avraam.

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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Limassol, 29 April 2024

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

	Note	2023 €	2022 €
Revenue	11	**56.727.060**	99.637.262
Cost of sales	12	**(40.411.998)**	(66.027.633)
Gross profit		**16.315.062**	33.609.629
Other income	13	**948.636**	896.962
General and administration expenses	14	**(18.593.800)**	(30.205.432)
Other losses - net	15	**(3.581.133)**	(1.953.264)
Operating (loss)/profit		**(4.911.235)**	2.347.895
Finance income		**333.590**	21.863
Finance costs		**(6.731.868)**	(6.068.253)
Net finance costs	17	**(6.398.278)**	(6.046.390)
Share of results of associates	26	**-**	225.256
Share of results of joint venture	27	**4.205.854**	(165.146)
(Loss)/gain on disposal of subsidiaries	25	**(292.829)**	2.181.740
Loss before tax		**(7.396.488)**	(1.456.645)
Tax	18	**5.297.357**	1.800.719
Net (loss)/profit for the year		**(2.099.131)**	344.074
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Revaluation (loss)/ gain on land and buildings	20	**(1.498.430)**	132.960.475
Deferred taxation on revaluation of land	38	**9.497.675**	(26.306.298)
Share of other comprehensive income from joint venture	27	**(91.105)**	8.939
		7.908.140	106.663.116
Total comprehensive income for the year		**5.809.009**	107.007.190
Basic and Diluted Earnings per share attributable to equity holders of the parent (cent)	**19**	**(3,91)**	14.843,57

The comparatives presented above for the year ended 31 December 2022 includes on line-by-line basis the eleven month results 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 25). During the year ended 31 December 2023, the Group presents its share of loss from joint venture as a single line.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	20	**311.842.094**	382.660.863
Right-of-use assets	21	**1.866.615**	2.263.067
Intangible assets	23	**852.679**	3.818.160
Investments in joint ventures	27	**-**	26.374.913
Trade and other receivables	30	**34.035.257**	34.336.171
Deferred tax assets	38	**671.130**	2.784.555
		349.267.775	452.237.729
Current assets			
Inventories	29	**155.681.924**	67.401.865
Trade and other receivables	30	**13.463.112**	6.880.415
Deferred exit costs	28	**40.000.000**	-
Financial assets at fair value through profit or loss	31	**1.001**	1.001
Cash at bank and in hand	32	**9.999.568**	37.363.461
		219.145.605	111.646.742
Assets classified as held for sale	33	**30.000.000**	-
Total assets		**598.413.380**	563.884.471
EQUITY AND LIABILITIES			
Equity			
Ordinary shares - share capital	34	**120.200.720**	720
Ordinary shares - share premium	34	**103.684.313**	103.684.313
Redeemable preference shares - share capital	34	**-**	145.200
Reedemable preference shares - share premium	34	**-**	145.054.800
Revaluation Reserve		**126.717.226**	118.809.086
Retained earnings		**52.922.436**	54.990.239
Total equity		**403.524.695**	422.684.358
Non-current liabilities			
Borrowings	35	**107.545.247**	75.894.696
Lease liabilities	36	**1.774.195**	2.304.919
Trade and other payables	40	**30.004.290**	-
Deferred tax liabilities	38	**14.840.606**	31.871.776
Government grants	41	**2.884.878**	3.100.397
		157.049.216	113.171.788

The notes on pages 20 to 88 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
Current liabilities			
Trade and other payables	40	**10.045.697**	12.143.895
Government grants	41	**128.824**	129.000
Bank overdrafts	32	**1.532.045**	-
Borrowings	35	**9.738.348**	5.471.491
Loans from shareholder	44	**16.063.840**	-
Lease liabilities	36	**285.920**	102.769
Deferred consideration payable	37	**-**	9.681.975
Current tax liabilities	42	**44.795**	499.195
		37.839.469	28.028.325
Total liabilities		**194.888.685**	141.200.113
Total equity and liabilities		**598.413.380**	563.884.471

On 29 April 2024 the Board of Directors of MHV Mediterranean Hospitality Venture Plc authorised these consolidated financial statements for issue.

....
Achilleas Dorotheou
Director

....
Christophoros Papachristophorou
Director

The notes on pages 20 to 88 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 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**	**47.549.915**	**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 shares during the year	34	-	(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 upon derecognition of PPE		-	-	-	(7.096.247)	7.096.247	-
Total other movements		-	-	-	(7.096.247)	7.096.247	-
Balance at 31 December 2022/ 1 January 2023		**720**	**145.200**	**248.739.113**	**118.809.086**	**54.990.239**	**422.684.358**
Comprehensive income							
Net loss for the year		-	-	-	-	(2.099.131)	(2.099.131)
Other comprehensive income for the year		-	-	-	7.908.140	-	7.908.140
Total comprehensive income for the year		-	-	-	7.908.140	(2.099.131)	5.809.009
Transactions with owners							
Issue of ordinary share capital	34	120.200.000	-	-	-	-	120.200.000
Redemption of redeemable preference shares during the year	34	-	(145.200)	(145.054.800)	-	-	(145.200.000)
Cancelled dividends		-	-	-	-	31.328	31.328
Total transactions with owners		120.200.000	(145.200)	(145.054.800)	-	31.328	(24.968.672)
Balance at 31 December 2023		**120.200.720**	**-**	**103.684.313**	**126.717.226**	**52.922.436**	**403.524.695**

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.

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 2023

	Note	**2023** €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(7.396.488)**	(1.456.645)
Adjustments for:			
Depreciation of property, plant and equipment	20	**6.150.040**	7.811.288
Depreciation of right-of-use assets	21	**356.913**	1.036.197
Amortization of grants	41	**(128.824)**	(128.999)
Unrealised exchange profit		**(5.366)**	(1.004)
Amortisation of intangible assets	23	**130.219**	1.064.753
Share of profit from associates	26	**-**	(225.256)
Share of (profit)/loss from joint ventures	27	**(4.205.854)**	165.146
Profit from the sale of property, plant and equipment		**-**	(52.160)
Loss/(profit) from the sale of investments in subsidiaries		**292.829**	(2.181.740)
Impairment loss /(Reversal of impairment loss) on buildings	15	**390.358**	(2.267.994)
(Reversal of impairment charge) /Impairment charge on land under development	15	**(756.424)**	197.569
Impairment charge on inventories		**-**	1.056.312
Impairment - investments in joint ventures	27	**557.841**	-
Write off - investments in joint ventures	27	**10.969**	-
Impairment charge - intangible assets	23	**-**	2.094.939
Impairment charge - goodwill	23	**2.856.252**	-
Write off of property, plant and equipment	20	**32.227**	1.024.598
Fair value gains - investment property	22	**-**	(100.000)
Provision for legal claims	15	**103.950**	-
Write off of financial assets	15	**23.962**	-
Interest income	17	**(333.590)**	(21.863)
Interest expense	17	**5.287.394**	4.428.101
Expected credit loss on trade receivables		**-**	167.488
Finance expenses		**559.961**	663.105
Amortisation of arrangement fees		**205.474**	615.869
Waiver of receivables	15	**55.298**	-
Reversal of expected credit losses on financial assets		**(43.067)**	-
		4.144.074	13.889.704
Changes in working capital:			
(Increase)/decrease in inventories		**(9.458.711)**	9.861.060
(Increase)/decrease in trade and other receivables		**(5.845.831)**	17.789.339
Increase in financial assets at fair value through profit or loss		**-**	(1.000)
Increase/(Decrease) in trade and other payables		**27.410.535**	(11.584.431)
Cash generated from operations		**16.250.067**	29.954.672
Tax paid		**(618.493)**	(502.107)
Net cash generated from operating activities		**15.631.574**	29.452.565
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	23	**(37.782)**	(1.000.000)
Payment for purchase of property, plant and equipment		**(15.570.252)**	(56.867.560)
Disposal of subsidiaries, cash (outflow)/ inflow on disposal	25	**(194.594)**	12.577.249
Additions in investments in joint ventures	27	**(1.991)**	-
Dividends received from associate		**-**	238.318
Payment of deferred consideration	38	**(10.000.000)**	-
Increase in restricted cash balances		**(64.648)**	-
Interest received		**15.018**	-
Net cash used in investing activities		**(25.854.249)**	(45.051.993)

The notes on pages 20 to 88 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2023

	Note	**2023** €	2022 €
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on redemption of redeemable shares	34	**(25.000.000)**	(40.000.000)
Repayments of borrowings	35	**(4.716.045)**	(24.204.547)
Payments of leases liabilities	36	**(312.157)**	(528.509)
Proceeds from borrowings	35	**39.500.000**	30.500.000
Proceeds from loans from shareholders	44.6	**16.000.000**	-
Interest paid	35	**(4.094.957)**	(3.745.148)
Payment of loan arrangement fees	35	**(114.752)**	(1.811.318)
Deferred exit costs	28	**(40.000.000)**	-
Net cash used in financing activities		**(18.737.911)**	(39.789.522)
Net decrease in cash and cash equivalents		**(28.960.586)**	(55.388.950)
Cash and cash equivalents at beginning of the year		**37.363.461**	92.752.411
Cash and cash equivalents at end of the year	**32**	**8.402.875**	37.363.461

The notes on pages 20 to 88 form an integral part of these 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. In July 2023, the Company was converted to a public limited company. Its registered office is at Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Change of Company name and listing on Cyprus Stock Exchange Emerging Companies Market

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

On 16 October 2023, the Cyprus Stock Exchange (CSE) announced listing of the Company on the CSE Emerging Companies Market (ISIN code CY0200721716). Total number of shares listed are 120.200.720 ordinary shares with a nominal value of €1,00 and a trading price of €3,219 per share. Trading of securities commenced on 17 October 2023.

Principal activities

The Group invests in, 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.

Hospitality

As at the reporting date, the Group owns and/or manages the following properties in the hospitality and tourism sector:

- Parklane, a Luxury Collection Resort & Spa, in Limassol, through its wholly-owned subsidiary Parklane Hotels Limited,

- The Landmark hotel in Nicosia through its wholly-owned subsidiary, The Cyprus Tourism Development Company Limited (the "Landmank Nicosia"),

- 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. On 5 January 2024, the Company signed an agreement to sell its shares in Aphrodite Hills Resort Limited (Notes 27, 33 and 46).

- Nikki Beach hotel in Porto Heli in Argolida, Greece, through its wholly-owned subsidiary, Porto Heli Hotel & Marina S.A.

- Moreover, 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.

Real Estate

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

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

- 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,

- An office and a residential tower being developed at the land plot of the Landmark Nicosia, Cyprus,

- 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. On 5 January 2024, the Company signed an agreement to sell its shares in Aphrodite Hills Resort Limited (Notes 27, 33 and 46).

2. Basis of preparation

The consolidated financial statements of the Group 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.

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 2023 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, and financial assets at fair value through profit or loss.

The preparation of consolidated 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 consolidated financial statements are disclosed in Note 8.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company MHV Mediterranean Hospitality Venture Plc and the financial statements of its subsidiaries, as disclosed in the Note 24 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.

Going concern basis

The financial statements of the Group have been prepared on a going concern basis. The Board of Directors considers that the Group has the ability to continue its operations as a going concern for a period of at least 12 months from the date of approval of these financial statements.

3. Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

4. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023.

- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

  The Amendments are effective for annual periods beginning on or after January 1, 2023. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

The adoption of the following standards did not have a material effect on the accounting policies of the Group:

- IFRS 17 Insurance Contracts

- Definition of Accounting Estimates - Amendments to IAS 8

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

5. Summary of material accounting policies

The material 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.

Management seeks not to reduce the understandability of these consolidated financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

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.

5. Summary of material 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.

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. Investments in joint ventures are stated at cost, which includes transaction costs, less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

5. Summary of material accounting policies (continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

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.

Segmental reporting

The Board of Directors is identified as the Chief Operating Decision Maker (CODM) and monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments.The business segments are presented according to the internal reports of the Board of Directors used for decision-making.

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.

5. Summary of material accounting policies (continued)

Revenue (continued)

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.

5. Summary of material accounting policies (continued)

Revenue (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.

- **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.

5. Summary of material 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.

For qualifying assets that are measured at fair value, the Group opted to capitalise borrowing costs in accordance with IAS 23.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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.

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.

Property, plant and equipment

Land and buildings and Property under construction 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.

5. Summary of material accounting policies (continued)

Property, plant and equipment (continued)

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.

Property under construction 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:

	%
Buildings	2-4
Plant and machinery	10-15
Motor vehicles	20
Furniture, fixtures and office equipment	8-10
Computer hardware	20

No depreciation is provided on land and property 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.

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.

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.

5. Summary of material accounting policies (continued)

Intangible assets (continued)

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.

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 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

5. Summary of material accounting policies (continued)

Leases (continued)

- 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.

<u>The Group as lessor</u>

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.

<u>The Group as lessee</u>

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.

5. Summary of material accounting policies (continued)

Leases (continued)

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.

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 - Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value through profit or loss
- 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 FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

5. Summary of material accounting policies (continued)

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.

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 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 statement of financial position 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, 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.

5. Summary of material accounting policies (continued)

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

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 7, 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 7, Credit risk section.

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.

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 7, 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.

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

5. Summary of material accounting policies (continued)

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.

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.

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.

5. Summary of material accounting policies (continued)

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.

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.

Non-current liabilities

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

Climate - related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The items and considerations that are most directly impacted by climate-related matters are:

Fair value measurement of land and buildings: The fair value measurement of land and buildings may be impacted in several ways by transition risk, such as climate-related legislation and regulations and by changes in demand for the services provided due to the transition of consumers to more sustainable options. The Group believes it is not currently exposed to severe physical risks and no single climate-related assumption was concluded to be a key assumption for the fair value measurement of land and buildings as at 31 December 2023.

5. Summary of material accounting policies (continued)

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The amount of prepaid loan arrangement fees for the unutilised loans was reclassified from borrowings (Note 35) to prepaid loan arrangement fees (Note 30).

6. 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:*
  • Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);
  • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020);
  • Non-current Liabilities with Covenants (issued on 31 October 2022)
  (effective for annual periods beginning on or after 1 January 2024).
- *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).*

(ii) Issued by the IASB but not yet adopted by the European Union

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023) (effective for annual periods beginning on or after 1 January 2024).*
- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for annual periods beginning on or after 1 January 2025).*
- *IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture postponing their effective date indefinitely*
- *IFRS 18 – Presentation and Disclosures in the Financial Statements: On 9 April 2024, the IASB has published its new standard IFRS 18 – 'Presentation and Disclosures in Financial Statements', that will replace IAS 1 – 'Presentation of Financial Statements' and will be effective for annual reporting periods beginning on or after 1 January 2027. In subsequent reporting periods, management will analyse the requirements of this new standard and assess its impact.*

6. New accounting pronouncements (continued)

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective, except IFRS 18 for which the Board will analyse its requirements and re-assess its impact upon becoming effective.

7. 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:

7.1 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 current and 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:

	2023	2022
	€	€
Variable rate instruments		
Financial liabilities (Note 35, Note 44.6)	**133.347.435**	80.358.901
	133.347.435	80.358.901

Sensitivity analysis

A decrease of 100 basis points in interest rates at 31 December 2023 would have increased equity and profit or loss by the amounts shown below. An increase of 100 basis points in interest rates at 31 December 2023 would have decreased equity and profit or loss by symmetrical amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Equity		**Profit or loss**	
	2023	2022	**2023**	2022
	€	€	**€**	€
Variable rate instruments	**874.706**	853.997	**874.706**	853.997
	874.706	853.997	**874.706**	853.997

7.2 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.

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.

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(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
- Deferred consideration receivable

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 adminstration expenses. 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 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.

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.

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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 the same line with the impairment losses.

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 2023 or 1 January 2023 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 2023 and 31 December 2022:

	2023	2022
	€	€
Gross carrying amount - trade receivables (Note 30)	**5.247.102**	2.269.511

Following the Group's exercise, no expected credit losses on trade receivables were recognised during the year ended 31 December 2023 (2022:€167.488).

There were no significant trade receivables and contract asset balances written off during the years ended 31 December 2023 and 31 December 2022 that are subject to enforcement activity.

Receivables from related parties

For receivables from related parties the Group applies general approach - three stage model for impairment.

7. Financial risk management objectives and policies (continued)

7.2 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 2023 and 31 December 2022:

Group internal credit rating	2023	2022
	€	€
Performing	**800.906**	775.708
Total	**800.906**	775.708

The Group does not hold any collateral as security for any receivables from related parties.

Expected credit losses on receivables from related parties were insignificant.

There were no receivables from related parties written off during the years ended 31 December 2023 and 31 December 2022 that are subject to enforcement activity.

Deferred consideration receivable

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Group internal credit rating	2023	2022
	€	€
Performing (Note 30)	**8.791.710**	9.480.977
Total	**8.791.710**	9.480.977

The Company does not hold any collateral as security for deferred consideration receivable.

Expected credit losses on deferred consideration receivable was insignificant.

There were no amounts of deferred consideration receivable written-off during the years ended 31 December 2023 and 31 December 2022 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.

7. Financial risk management objectives and policies (continued)

7.2 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 2023 and 31 December 2022:

External credit rating	Internal credit rating	2023	2022
		€	€
A1	Performing	-	13.706.310
Baa1	Performing	298.911	-
Ba2	Performing	4.438.819	21.955.078
Ba3	Performing	4.990.771	1.570.223
Non-rated	Performing	100.000	-
Total		**9.828.501**	37.231.611

The ECL on current accounts is considered to be approximate to zero, 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 cash at bank balances written off during the years ended 31 December 2023 and 31 December 2022 that are subject to enforcement activity.

7.3 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 and bank loans, leases and loans and funding from its shareholders.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted payments:

31 December 2023	Carrying amounts	Contractual cash flows	Up to 12months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	117.283.595	161.277.839	14.923.850	13.841.151	47.083.113	85.429.725
Lease liabilities	2.060.115	4.151.996	411.997	261.028	449.400	3.029.571
Bank overdrafts	1.532.045	1.532.045	1.532.045	-	-	-
Trade and other payables	7.519.805	7.519.805	7.519.805	-	-	-
Payables to related parties	1.039.495	1.039.495	1.039.495	-	-	-
Loans from shareholders	16.063.840	16.218.880	16.218.880	-	-	-
	145.498.895	**191.740.060**	**41.646.072**	**14.102.179**	**47.532.513**	**88.459.296**

7. Financial risk management objectives and policies (continued)

7.3 Liquidity risk (continued)

31 December 2022	Carrying amounts	Contractual cash flows	Up to 12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	81.366.187	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	7.980.639	7.980.639	7.980.639	-	-	-
Payables to related parties	4.940	4.940	4.940	-	-	-
	91.759.454	**118.185.124**	**14.042.247**	**9.055.953**	**21.045.130**	**74.041.794**

7.4 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 a significant number of tourists comes from Europe and the United States.
- Military action with the Russian invasion of Ukraine and conflict between Israel-Hamas in Gaza and the overall tension in Middle East region could negatively affect the tourism of Cyprus as it distorts some of the traditional markets for Cyprus tourism.

7.5 Capital risk management

Capital includes equity shares and share premium, redeemable preference shares as well as shareholder loans.

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.

8. 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.

8. 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 7.

- **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. Further disclosures are included in Note 23.

- **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 reporting date.

  Land and buildings were revalued at fair value on 31 December 2023 and on 31 December 2022 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 forecast net operating income of the property and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan-to-value ratios. The value of each item is calculated through a discounted cash flow and income capitalization approach. The total of the mortgage component and the equity component is equal to the value of the property. This approach is often selected as the preferred valuation method for income-generating properties because it better reflects the investment thinking of knowledgeable buyers.

  Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 9.

8. Critical accounting estimates, judgments and assumptions (continued)

- **Net Realisable Value of Real Estate Inventory (Note 29)**

Based on IAS 2 “Inventories” and the accounting policy as presented in Note 5, the Group presents inventories of real estate and land under development at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

The net realisable value is based on estimates made by Management based on valuation assessments made on 31 December 2023 by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

This exercise requires the use of considerable judgment and estimates as to the measurement of the net realizable value and specifically in estimating the calculated construction costs, the estimated real estate sales prices as well as the timing and velocity of future sales.

On the basis of Management’s assessment, a reversal of impairment during the year ended 31 December 2023 amounting to €756.424 was recognised in respect of Landmark Office Tower. No impairment was recognised for any real estate properties as the estimated net realisable value exceeded their respective costs.

If the estimated net realisable value of each and all the real estate inventory of the Group was 10% lower than Management’s estimates on 31 December 2023, a write down of €2.181.159 on the carrying amount of real estate inventory with a corresponding loss in consolidated statement of profit or loss and other comprehensive income would be required.

9. 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).

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 31 December 2023, with the exception of the part of the Hotel Porto Paros, acquired by the subsidiary MHV Bluekey One Single Member S.A. This property cannot be realiably measured at fair value as the hotel is not currently in use by the Group due to certain disputes with the ex owners. Thus, the Management estimated that its fair value as at 31 December 2023 aprroximates its purchase cost and carrying amount of €35.220.850.

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.

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

Description	Fair value at 31 December 2023 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment					
Hotels: The Landmark Nicosia Parklane, a Luxury Collection Resort & Spa Nikki Beach hotel	265.547.322	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	48% - 71%	The higher, the higher the fair value
			Average room rate	€189 - €454	The higher, the higher the fair value
			Discount rate	10% - 10,6%	The higher, the lower the fair value
Land under development, Nikki Beach	2.760.000	Sales comparison approach	Average selling price - residential plot	€2.435 per sq.m.	The higher, the higher the fair value

9. Fair value measurement (continued)

Description	Fair value at 31 December 2023 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
			Average selling price - commercial plot	€256 per sq.m.	The higher, the higher the fair value
			Average selling price - empty plot	€133 per sq.m.	The higher, the higher the fair value
Residential complex in Pyrgos	8.228.000	20% weight on Depreciated Replacement Cost and 80% weight on 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: €3.540 -€3.640 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

9. 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					
Building Coefficient, Parklane East and West Towers	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: The Landmark Nicosia Parklane, a Luxury Collection Resort & Spa Nikki Beach hotel	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, Nikki Beach	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
Residential complex in Pyrgos	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

9. 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
			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 31 December 2023

Description	Change
Property, plant and equipment	
Hotels	
Change in occupancy rate/ average room rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€219.110.000 - €317.270.000**
Land under development, Nikki Beach	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€2.480.000 - €3.040.000**
Residential complex in Pyrgos	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€7.521.000- €8.948.000**

Sensitivity of Management's estimates 31 December 2022

Description	Change
Property, plant and equipment	
Building Coefficient, Parklane East and West Towers	
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/ average room rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€219.370.000 - €296.580.000**
Land under development, Nikki Beach	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.890.000 - €5.970.000**
Residential complex in Pyrgos	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€7.516.000- €8.996.000**

10. Segmental reporting

The Company's Board of Directors has not applied significant estimates and calculations regarding the definition of the Group's operating segments. The Group's hotels operations have been grouped as one operating segment in accordance with the basic principle of IFRS 8, as they have similar financial characteristics as described in paragraph 12 of IFRS 8. The same applies for the real estate property development business of the Group which has also been grouped as an operating segment.

The Board of Directors monitors internal reports to assess the Group's performance and allocate its resources. The Board of Directors relies on these internal reports to determine the segmental areas. The main segment areas of activity of the Group for which an analysis is given by area are the following:

- Hotel operations and Other

- Real Estate

All the Group's segmental areas of activity are located in Cyprus and Greece. There were no changes in the Group's areas of activity during 2023 and 2022.

The Board of Directors evaluates the performance of the operating segments based on earnings/(loss) before interest, tax, depreciation and impairment (EBITDA). The other information provided is calculated according to the consolidated financial statements.

Results per segment

The segment results for the year ended 31 December 2023 and 31 December 2022 are as follows:

2023	**Hotel operations and Other - Cyprus**	**Hotel operations - Greece**	**Total Hotel operations and Other**	**Real Estate - Cyprus**	**Total**
	€	**€**	**€**	**€**	**€**
Revenue/per segment	**50.140.883**	**3.043.354**	**53.184.236**	**3.542.824**	**56.727.060**
(Loss)/ profit before interest, tax, depreciation, amortisation and impairment (EBITDA)/per segment	**6.885.496**	**(1.389.413)**	**5.496.083**	**(689.892)**	**4.806.191**
Depreciation	**5.846.959**	**659.995**	**6.506.954**	**-**	**6.506.954**

2022	Hotel operations and Other - Cyprus	Hotel operations - Greece	Total Hotel operations and Other	Real Estate - Cyprus	Total
	€	€	€	€	€
Revenue/per segment	57.958.166	3.720.275	61.708.441	37.928.822	99.637.262
(Loss)/ profit before interest, tax, depreciation, amortisation and impairment (EBITDA)/per segment	(5.647.242)	(747.890)	(6.395.132)	20.660.692	14.265.559
Depreciation	7.919.150	928.337	8.847.487	-	8.847.486

10. Segmental reporting (continued)

The reconciliation between profit/(loss) before interest, tax, depreciation and total loss before tax are as follows:	2023	2022
	€	€
Profit before interest, tax, depreciation, amortisation and impairment (EBITDA)	**4.806.191**	14.265.559
Depreciation	**(6.506.954)**	(8.847.486)
Amortisation	**(130.219)**	(1.064.753)
Other losses	**(224.002)**	(2.005.424)
Operating (loss)/profit	**(2.054.983)**	2.347.896
Net finance costs	**(6.398.278)**	(6.046.390)
Share of results of associates	**-**	225.256
Share of results of joint venture	**4.205.854**	(165.146)
(Loss)/gain on disposal of subsidiaries	**(292.829)**	2.181.740
Impairment of goodwill	**(2.856.252)**	-
Loss before tax	**(7.396.488)**	(1.456.645)
Tax	**5.297.357**	1.800.719
Net (loss)/profit for the period	**(2.099.131)**	344.074

Revenue from major customer
The Group has no major customer that exceeds 10% of total revenue.

Assets and liabilities per segment for the year ended 31 December 2023 and 31 December 2022 are as follows:

2023	**Hotel operations and Other - Cyprus**	**Hotel operations - Greece**	**Total Hotel operations and Other**	**Real Estate - Cyprus**	**Total**
	€	**€**	**€**	**€**	**€**
Assets	**290.936.491**	**80.324.876**	**371.261.367**	**156.479.882**	**527.741.249**
Liabilities	**137.966.057**	**8.747.458**	**146.713.515**	**33.289.770**	**180.003.285**

2022	Hotel operations and Other - Cyprus	Hotel operations - Greece	Total Hotel operations and Other	Real Estate - Cyprus	Total
	€	€	€	€	€
Assets	383.482.543	82.286.556	465.769.100	66.098.650	531.867.750
Liabilities	100.936.519	7.793.472	108.729.991	99.150	108.829.141

Assets per segment differ from total assets as per the consolidated statement of financial position as follows:	2023	2022
	€	€
Total assets from reportable operating segments	**527.741.249**	531.867.750
Goodwill	**-**	2.856.252
Investments in joint ventures	**-**	26.374.913
Deferred tax assets	**671.130**	2.784.555
Deferred exit cost	**40.000.000**	-
Financial assets at fair value through profit or loss	**1.001**	1.001
Assets classified as held for sale	**30.000.000**	-
Total assets as per consolidated statement of financial position	**598.413.380**	563.884.471

10. Segmental reporting (continued)

Liabilities per segment differ from total assets as per the consolidated statement of financial position as follows:	**2023**	2022
	€	€
Total liabilities from reportable operating segments	**180.003.285**	108.829.141
Deferred tax liabilities	**14.840.606**	31.871.776
Current tax liabilities	**44.795**	499.195
Total liabilities as per consolidated statement of financial position	**194.888.685**	141.200.113

11. 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	**2023**	2022
	€	€
Hotel Operations	**51.604.646**	56.225.094
Property management	**-**	8.422.114
Real estate development	**3.542.824**	29.506.708
Boutique sales	**308.861**	339.424
Other operations	**1.270.729**	5.143.922
	56.727.060	99.637.262

12. Cost of sales

	2023	2022
	€	€
Changes in inventories (Note 29)	**3.640.730**	18.927.965
Salaries (Note 16)	**17.578.322**	22.388.660
Purchases	**6.571.450**	7.324.163
Purchases return	**-**	(2.146)
Direct costs - goods, materials and services	**374.445**	336.377
Other direct costs	**3.393.716**	2.752.801
Departmental expenses	**5.101.575**	7.443.536
Commissions payable	**2.028.614**	2.574.009
Night guard expenses	**-**	37.432
Entertainment	**634.219**	602.597
Gardening expenses	**270.788**	795.241
Uniforms	**4.793**	12.313
Repairs and maintenance	**813.346**	2.834.685
	40.411.998	66.027.633

13. Other income

	2023	2022
	€	€
Rental income	**-**	177.339
Other income	**948.636**	719.623
	948.636	896.962

14. General and administration expenses

	2023	2022
	€	€
Salaries (Note 16)	**1.980.330**	4.705.107
Security expenses	**86.588**	73.441
Licenses and taxes	**325.745**	446.138
Annual levy	**1.272**	2.995
Electricity, fuel, water, sewerage and cleaning	**4.236.012**	7.916.085
Insurance	**438.811**	499.676
Repairs and maintenance	**28.876**	9.304
Sundry expenses	**712.551**	1.517.413
Telephone and postage	**21.544**	80.491
Stationery and printing	**21.726**	99.629
Subscriptions and contributions	**37.499**	92.398
Rent and operating lease rentals	**40.250**	4.923
Sundry staff costs	**9.399**	197.980
Auditor's remuneration - current year	**144.500**	194.550
Auditor's remuneration - prior years	**53.716**	32.086
Tax services charged by statutory audit firm	**6.750**	14.570
Other non-audit services charged by statutory audit firm	**59.783**	57.602
Legal and professional	**3.218.850**	2.447.166
Other professional fees	**-**	140.258
Fines	**8.301**	44.568
Other assurance services charged by statutory audit firm	**25.150**	-
Travelling	**109.203**	198.880
Irrecoverable VAT	**92.392**	188.741
Write off of financial assets	**23.962**	-
Expected credit losses of financial assets	**(43.067)**	167.488
Entertaining	**195.239**	128.741
Advertising and promotion costs	**121.246**	1.032.964
Amortisation (Note 23)	**130.219**	1.064.753
Depreciation (Note 20, 21)	**6.506.953**	8.847.485
	18.593.800	30.205.432

The total fees charged by the statutory audit firm for the statutory audit of the Group's annual financial statements for the year ended 31 December 2023 amounted to €113.250 (2022: €194.550). The total fees charged by the statutory audit firm for the year ended 31 December 2023 for tax advisory services amounted to €6.750 (2022: €14.570), for other non-audit services amounted to €59.783 (2022: €57.602) and for other assurance services amounted to €25.150 (2022: €Nil). The statutory audit firm fees disclosed exclude VAT and out of pocket expenses.

15. Other losses/ (gains) - net

	2023	2022
	€	€
Profit on disposal of property, plant and equipment	**-**	(52.160)
Loss on liquidation of joint venture (Note 27)	**10.969**	-
Waiver of receivables	**55.298**	-
Impairment charge - land under development (Note 29)	**-**	756.424
Impairment loss/ (Reversal of impairment loss) on land and buildings (Note 20)	**390.358**	(2.267.994)
Impairment charge - inventories (Note 29)	**-**	1.056.312
Impairment charge - investments in joint venture prior to reclassification to held for sale (Note 27)	**557.841**	-
Impairment charge - intangible assets (Note 23)	**-**	2.094.939
Impairment charge - goodwill (Note 23)	**2.856.252**	-
Write off of property, plant and equipment (Note 20)	**32.227**	1.024.598
Fair value gains on investment property (Note 22)	**-**	(100.000)
Provisions for legal claims	**103.950**	-
Other taxes	**330.662**	-
Reversal of impairment charge - land under development (Note 29)	**(756.424)**	(558.855)
	3.581.133	1.953.264

16. Salaries

	2023	2022
	€	€
Salaries including discretionary bonuses	**16.913.156**	23.633.880
Social security, provident fund and other contributions	**2.448.601**	3.338.890
Other - Business meals, travel and accommodation	**196.895**	120.997
	19.558.652	27.093.767

Average number of employees:		
Full time	**441**	710
Part time	**67**	329
	508	1.039

17. Finance income/(costs)

	2023	2022
	€	€
Finance income		
Bank interest	**22.857**	21.863
Effective interest income on deferred consideration receivable (Note 30)	**310.733**	-
	333.590	21.863
Finance costs		
Interest expense		
Interest expense	**(5.317.300)**	(4.077.156)
Effective interest expenses on deferred consideration payable (Note 37)	**(318.025)**	(313.833)
Interest expense on lease liabilities (Note 36)	**(126.701)**	(155.278)
Sundry finance expenses		
Bank charges	**(631.103)**	(639.851)
Sundry finance costs	**(41.337)**	(120.924)
Bank commission of letters of guarantee	**(140.000)**	(140.000)
Mortgage expenses	**(162.768)**	(622.215)
Net foreign exchange losses		
Unrealised foreign exchange profit	**6.180**	5.627
Unrealised foreign exchange loss	**(814)**	(4.623)
	(6.731.868)	(6.068.253)
Net finance costs	**(6.398.278)**	(6.046.390)

18. Tax

	2023	2022
	€	€
Corporation tax - current year	**24.552**	1.108.258
Corporation tax - prior years	**98.162**	-
Defence contribution - current year	**-**	5.419
Deferred tax - credit (Note 38)	**(5.420.071)**	(2.914.396)
Credit for the year	**(5.297.357)**	(1.800.719)

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

	2023	2022
	€	€
Loss before tax	**(7.396.488)**	(1.456.645)
Tax calculated at the applicable tax rates	**(924.561)**	(182.081)
Tax effect of expenses not deductible for tax purposes	**2.214.829**	1.167.929
Tax effect of allowances and income not subject to tax	**(1.265.716)**	122.410
Defence contribution current year	**-**	5.419
Deferred tax	**(5.420.071)**	(2.914.396)
Prior year tax	**98.162**	-
Tax charge/ (credit)	**(5.297.357)**	(1.800.719)

18. Tax (continued)

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% (reduced to 17% as of 1 January 2024). 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.

19. Basic and Diluted Earnings per share attributable to equity holders of the parent

	2023	2022
(Loss)/profit attributable to shareholders (€)	**(2.099.131)**	344.074
Weighted average number of ordinary shares in issue during the year	**53.679.960**	2.318
Basic and Diluted Earnings per share attributable to equity holders of the parent (cent)	**(3,91)**	14.843,57

20. 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	39.924.395	15.668.132	155.022	-	1.001.327	118.682	56.867.558
Write off of property, plant and equipment (Note 15)	-	-	-	-	(10.002.794)	-	(10.002.794)
Disposals from disposals of subsidiaries (Note 25)	(59.313.396)	-	-	-	(19.921.564)	(3.395.739)	(82.630.699)
Revaluation adjustment	117.412.500	-	-	-	-	-	117.412.500
Reversal of impairment charge (Note 15)	2.116.104	151.890	-	-	-	-	2.267.994
Balance at 31 December 2022/ 1 January 2023	**343.899.825**	**23.912.262**	**2.504.136**	**211.312**	**17.774.557**	**1.062.825**	**389.364.917**
Reclassification	163.516	(152.000)	-	-	5.277	-	16.793
Additions	2.777.807	10.501.690	137.426	17.700	1.423.378	24.853	14.882.854
Capitalisation of borrowing costs	-	181.762	-	-	-	-	181.762
Write off of property, plant and equipment (Note 15)	-	-	-	-	(56.939)	-	(56.939)
Disposals from disposals of subsidiaries (Note 25)	-	-	-	-	(35.791)	-	(35.791)
Impairment charge (Note 15)	-	(390.358)	-	-	-	-	(390.358)
Reclassification to inventories (Note 29)	(77.800.000)	-	-	-	-	-	(77.800.000)
Balance at 31 December 2023	**269.041.147**	**34.053.356**	**2.641.562**	**229.012**	**19.110.483**	**1.087.678**	**326.163.238**
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	5.394.759	-	-	6.762	2.164.512	245.256	7.811.289
Revaluation adjustment	(15.547.975)	-	-	-	-	-	(15.547.975)
Disposals from disposals of subsidiaries (Note 25)	-	-	-	-	(17.959.834)	(2.670.865)	(20.630.699)
Write off of property, plant and equipment (Note 15)	-	-	-	-	(8.978.195)	-	(8.978.195)
Balance at 31 December 2022/ 1 January 2023	**302.848**	**-**	**-**	**136.149**	**5.353.545**	**911.512**	**6.704.054**
Charge for the year	4.481.337	-	-	10.302	1.576.983	81.418	6.150.040
Disposals from disposals of subsidiaries (Note 25)	-	-	-	-	(6.581)	-	(6.581)
Write off of property, plant and equipment (Note 15)	-	-	-	-	(24.713)	-	(24.713)
Revaluation adjustment	1.498.430	-	-	-	-	-	1.498.430
Balance at 31 December 2023	**6.282.529**	**-**	**-**	**146.451**	**6.899.234**	**992.930**	**14.321.144**
Net book amount							
Balance at 31 December 2023	**262.758.618**	**34.053.356**	**2.641.562**	**82.561**	**12.211.249**	**94.748**	**311.842.094**
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, 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.

20. Property, plant and equipment (continued)

During the year 2023, property under construction of €152.000 (2022: €10.869.046) of the subsidiary, Parklane Hotels Limited, was reclassified to the appropriate category of property, plant and equipment as it was completed and it was ready for use.

During the year 2023, €174.400 and €7.362 of interest and amortised loan arrangement fees respectively were capitalised in property under construction of the subsidiary, The Cyprus Tourism Development Company Limited (Note 35). With the exception of project specific borrowings which are capitalised as incurred, the rate used to determine the amount of borrowing costs eligible for capitalisation was 6,48%.

The land and buildings have been used as collateral in the Group's loan agreements, as noted in Note 35.

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

	2023	2022
	€	€
Cost	**163.767.770**	228.094.996
Accumulated depreciation	**(20.332.160)**	(15.850.823)
Net book amount	**143.435.610**	212.244.173

Fair value hierarchy

The methodology and information used to estimate fair values at the reporting date are given in Note 9.

21. Right-of-use assets

	Beach Leases	**Properties**	**Residential properties**	**Total**
	€	€	€	**€**
Cost				
Balance at 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/ 1 January 2023	**2.230.619**	**533.412**	**-**	**2.764.031**
Additions	-	369.490	-	369.490
Lease modification	(409.028)	-	-	(409.028)
Balance at 31 December 2023	**1.821.591**	**902.902**	**-**	**2.724.493**
Amortisation				
Balance at 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/ 1 January 2023	**278.828**	**222.136**	**-**	**500.964**
Charge for the year	55.099	301.815	-	356.914
Balance at 31 December 2023	**333.927**	**523.951**	**-**	**857.878**
Net book amount				
Balance at 31 December 2023	**1.487.664**	**378.951**	**-**	**1.866.615**
Balance at 31 December 2022	**1.951.791**	**311.276**	**-**	**2.263.067**

22. Investment properties

	2023	2022
	€	€
Balance at 1 January	**-**	2.400.000
Disposals from disposals of subsidiaries (Note 25)	**-**	(2.500.000)
Fair value adjustment (Note 15)	**-**	100.000
Balance at 31 December	**-**	-

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 consisted 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 owned 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 27). 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 and 31 December 2023.

23. Intangible assets

	Goodwill	Intangible assets	Total
	€	€	€
Cost			
Balance at 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 25)	-	(13.300.000)	(13.300.000)
Balance at 31 December 2022/ 1 January 2023	**2.856.252**	**1.430.312**	**4.286.564**
Additions	-	37.782	37.782
Impairment charge (Note 15)	(2.856.252)	-	(2.856.252)
Reclassification from property, plant and equipment (Note 20)	-	(16.793)	(16.793)
Balance at 31 December 2023	**-**	**1.451.301**	**1.451.301**
Amortisation			
Balance at 1 January 2022	-	508.712	508.712
Amortisation for the year	-	1.064.753	1.064.753
Impairment charge (Note 15)	-	2.094.939	2.094.939
Disposals from disposals of subsidiaries (Note 25)	-	(3.200.000)	(3.200.000)
Balance at 31 December 2022/ 1 January 2023	**-**	**468.404**	**468.404**
Amortisation for the year	-	130.219	130.219
Balance at 31 December 2023	**-**	**598.622**	**598.622**
Net book amount			
Balance at 31 December 2023	**-**	**852.679**	**852.679**
Balance at 31 December 2022	**2.856.252**	**961.908**	**3.818.160**

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."

The intangible assets as of 31 December 2023 include licence fee and computer software. Additions of €1.000.000 during 2022 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.

Following the partial disposal of Aphrodite Hills Resort Limited sub-group (Note 25), its intangible assets were disposed off during 2022. At the date of the disposal, the intangible assets were assessed for impairment which resulted to an impairment charge of €2.094.939 (Note 15).

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 review exercise for the year ended 31 December 2023 has resulted in an impairment charge of €2.856.252 (2022: €nil) (Note 15).

23. 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 €nil (2022: €2.094.939) (Note 15).

24. Details of subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	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 Bluekey One Single Member S.A.	Greece	Hotels, tourism and real estate	100	100
Aphrodite Hills Resort Limited (Note 25)	Cyprus	Hotels, tourism and real estate	-	-
Aphrodite Hotels Limited (Note 25)	Cyprus	Hotels, tourism and real estate	-	-
Aphrodite Hills Services Limited (Note 25)	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	-	-
Aphrodite Hills Property Management Limited (Note 25)	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	-	-
The Aphrodite Tennis & Spa Limited (Note 25)	Cyprus	Operation of a tennis academy	-	-
MHV Lifestyle Limited	Cyprus	Retail	-	100
Stromay Holdings Limited	Cyprus	Holding of investments	100	100
Parklane Beach Bar Limited	Cyprus	Dormant	100	100

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group (Note 25). The remaining 50% investment was then classified as investment in joint ventures based on its fair value at the date of sale (Note 27). In addition, on 5 January 2024, the Company entered into an agreement for the sale of its remaining 50% shareholding in Aphrodite Hills Resort Limited as disclosed in Note 27 and Note 46.

On 6 December 2023, the Company sold its 100% share in MHV Lifestyle Limited (Note 25).

All subsidiaries are included in the consolidation.

25. 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 "Deferred consideration receivable" (Note 30). 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 27). Thus, the profit recognised in 2022 on the 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 27).

The Company held 100% in MHV IA Limited up to 22 December 2022. 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 31). 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.

On 6 December 2023, the Company sold its 100% share in MHV Lifestyle Limited, for an amount of €225.000. At the date of the disposal the Company owed an amount of €225.000 to the subsidiary. Both parties decided to set off the amounts and the Company transferred the shares to the purchaser (Note 32). The carrying amount of the net assets at the date of the disposal was €517.829, thus the loss on disposal of subsidiary was €292.829 (Note 15).

25. Disposal of subsidiaries (continued)

The carrying amounts as at the disposal date of assets and liabilities disposed were as follows:

	MHV Lifestyle Limited 2023 €	Aphrodite Hills Resort Limited sub-group 2022 €
Intangible assets	-	10.100.000
Property, plant and equipment	29.210	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	47.174	32.037.638
Trade and other receivables	41.678	6.012.174
Tax refundable	-	100.000
Other assets	-	112.530
Cash at bank and in hand	194.594	4.788.587
Shareholder debit balances	225.000	-
Trade and other payables and provisions	(16.410)	(23.373.759)
Borrowings including finance leases	-	(32.523.396)
Lease liabilities	-	(1.889.710)
Corporation tax liability	(3.417)	(181.447)
Deferred tax liabilities	-	(9.585.097)
Net assets disposed	**517.829**	**51.834.212**
Fair value consideration received	225.000	26.846.813
Cash and cash equivalents disposed	(194.594)	(4.788.587)
Deferred cash consideration	-	(9.480.977)
Non-cash settlement agains payable balance	(225.000)	-
Cash (outflow)/ inflow on disposal	**(194.594)**	**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, 1 January 2022, and the disposal date, 24 November 2022 .

MHV IA Limited contributed €14.958 of loss before tax for the year 2022.

MHV Lifestyle Limited contributed €308.861 of revenues and €88.057 of profit before tax for the period between the dates of the opening reporting date and the disposal date in 2023.

26. Investments in associates

	2023 €	2022 €
Balance at 1 January	**-**	444.934
Disposals	**-**	(431.872)
Share of results of associates	**-**	225.256
Dividends received	**-**	(238.318)
Balance at 31 December	**-**	-

26. Investments in associates (continued)

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	2022 Holding %
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	-	-

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group (Note 25). 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.

27. Investments in joint ventures

	2023 €	2022 €
Balance at 1 January	**26.374.913**	8.978
Additions/ Additions as a result of partial disposal of subsidiary (Note 25)	**648.988**	27.169.139
Share of joint venture gain/(loss)	**4.205.854**	(165.146)
Dividends received	**(569.840)**	(646.997)
Share of other comprehensive income	**(91.105)**	8.939
Loss on liquidation of joint venture (Note 15)	**(10.969)**	-
Impairment charge prior to reclassification to held for sale (Note 27)	**(557.841)**	-
Transfer to Assets classified as held for sale (Note 33)	**(30.000.000)**	-
Balance at 31 December	**-**	26.374.913

The details of the joint ventures are as follows:

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

On 18 September 2023, the Registrar of Companies certified the struck off of the partnership 'L'Union Branded Residences'. An impairment charge of €10.969 was recognised in the statement of profit or loss and other comprehensive income (Note 15).

27. Investments in joint ventures (continued)

On 5 January 2024, the Group signed an agreement to sell fully its 50% holding in Aphrodite Hills Resort Limited sub-group to W.R.A. Consultants Ltd. The consideration price as per the agreement is €30.000.000. As of 31 December 2023, the carrying amount of the investment in joint venture was €30.557.841 prior to its reclassification. Management assessed that on 31 December 2023, IFRS 5 criteria for assets held for sale classification were met.

Non-current assets classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell. Therefore, before the reclassification to Assets classified as held for sale (Note 33) an impairment charge of €557.481 was recognised in the statement of profit or loss and other comprehensive income (Note 15). On the same date the investment in joint venture was reclassified to Assets classified as held for sale (Note 33).

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 %**	2022 Holding %
Aphrodite Hotels Limited	Cyprus	Hotels, Tourism and Real Estate	50	50
Aphrodite Hill Services Limited	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	50	50
Aphrodite Hills Property Management Limited	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	50	50
The Aphrodite Tennis & Spa Limited	Cyprus	Operation of a tennis academy	50	50
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	22,5%	22,5%

27. Investments in joint ventures (continued)

The fair value of assets and liabilities acquired on 24 November 2022 due to partial disposal of Aphrodite Hills Resort Limited - sub-group (Note 25) were as follows:

	Aphrodite Hills Resort Limited - sub-group 2022 €
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**

27. Investments in joint ventures (continued)

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

	2023	2022
	€	€
Non-current assets	**78.235.289**	77.344.894
Current assets	**50.948.533**	39.758.577
Non-current liabilities	**(38.902.927)**	(40.872.169)
Current liabilities	**(29.165.214)**	(26.361.223)
Net assets (100%)	**61.115.681**	49.870.079
Group's share of net assets (50%)	**30.557.841**	24.935.040
Fair Value adjustment of inventory at initial recognition	**-**	1.430.895
Impairment loss recognised in investment in joint venture before the classification as held for sale (Note 15)	**(557.841)**	-
Reclassification to Assets classified as held for sale (Note 33)	**(30.000.000)**	-
Carrying amount of interest in joint venture	**-**	26.365.935

	2023	Period 25 November to 31 December 2022
	€	€
Revenue	**52.240.934**	1.352.513
Cost of sales	**(33.338.583)**	(457.772)
Other operating income	**486.015**	-
Marketing and administrative expenses	**(10.040.918)**	(900.091)
Net finance costs	**(1.733.671)**	(191.480)
Share of loss of associate	**262.225**	(19.892)
Tax	**535.705**	(113.571)
Profit/(Loss) for the period (100%)	**8.411.707**	(330.292)
Other comprehensive (loss)/income (100%)	**(182.210)**	17.877
Total comprehensive income/(loss) (100%)	**8.229.498**	(312.415)
Total comprehensive income/(loss) (50%)	**4.114.749**	(156.207)
Group's share of profit/(loss) and total comprehensive income/(loss)	**4.114.749**	(156.207)
Group's share of profit/(loss)	**4.205.854**	(165.146)
Group's share of other comprehensive (loss)/income	**(91.105)**	8.939
Dividends received by the Group	**569.840**	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.

28. Deferred exit costs

	2023	2022
	€	€
Deferred exit costs classified as current assets	40.000.000	-
	40.000.000	-
Less current portion	(40.000.000)	-
Non-current portion	-	-

Pursuant to certain agreements between the Company and MHV IA Limited, the Company was required to make certain payments to MHV IA in case of achieving certain performance return hurdles, which were assessed as non-financial variables, during the next seven years or upon the successful closing of a sale of the Group (the 'sale exit trigger') if earlier.

On 8 December 2023, a share purchase agreement was signed for the sale of 55% of the Company's shares from Ascetico Limited (seller) to Prodea Real Estate Investment Company S.A. (buyer) (Note 44, Note 46), with the closing of the sale being conditional on certain items including relevant approval of the transaction from respective governmental authorities. As a result of this transaction, and the forthcoming sale exit trigger event occurring upon the completion of the sale, the Company proceeded with the payment of an agreed amount of €40.000.000 (the 'deferred exit costs') to MHV IA Limited.

As at the reporting date, the sale was not finalised and the Company had an unconditional right to request MHV IA to refund the deferred exit costs paid should the sale transaction not be completed successfully by the relevant contractual longstop date. Hence, as at 31 December 2023 the payment was deferred and shown as Deferred exit costs within Current assets on the consolidated statement of financial position. The Deferred exit costs will be expensed in the consolidated statement of profit or loss and other comprehensive income upon successful completion of the sale which occurred during 2024.

29. Inventories

	2023	2022
	€	€
Hotels inventories	**1.427.691**	1.508.339
Real estate inventory:		
Stock of completed property - Parklane Park Tower I	**25.729.263**	28.753.186
Land under development - Parklane East and West Towers	**78.012.228**	87.000
Land under development - Landmark Office Tower	**38.037.583**	30.500.000
Land under development - Landmark Residential Tower	**12.475.159**	6.553.340
	155.681.924	67.401.865

The cost of inventories recognised as expense and included in "cost of sales" amounted to €3.640.730 (2022: €18.927.965).

Inventories are stated at the lower of cost and net realisable value.

An amount of €756.424 was recognised in the statement of profit or loss and other comprehensive income as reversal of impairment (2022: impairment of €756.424) in value of land under development of Landmark Office Tower (Note 15).

An amount of €nil (2022: €558.854) was recognised in the statement of profit or loss and other comprehensive income as reversal of impairment in value of land under development of Landmark Residential Tower (Note 15).

An amount of €nil (2022: €1.056.312) was recognised in the statement of profit or loss and other comprehensive income as impairment in value of stock of completed property and property under construction of AHRL (Note 15).

During the year 2023, €106.108 and €4.679 of interest and amortised loan arrangement fees respectively were capitalised in land under development of Landmark Office Tower and an amount of €213.352 of interest and amortised loan arrangement fees was capitalised in land under development of Landmark Residential Tower (Note 35). With the exception of project specific borrowings which are capitalised as incurred, the rate used to determine the amount of borrowing costs eligible for capitalisation was 6,48%.

In September 2023, the subsidiary, Parklane Hotels Limited, obtained planning permit to build two additional towers, East and West Towers for resale. Therefore, due to the change in use, the amount of €77.800.000 has been reclassified from Property, Plant and Equipment (Note 20) to inventories in September 2023. The land was transferred at fair value on date of transfer, which was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property. The cost of East and West Towers also include professional fees related to their construction.

The Group's inventories have been used as collateral in the loan agreements, as mentioned in Note 35.

30. Trade and other receivables

	2023	2022
	€	€
Trade receivables	**3.406.315**	2.269.511
Trade receivables from related parties (Note 44.4)	**1.840.787**	-
Less: loss allowance on trade receivables	**(38.286)**	(176.322)
Trade receivables - net	**5.208.816**	2.093.189
Receivables from related parties (Note 44.4)	**699.644**	703.202
Shareholders' current accounts - debit balances (Note 44.7)	**101.262**	72.506
Deposits and prepayments	**27.542.892**	27.139.257
Advances to subcontractors	**3.117.719**	-
VAT receivable	**1.190.646**	699.176
Deferred consideration receivable	**8.791.710**	9.480.977
Prepaid loan arrangement fee for unutilised loan	**717.412**	1.007.286
Other receivables	**128.268**	20.993
	47.498.369	41.216.586
Less non-current receivables	**(34.035.257)**	(34.336.171)
Current portion	**13.463.112**	6.880.415

An amount of €26.730.147 (2022: € 24.623.874), 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 amount is classified as non-current.

The amount of €8.791.710 (2022: €9.480.977) relates to the deferred consideration receivable in respect of the sale of the investment in Aphrodite Hills Resort Limited sub-group (Note 25). Under the sale agreement an amount of €10.500.000 is receivable on five installments. The last installment is receivable on 24 November 2027. On 24 November 2023, the Company received the first installment of €1.000.000. The second instalment of €1.500.000 is receivable on 24 November 2024 and is classified as current. The remaining amount of €7.291.710 is classified as non-current. The amount of €10.500.000 was discounted using a discount rate of 3% as at 24 November 2022, resulting to €9.480.977. The effective interest income for the year 2023 amounted to €310.733 (Note 17).

The amount of €3.117.719 (2022: €nil) relates to advance payments paid to subcontractors for the renovation of The Landmark Hotel, of the subsidiary, The Cyprus Tourism Development Company Limited.

Ageing of trade receivables - net:

	2023	2022
	€	€
Up to 30 days	**3.633.537**	12.896
31-120 days	**670.126**	1.931.583
More than 120 days	**905.153**	148.710
	5.208.816	2.093.189

The Group has recognised a loss of €nil (2022: €167.488) for the impairment of its trade receivables during the year ended 31 December 2023. 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 7 of the consolidated financial statements.

31. Financial assets at fair value through profit or loss

	2023	2022
	€	€
Balance at 1 January	**1.001**	1
Additions due to deemed disposal of subsidiary (Note 25)	**-**	1.000
Balance at 31 December	**1.001**	1.001

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.

32. Cash at bank and in hand

	2023	2022
	€	€
Cash in hand	**171.067**	131.850
Cash at bank	**9.763.853**	37.231.611
Restricted bank accounts	**64.648**	-
	9.999.568	37.363.461

An amount of €794.019 (2022: € 799.235) is held for the repayment of the forced acquisition of the previous shareholders, of the subsidiary "The Cyprus Tourism Development Company Limited" during the year 2019.

An amount of €121.062 (2021: € 291.078) is held as reserve on the deposit accounts of the subsidiary Porto Heli Hotel & Marina S.A. to secure debt service.

The restricted cash represents balances of Parklane Hotel Limited that have a limited use for guarantees issued by banks.

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

	2023	2022
	€	€
Cash at bank and in hand excluding restricted bank accounts	**9.934.920**	37.363.461
Bank overdrafts	**(1.532.045)**	-
	8.402.875	37.363.461

32. Cash at bank and in hand (continued)

Non-cash transactions

The principal non-cash transactions during the current year were:

- The redemption of 120.200 redeemable preference shares at a nominal value €1 plus premium of €999 per redeemable preference share. The issue and allotment of 120.200.720 ordinary shares at a nominal value €1 each (Note 34). The total redemption value of €120.200.000 settled off against the total issue and allotment value of €120.200.000;

- The issue and allotment of 120.200.000 ordinary shares at a nominal value €1 each (Note 34).

- Acquisiton of additional shares in Aphrodite Hills Resort Limited amounting to €646.997 (Note 27).

- A dividend receivable from Aphrodite Hills Resort Limited amounting to €569.840, which was declared in December 2023 (Note 27);

- The consideration amounting to €225.000 regarding the disposal of MHV Lifestyle Limited was setted off with an equal amount owned by the Company to the subsidiary (Note 25).

The principal non-cash transactions during the current year 2022 were:

- A dividend receivable from Aphrodite Hills Resort Limited amounting to €646.997, which was declared in December 2022 (Note 27);

- The deferred consideration amounting to €9.480.977 regarding the partial disposal of Aphrodite Hills Resort Limited sub-group (Note 25).

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the consolidated financial statements.

33. Assets classified as held for sale

During 2023, the Directors resolved to dispose the investment in joint venture Aphrodite Hills Resort Limited sub-group. Negotiations with interested parties have taken place during the year. The investment in joint venture, which is expected to be sold within twelve months, has been classified as an asset held for sale and is presented separately in the consolidated statement of financial position.

On 5 January 2024, the Company signed an agreement to sell 100% of its shares in Aphrodite Hills Resort Limited sub-group to W.R.A. Consultants Ltd. The consideration price as per the agreement is €30.000.000. As at 31 December 2023, the carrying amount is €30.000.000.

The carrying amount before the classification as asset held for sale was €30.557.481 (Note 27). Thus, an impairment loss of of €557.481 was recognised in the consolidated statement of profit or loss and other comprehensive income (Note 15).

The asset classified as held for sale is as follows:

	2023	2022
	€	€
Investment in joint venture	**30.000.000**	-

34. Share capital

	2023 Number of shares	**2023 €**	2022 Number of shares	2022 €
Authorised				
Ordinary shares of €1 each	120.397.790	120.397.790	1.000	1.000
Preference shares of €0,01 each	-	-	1	-
Redeemable preference shares of €1 each	-	-	196.789	196.789
	120.397.790	**120.397.790**	197.790	197.789
Issued and fully paid				
Balance at 1 January	145.920	145.920	185.920	185.920
Issue of ordinary shares	120.200.000	120.200.000	-	-
Redemption of Redeemable preference shares	(145.200)	(145.200)	(40.000)	(40.000)
Balance at 31 December	**120.200.720**	**120.200.720**	145.920	145.920

Authorised capital

On 21 July 2023 the Authorised Capital of the Company increased from €197.789,01 (1.000 Ordinary shares of €1 each, 196.789 Redeemable Preference Shares of €1 each and 1 Preference Share of €0,01 each) to €120.397.790 (120.201.000 ordinary shares of nominal value €1 each, 196.789 redeemable preference shares of nominal value €1 each and 100 redeemable preference shares of nominal value €0.01 each).

On 21 July 2023, after the redemption and the issuance and allotment of shares, the Authorised share capital of the Company was first consolidated, converted and denominated to €120.397.790 divided into 120.201.000 ordinary shares of nominal value €1 each and 196.790 redeemable preference shares of nominal value €1 each and then converted and reclassified to €120.397.790 divided into 120.397.790 ordinary shares of nominal value €1 each.

Issued capital

On 31 May 2022 the Company redeemed in cash 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 in cash 25.000 of the redeemable preference shares as follows:

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;

34. Share capital (continued)

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.

On 21 July 2023, the Company redeemed 120.200 of the redeemable preference shares as follows:

a) 24.040 redeemable preference shares of nominal value €1 each held by Flowpulse Limited for a total amount of €24.040.000 being the aggregate amount of the consideration for which they were issued;

b) 30.050 redeemable preference shares of nominal value €1 each held by Prodea Real Estate Investment Company S.A. for a total amount of €30.050.000 being the aggregate amount of the consideration for which they were issued;

c) 66.110 redeemable preference shares of nominal value €1 each held by Ascetico Limited for a total amount of €66.110.000 being the aggregate amount of the consideration for which they were issued;

On 21 July 2023, the Company issued and allotted 120.200.000 ordinary shares (pro rata to their current shareholding in the Company) 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.

As of 31 December 2023, the issued share capital of the Company remained €120.200.720 divided into 120.200.720 ordinary shares of nominal value of €1 each.

35. Borrowings

	2023	2022
	€	€
Balance at 1 January	**81.366.187**	107.568.450
Cash transactions:		
Additions	**39.500.000**	30.500.000
Repayment of principal	**(4.716.045)**	(24.204.547)
Repayment of interest	**(4.094.957)**	(3.745.148)
Arrangement fees paid	**(114.752)**	(1.811.318)
Non-cash transactions:		
Disposals from disposal of subsidiaries	**-**	(32.523.396)
Loan arrangement fees capitalisation	**(453.025)**	-
Interest of the year	**5.096.853**	3.958.991
Amortisation of arrangement fees	**205.474**	615.869
Reclassified to prepayments (Note 30)	**-**	1.007.286
Interest capitalised in the year (Note 20, 29)	**493.860**	-
Balance at 31 December	**117.283.595**	81.366.187

	2023	2022
	€	€
Current borrowings		
Bank loans	**9.738.348**	5.471.491
Non-current borrowings		
Bank loans	**107.545.247**	75.894.696
Total	**117.283.595**	81.366.187

Maturity of borrowings:

	2023	2022
	€	€
Within one year	**9.738.348**	5.471.491
Between one and five years	**55.329.584**	15.568.856
After five years	**52.215.663**	60.325.840
	117.283.595	81.366.187

Loan amounting to: €3.344.606 (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 (Note 32) 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 2023. However, the Company requested and obtained from Piraeus Bank on 8 April 2024, a waiver from the obligation to observe the non-observed financial indicators for the year 2023. The loan was classified as short-term. As of today, there has been no cancellation of the loan.

35. Borrowings (continued)

Loan amounting to: €68.295.499 (Parklane Hotels Limited ("Parklane"))

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 1/2 year anniversary of the loan agreement date. The Facility B was fully repaid during the year ended 31 December 2022.

On 30 November 2023 (the loan agreement date), Parklane Hotel Limited obtained €24.000.000 loan facilities from Eurobank under:

- Facility C: a total of €24.000.000 which is repayable in full on the 5 year anniversary of the loan agreement date.

The bank loan is secured as follows:

- By first rank mortgage of €70.000.000 over Parklane's properties
- By first rank pledge of €70.000.000 over Parklane's shares
- By first rank floating charge of €70.000.000 over Parklane's assets
- By assignment of Parklane's receivables and insurance policies of €70.000.000
- By subordination and pledge of €70.000.000 of shareholder loans
- By first rank mortgage of €70.000.000 over Parklane's bank accounts
- By first rank mortgage of €8.400.000 on four blocks of flats in Limassol of subsidiary Stromay Holdings Limited (Note 48)
- By corporate guarantee of €8.400.000 related to subsidiary Stromay Holdings Limited
- By floating charge of €8.400.000 on the assets of subsidiary Stromay Holdings Limited (Note 48)
- By third rank mortgage of €1.000.000 over Parklane's properties

The loan is subject to a floating interest rate equal to 6 months Euribor plus a margin of 2,75% per annum.

Loan amounting to: €45.643.490 (The Cyprus Tourism Develoment Company Limited ("CTDC"))

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 2023, the Company utilised in full the tranche A.

Tranche B of the development facility is up to €51.500.000 and is mainly 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). As at 31 December 2023, the Company utilised €15.500.000 of the tranche B.

The bank loan is secured as follows:

- First rank mortgage on the land and development (including hotel and office tower) securing 130% the facility and hedging.

35. Borrowings (continued)

- 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),
  d) any other material economic/financial obligations of CTDC potentially identified during the due diligence phase, to be released on the Ramp Up Trigger Date.
- Pledge over CTDC's shares
- Assignment/pledge of CTDC's receivables. Pledge over future receivables deriving from the office tower, to be released upon acquisition of the office tower by Prodea, as per Prodea Forward Purchase Agreement
- Assignment/pledge of the key project documents
- Assignment of the Prodea Forward Purchase Agreement with Prodea.
- Assignment / pledge on movable assets.
- Floating charge on CTDC's assets.
- 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.

Loan with Bank of Cyprus (The Cyprus Tourism Develoment 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.

36. Lease liabilities

	2023	2022
	€	€
Balance at 1 January	**2.407.688**	4.427.200
Additions	**246.911**	243.430
Repayments	**(312.157)**	(528.509)
Interest on lease liabilities (Note 17)	**126.701**	155.277
Modification	**(409.028)**	-
Disposals from disposals of subsidiaries (Note 25)	**-**	(1.889.710)
Balance at 31 December	**2.060.115**	2.407.688

	Minimum lease payments		The present value of minimum lease payments	
	2023	2022	**2023**	2022
	€	€	**€**	€
Not later than 1 year	**411.997**	181.800	**285.920**	102.769
Later than 1 year and not later than 5 years	**710.428**	752.604	**303.306**	501.420
Later than 5 years	**3.029.571**	2.760.000	**1.470.889**	1.803.499
	4.151.996	3.694.404	**2.060.115**	2.407.688
Future finance charges	**(2.091.881)**	(1.286.716)	**-**	-
Present value of lease liabilities	**2.060.115**	2.407.688	**2.060.115**	2.407.688

The lease liabilities for the year ended 31 December 2023 relate to Parklane Hotels Limited and Porto Heli Hotel & Marina SA (2022: Parklane Hotels Limited and Porto Heli Hotel & Marina SA).

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.

The interest rate used for discounting the beach lease liability is 4% and the properties is 2,75% which is based on the prevailing market rate for similar lease arrangements.

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 25).

37. Deferred consideration payable

	2023	2022
	€	€
Balance at 1 January	**9.681.975**	9.368.142
Repayments	**(10.000.000)**	-
Effective interest expense for the year (Note 17)	**318.025**	313.833
Balance at 31 December	**-**	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 was 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 2023 amounted to €318.025 (2022: €313.833). On 24 December 2023, the Company paid the amount in full.

38. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 18). 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 2022	20.130.703
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 18)	(3.015.926)
Fair value reserve	24.342.096
Derecognision due to disposals of subsidiaries	(9.585.097)
Balance at 31 December 2022/ 1 January 2023	**31.871.776**
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 18)	(7.533.495)
Deferred tax in revaluation of land and buildings*	(9.497.675)
Balance at 31 December 2023	**14.840.606**

*The movement of deferred tax in revaluation of land and buildings primarily relates to the change of the tax base of certain land and buildings during 2023.

38. Deferred tax (continued)

Deferred tax assets

	Tax losses €
Balance at 1 January 2022	5.507.592
(Charged)/credited to:	
Statement of profit or loss and other comprehensive income (Note 18)	(101.530)
Fair value reserve	(1.964.202)
Disposals from disposal of subsidiaries	(657.305)
Balance at 31 December 2022/ 1 January 2023	**2.784.555**
(Charged)/credited to:	
Statement of profit or loss and other comprehensive income (Note 18)	(2.113.425)
Balance at 31 December 2023	**671.130**

39. Provisions for other liabilities and charges

	Special provision for government grant €
Balance at 1 January 2022	616.500
Charged/(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.

40. Trade and other payables

	2023	2022
	€	€
Trade payables	**3.992.749**	3.998.404
Advances from customers	**1.319.908**	992.488
Provisions for bonuses	**-**	400.000
Social insurance and other taxes	**564.109**	462.601
VAT payable	**1.430.191**	1.524.862
Directors' current accounts - credit balances (Note 44.8)	**-**	1.740
Employee leave liability	**801.334**	678.004
Accrued renovation costs	**2.917**	675.000
Provisions for legal claims	**124.054**	-
Accruals	**2.374.178**	2.170.853
Other creditors	**1.278.843**	1.236.743
Deferred income from sale of properties	**27.122.209**	-
Payables to other related parties (Note 44.5)	**1.039.495**	3.200
	40.049.987	12.143.895
Less non-current payables	**(30.004.290)**	-
Current portion	**10.045.697**	12.143.895

The deferred income relates to deposits received for the sale of flats in Residential Tower and the sale of Office Tower of the subsidiary, The Cyprus Tourism Development Company Limited ("CTDC"). During the year 2023, CTDC entered into sale agreements for the sale of flats in Residential tower. As per the agreements a certain deposit amount should be paid to the company for each sale. On 14 March 2023, the share purchase agreement (SPA) which was executed on 28 December 2021 for the sale of Office Tower to Panphila Investments Limited (a subsidiary of Prodea Investments) was amended. In particular certain requirements as to the lease as a pre-requisite to the payment of the deposit were amended. As CTDC has achieved the pre-requisite lease, the buyer paid the relevant amount of deposit. As of the reporting date, the towers are both included in Inventories (Note 29) as Land under development. The deposits are expected to be converted into revenue at the time of delivery of the flats and tower to the buyers.

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

41. Government grants

	2023	2022
	€	€
Government grants	**3.013.702**	3.229.397
	3.013.702	3.229.397
Government grant after more than one year	**(2.884.878)**	(3.100.397)
Deferred income within one year	**128.824**	129.000

The amount of €2.834.134 (2022: € 3.188.400) 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 consolidated statement of profit or loss and other comprehensive income was €128.824 (2022: €128.999).

In 2021, audit 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.

42. Current tax (liabilities)

	2023	2022
	€	€
Corporate tax payable	**(44.795)**	(499.195)
	(44.795)	(499.195)

43. 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 consolidated 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.

On October 7, 2023, a conflict began between Hamas and Israel on the Israel-Gaza border. Entities that have direct or indirect business activities, interests or investments in war area or conduct transactions with counterparties that do, may have significant implications related to the war, including disruptions to suppliers, customers or employees. In addition, the conflict may have serious consequences for the world economy, which currently are difficult to estimate.

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.

43. Operating Environment of the Group (continued)

Management is continuously reassessing their operating model 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 both the conflict between Russia and Ukraine and the conflict between Israel-Gaza closely and also the sanctions imposed on Russia and their impact on the tourism industry and its business. The management will assess and seek additional measures as a fall-back plan in case the crisis becomes prolonged.

Climate change affects the hotel industry and could potentially cause significant financial challenges related to implementing eco-friendly strategies that mitigate climate change effects. In addition, extreme weather conditions can lead to a reduction of tourists' arrivals, leading to decreased revenue. The upcoming Corporate Sustainability Reporting Directive (CSRD) adds further financial implications since businesses such as hotels would need to transparently report sustainability information. This will require investing in data collection and reporting systems to ensure compliance with the directive and avoid imposition of penalties. In addition, "green taxes", which are coming into force to prevent further ecological destruction, are expected to increase the cost of sales and operating expenses of the hotels. However, effectively addressing these challenges can reduce "green taxes" and bring economic opportunities, such as long-term savings from energy-efficient practices and attraction of eco-conscious consumers and investors. The Group is committed to responding to the challenges of climate change.

Management believes that it is taking all the necessary measures to maintain its viability and development of its activities in the current economic environment.

44. Related party transactions

At the year end the shareholders of the Company were: 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%.
As of 24 January 2024, the shareholders of the Company are: Prodea Real Estate Investment Company S.A with 79,99%, Flowpulse Limited with 19,999% and other shareholders with 0,002% (Note 46).

The following transactions were carried out with related parties:

44.1 Remuneration of key management personnel

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

	2023	2022
	€	€
Salaries including discretionary bonuses	**751.655**	995.693

The remuneration of the Directors of the parent company (included in the key management compensation above) includes salaries and discretionary bonuses in the amount of €396.155 (2022: €403.845).

44. Related party transactions (continued)

44.2 Sales and other income

	Nature of transactions	2023 €	2022 €
Aphrodite Hills Resort Limited	Dividend Income	**569.840**	-
Aphrodite Hills Pantopoleion Limited	Rental income	**-**	85.419
Prodea Real Estate Investment Company S.A.	Accommodation income	**15.220**	4.746
Invel Real Estate Advisors LLP	Accommodation income	**1.400**	3.530
Invel Real Estate Management Ltd	Accommodation income	**15.443**	45.689
Invel Real Estate Advisors Greece IKE	Accommodation income	**924**	-
Shareholder (Yoda group)	Accommodation income and F&B services	**765.277**	363.786
		1.368.104	503.170

44.3 Purchases and other expenses

	Nature of transactions	2023 €	2022 €
Invel Real Estate Management Ltd	Consulting services	**1.323.525**	-
Aphrodite Hotels Limited	Trade	**-**	3.458
		1.323.525	3.458

44.4 Receivables from related parties (Note 30)

Name	Nature of transactions	2023 €	2022 €
MHV IA Limited	Financing	**-**	16.999
Flowpulse Limited	Financing	**-**	2.510
Aphrodite Hills Resort Limited	Dividends receivable	**569.840**	646.997
Aphrodite Hills Resort Limited	Recharge of expenses	**67.839**	136
Invel Real Estate Advisors LLP	Trade	**-**	1.205
Invel Real Estate Management Ltd	Trade	**28.869**	35.355
Invel Real Estate Advisors Greece IKE	Trade	**616**	-
Panphila Investments Limited	Trade	**1.840.787**	-
Yoda Plc	Trade	**32.480**	-
		2.540.431	703.202

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

44.5 Payables to related parties (Note 40)

Name	Nature of transactions	2023 €	2022 €
MHV IA Limited	Trade	**-**	1.000
Aphrodite Hills Resort Limited	Trade	**-**	2.200
Invel Real Estate Management Ltd	Consulting services	**1.039.495**	-
		1.039.495	3.200

44. Related party transactions (continued)

44.6 Loans from shareholder

		2023	2022
	Terms	€	€
Ascetico Limited	Finance	16.063.840	-
		16.063.840	-

On 8 December 2023 the Company entered into a loan agreement with Ascetico Limited for the amount of €16.000.000. As per the loan agreement, the loan bore interest at the rate of 3% plus 6-month Euribor and was repayable on 8 December 2024. On 19 February 2024 the loan was repaid in full.

44.7 Debit balances of current accounts of shareholders (Note 30)

	2023	2022
	€	€
Shareholders	101.262	72.506

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

44.8 Directors' current accounts - credit balances (Note 40)

	2023	2022
	€	€
Director	-	1.740

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

45. Contingent liabilities and commitments

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

The Company's subsidiary Parklane Hotels Limited entered into a facility agreement with Eurobank Cyprus Limited on 8 July 2021 for an amount up to €70.000.000. The facility agreement was amended and restated on 30 November 2023 such that Eurobank Cyprus Limited made available to Parklane Hotels Limited an additional amount of €24.000.000. As a condition to the facility agreement, MHV Mediterranean Hospitality Venture PLC has granted to Eurobank Cyprus Limited a share pledge and first rank security under a share security agreement dated 8 July 2021 and amended on 30 November 2023. Pursuant to the said share security agreement (as amended), MHV Mediterranean Hospitality Venture PLC guarantees, covenants and agrees with the security agent (Eurobank Cyprus Limited) that it will pay the Secured 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. The guarantee has been given with limited recourse to the value of the monetary proceeds of the shares in the subsidiary.

The Company's subsidiary The Cyprus Tourism Development Company Limited ("CTDC") has entered into a facility agreement with Alpha Bank Cyprus Limited on January 2022 for an amount of up to €82.000.000. Pursuant to the terms of the facility agreement, MHV Mediterranean Hospitality Venture PLC has agreed to grant a share pledge and assign all of its rights, title and interest in CTDC's shares in favour of Alpha Bank Cyprus Limited, under a first ranking equitable mortgage and deed of pledge of share certificate and charge of shares dated 11 February 2022. Pursuant to the said deed of pledge, MHV Mediterranean Hospitality Venture PLC covenants that it shall on demand pay, perform and discharge the Secured Obligations to Alpha Bank Cyprus Limited which are due and payable but unpaid. The guarantee has been given with limited recourse to the value of the monetary proceeds of the shares in the subsidiary.

45. Contingent liabilities and commitments (continued)

The Company's 100% subsidiary Porto Heli Marina S.A, (the "Issuer") 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 constituted the total 100% issued shares of the Issuer at the time and as a result the Company became the sole shareholder of the Issuer. The Company has entered into the transactions contemplated by the share pledge agreement and meets all of its obligations thereunder.

THE CYPRUS TOURISM DEVELOPMENT COMPANY LIMITED

The Company's subsidiary The Cyprus Tourism Development Company Limited ("CTDC") is proceeding with the development of two towers (a residential and an office tower) and the renovation of the Landmark hotel in Nicosia, Cyprus. As of 31 December 2023, the following commitments had been undertaken with respect to this development:

A contract with K. Athienitis Contractors Limited for the construction of the two towers and the underground hotel parking at The Landmark Nicosia Hotel in Nicosia was signed on 19 April 2023 for an amount of €57 million.

A letter of award with Depcon Construction Limited for the external works in courtyard areas, guest rooms and common corridors was signed on 28 April 2023 for a total amount of €10,5 million. As of the date of these financial statements, a final contract with Depcon Construction Limited was yet to be signed.

A contract with Stilles d.o.o. for the execution of hotel rooms at The Landmark Nicosia Hotel in Nicosia was signed on 22 November 2023 for an amount of €5,2 million.

PORTO HELI HOTEL & MARINA S.A.

On 14 December 2023, a contract was signed by the Company's subsidiary Porto Heli Hotel & Marina S.A. with Easy Facilities Technical S.A. for the restoration of the flood damages caused at the subsidiary's property at Porto Heli Greece by storm Daniel in September 2023. The contract's value amounted to €0.9 million.

PARKLANE HOTELS LIMITED

As at 31 December 2023, there were pending claims against the Company in relation to its activities, specifically regarding the Park Tower to be constructed at the plot next to the applicant's plot. To this respect, the Company had a contingent liability which amounted to €500.000. Based on legal advice by the lawyers of the Company, the case is still ongoing and no clear decision has been issued yet.

STROMAY HOLDINGS LIMITED

Stromay Holdings Limited provides guarantees for the subsidiary's Parklane Hotels Limited borrowings, amounting to €8.400.000 (Note 35).

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

46. Events after the reporting period

As explained in note 43 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these consolidated financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

46. Events after the reporting period (continued)

Depending on the duration of the conflicts, 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 2024, the Company entered into an agreement for the sale of its 50% shareholding in Aphrodite Hills Resort Limited to W.R.A. Consultants Ltd ("WRA"), a private limited company duly registered in the Republic of Cyprus. On 5 February 2024, WRA obtained the necessary approval from the Commission for the Protection of Competition of the Republic of Cyprus and on 19 February 2024 the transfer of shares held by the Company in Aphrodite Hills Resort Limited ("AHRL") to WRA took place. The total consideration payable to the Company by WRA was €30 million in cash which constituted a transaction at arm's length.

Prodea Investments announced that on 24 January 2024 it concluded the acquisition of an additional 55% stake in MHV from the Cypriot group of companies Yoda Plc. As of that date, Prodea holds a 80% stake in MHV. Further, the Company entered into a conditional agreement with another party in respect of a transaction for a certain percentage of one of its hotel properties in Greece, subject to varying terms and conditions for its completion.

As a result of the completion of the sale, the contribution made to MHV IA is no longer refundable. On 24 January 2024, the amount of €40 million (Note 28) was released in the statement of profit or loss and other comprehensive income (Note 28).

On 31 January 2024, Mr. Charalambos Michael resigned from the position of Chief Executive Officer ('CEO') and Director of the Company. On 6 February 2024, Mr. Achilleas Dorotheou was appointed as CEO of the Company.

Except for 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.

The impact of events after the reporting date on the going concern is described in note 2.

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