THE AZUR SELECTION S.A.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

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CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

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BOARD OF DIRECTORS AND OTHER OFFICERS

Sole Director:	Georgios Arvanitakis
Managing Director:	Georgios Arvanitakis
Independent Auditors:	tgs (Hellas) Certified Auditors Accountants SA
Registered office:	19 Stratarchou Alexandrou Papagou, Voula - Athens 16673 Greece
Bankers:	Piraeus Bank Alpha Bank Bank of Cyprus Public Company Ltd
Registration number:	EL GEMI: 164362401000

The Board of Directors presents its report and audited consolidated financial statements of the Azur Selection SA and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2022.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are the Investments in the tourism sector and in commercial real estate. The Group invests in hotels and hospitality as well as real estate through a leasing and subleasing business model. The Company conduct business through its subsidiaries and associated companies and focuses on investing in hotels, hospitality and real estate in selected touristic geographical areas in Greece. Currently the Group operates a portfolio of five hotels (3 of which are subleased to a hotel operator and 2 fully managed as hotel operators) and a shopping center.

Change of Company's name

During 2022, the Company changed its name from G. ARVANITAKIS GROUP Plc to THE AZUR SELECTION Plc and during September 2022 the Company redomiciled from Cyprus to Greece, hence changed its name to AZUR SELECTION S.A.

Since 22 November 2022 the Company, by direct admission, is listed on Euronext Access+ Paris (ISIN# GRS528003007) and traded under the tricker MLAZR.

Review of current position, future developments and performance of the Group's business

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

The Group's results for the years ended 31 December 2022 and 2021, are presented in the statement of Profit or Loss and Comprehensive income in the accompanying consolidated financial statements.

2022 was a very good season for the Greek hospitality industry and the industry experts, anticipate the same for 2023. During 2022 revenues and operating profit increased by €1.955.407 or 72% and €609.384 or 261%, respectively, mainly due to the ease of the Covid pandemic restrictions and the extension of the tourist season in Greece.

The overall performance of the Company was improved by approx. 8% as depicted by the ratio below:

	2022		2021	
Profit before tax / Revenues	668.683 / 4.656.672	14,36%	177.123 / 2.701.265	6,56%

As a result of the improved performance EBITDA increased by 61% or €66.522, from €1.089.929 in 2021 to €1.756451 in 2022.

Non Current assets mainly include leased properties representing the most significant balances of our Balance sheet:

	2022		2021	
Non Current Assets / Total Assets	34.380.535 / 41.962.465	81,93%	33.305.916 / 36.175.573	92,07%

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in notes 5, 6 and 25 of the consolidated financial statements.

Operating Environment of the Group

Hospitality (tourism) industry is dependent on consumer confidence, highly sensitive to economic, but also social environment. In Greece despite the economic crisis the industry has been growing fast and systematically in the last three years, in terms of both visitors and revenues. That increased Greek share in the global market, led to higher occupancy and stabilised business profitability. 2022 was a very good season for the Greek hospitality industry and the industry experts anticipate the same for 2023. Two years after inflation began its rapid increase, investors, economists and governments remain divided over the future. Inflation in developed economies is either stable or declining. Inflationary pressures from the Covid 19 pandemic are weakening and the energy crisis in Europe, following Russia's invasion in Ukraine, tends to de-escalate. Supply chain disruptions caused by the Covid 19 pandemic and the war in Ukraine - key drivers of increasing inflation - have eased significantly. Global supply chains have "returned to normal", with the restart of China, which lifted strict anti-pandemic restrictions as the last driver of improvement.

The aim of the Company's management is to adapt to the post-Covid era, maintain positive cash flows mainly through the optimization of working capital management, as well as strict selection and evaluation of investment opportunities.
Regarding the labour market, the employment cost index is slowing down. For an economy where the demand for workers significantly outstrips the supply, we would expect to see wages and employment costs rise.
These economic conditions will affect the borrowing interest rates hence the ability of the Group to obtain new borrowings to finance new investments.
Based on the evaluation performed, Management has concluded that no provisions or impairment charges are required. The management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations on a going concern basis in the current business and economic environment.

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's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. 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, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.
Credit risk is managed on a group level. For cash & cash equivalents and financial portfolios, the Group has established policies whereby the majority of bank balances are maintained with banks and financial institutions with a minimum rating of B.

Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Share capital
There were no changes in the share capital of the Company during the years ended 31 December 2022 and 2021.
Independent Auditors
The Independent Auditors tgs (Hellas) Certified Auditors Accountants SA, have expressed their willingness to continue in office and a resolution giving authority to the Directors to fix their remuneration will be proposed at the Annual General Meeting.

George Arvanitakis

Sole Director

Voula- Athens, Greece, 28 April 2023

Independent Auditor's Report

To the Shareholders of THE AZUR SELECTION SA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of THE AZUR SELECTION SA (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek law. 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 remained independent of the Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek law, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Greece, 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 and the related risks of material misstatements 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 separate and 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.

Lease liabilities and assets with right of use	
The key audit matter	**How the matter was addressed in our audit**
The Company has entered into leasing agreements (Note 22 of the consolidated financial statements).	Our audit procedures include, among others, the following: We assessed the appropriateness of the main assumptions that have been applied to the estimated value of the assets with the right of use. We also assessed the adequacy of the disclosures in the financial statements.

Assessing the value of Goodwill	
The key audit matter	**How the matter was addressed in our audit**
The amount of Goodwill recorded by the Company amounts to €18.121.081 (Note 16 of the consolidated financial statements). Under IFRSs an entity is required to perform an impairment test in order to determine the recoverable amount and account for impairment losses, if any.	Goodwill was recognized on acquisitions of subsidiary and associate companies. The audit procedures include, but are not limited to, the following: We have assessed the suitability of the main assumptions applied to calculate the amount of the Goodwill, such as the net present value of cash flow and attainability of growth and inflation. In this respect an impairment test performed by the management, and we assessed the assumptions and methodologies used by management to determine the recoverable amount of assets (cash generating units) and the level at which the recoverable amount was determined

Group audit	
The key audit matter	**How the matter was addressed in our audit**
Group's components were not audited by an Independent Certified Auditor, because it is not required by law as they are considered small-sized companies based on Greek legislation and regulations.	We have performed audit procedures on the components based on ISA600.

Other information

Management is responsible for the other information. The other information comprises the information included in the Management Report, for which reference is also made in section “Report on other legal and regulatory requirements” 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 identified above 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 Management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as Management 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, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 as incorporated in Greek law, 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 as incorporated in Greek law, 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 Company internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's 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 Company 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 fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 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, related safeguards.

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.

Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report contains the information required by article 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150-151 and 153 -154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended December 31, 2022.

c) Based on the knowledge and understanding concerning AZUR SELECTION S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014

3. Appointment of the Auditor

We were firstly appointed as auditors of the Company on January 12, 2022.

Certified Auditor Accountant

Aristotelis Androutsopoulos
SOEL RN 23271

tgs (Hellas) Certified Auditors Accountants SA
SOEL RN 182

Maroussi, Athens Greece,
April 28, 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	1.01.2022-31.12.2022 €	1.01.2021-31.12.2021 € Restated
Revenue	7	4.656.672	2.701.265
Other operating income	8	767.941	250.437
Purchases and consumables used (COS)		(567.137)	(275.926)
Staff costs	10	(887.030)	(503.203)
Depreciation and amortisation expense	14,15,16	(855.953)	(836.728)
Administration and other expenses	9	(2.278.868)	(1.109.605)
Operating profit		**835.624**	**226.240**
Finance costs	11	(231.814)	(76.078)
Share of results of associates before tax	18	64.873	26.961
Profit before tax		**668.683**	**177.123**
Tax	13	(4.201.072)	(25.604)
Net profit for the year		**(3.532.388)**	**151.519**
Other comprehensive income		-	-
Total comprehensive income for the year		**(3.532.388)**	**151.519**
Net profit for the year attributable to:			
Equity holders of the parent		(3.744.330)	87.881
Non-controlling interests		211.941	63.638
Net profit for the year		**(3.532.388)**	**151.519**
Basic and Diluted earnings/ (losses) per share	12	**(0,190)**	**0,004**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	31.12.2022 €	31.12.2021 € Restated
ASSETS			
Non-current assets			
Property Plant & Equipment	14	1.700.175	1.815.708
Right-of-use assets	15	13.914.835	13.003.509
Intangible assets	16	18.140.234	18.128.451
Investments in associates	18	139.718	74.845
Deferred tax Assets	13	262.991	283.403
Guaranties given		222.582	-
		34.380.535	**33.305.916**
Current assets			
Trade and other receivables	19	7.505.359	2.502.407
Cash at bank and in hand	20	76.571	367.250
		7.581.930	**2.869.657**
Total assets		**41.962.465**	**36.175.573**
EQUITY AND LIABILITIES			
Equity			
Share capital	21	19.662.520	19.662.520
Other reserves		1.549	1.549
Accumulated losses		(6.148.431)	(2.404.102)
		13.515.638	**17.259.967**
Non-controlling interests		245.636	33.696
Total equity		**13.761.274**	**17.293.663**
Non-current liabilities			
Government subsidies		-	858.737
Non-Current Lease liabilities	22	14.021.655	13.219.413
Deferred tax Liabilities	13	4.026.365	33.878
Provisions for other liabilities and charges	23	1.486.706	1.501.351
		19.534.726	**15.613.379**
Current liabilities			
Trade and other payables	24	7.650.451	2.151.750
Current Lease Liabilities	22	831.969	842.258
Current tax liabilities	13	184.045	274.523
		8.666.465	**3.268.531**
Total liabilities		**28.201.191**	**18.881.910**
Total equity and liabilities		**41.962.465**	**36.175.573**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Attributable to equity holders of the Company					
	Share capital €	Statutory reserve €	Accumulated losses €	Total €	Non-controlling interests €	Total €
Balance at 1 January 2021 published	**19.662.520**	**1.549**	**(997.808)**	**18.666.261**	**(29.942)**	**18.636.319**
Change due to correction of error			(1.494.174)	(1.494.174)		(1.494.174)
Balance at 1 January 2021 Restated	**19.662.520**	**1.549**	**(2.491.982)**	**17.172.087**	**(29.942)**	**17.142.145**
Comprehensive income						
Net profit for the year (Restated)	-	-	87.881	87.881	63.638	151.519
Total comprehensive income for the year	**-**	-	**87.881**	**87.881**	**63.638**	**151.519**
Balance at 31 December 2021	**19.662.520**	**1.549**	**(2.404.101)**	**17.259.968**	**33.696**	**17.293.664**
Comprehensive income						
Net loss for the year	-	-	(3.744.330)	(3.744.330)	211.941	(3.532.388)
Total comprehensive income for the year	**-**	**-**	**(3.744.330)**	**(3.744.330)**	**211.941**	**(3.532.388)**
Balance at 31 December 2022	**19.662.520**	**1.549**	**(6.148.431)**	**13.515.638**	**245.637**	**13.761.275**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2022

	31 December 2022 €	31 December 2021 € Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**668.683**	**177.123**
Adjustments for:		
Depreciation of property, plant and equipment	855.953	836.728
Share of loss/(profit) from associates	(64.873)	(26.961)
Interest expense	231.814	76.078
	1.691.577	**1.062.968**
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(5.425.534)	797.839
(Decrease)/increase in trade and other payables	4.666.373	(494.649)
(Decrease)/increase in deferred income	-	(291.703)
Cash generated from/(used in) operations	**932.416**	**1.074.455**
Tax (paid)/refunded	-	(123.823)
Net cash generated from/(used in) operating activities	**932.416**	**950.632**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(29.321)	(380.126)
Payment for purchase of investments in associated undertakings	-	(1)
Loans granted	-	90.000
Net cash generated from/(used in) investing activities	**(29.321)**	**(290.127)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	-	22.345
Repayments of obligations under finance leases	(961.960)	(557.696)
Interest paid	(231.814)	(76.078)
Net cash (used in)/generated from financing activities	**(1.193.774)**	**(611.429)**
Net increase/(decrease) in cash and cash equivalents	**(290.679)**	**49.076**
Cash and cash equivalents at beginning of the period	367.250	318.174
Cash and cash equivalents at end of the period	**76.571**	**367.250**

The accompanying notes form an integral part of these consolidated financial statements.

1. Incorporation and principal activities

The accompanying consolidated financial statements include the accounts of THE AZUR SELECTION SA (the "Company" or the “Group”) and its subsidiaries. The Company has been incorporated in Cyprus on 20 February 2017, as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113, with registered address at Anexartisias & Athinon, NORA COURT, 2nd floor, Limassol, 3040, Cyprus. On 31 May 2022, the Company’s shareholders resolved the domiciliation of the Company in Greece and the transfer of the Company’s headquarters from Cyprus to Greece. On 16 September 2022, the amendment of the Company's Articles of Association due to the redomicile in Greece were approved by the General Commercial Register Service of the Athens Chamber of Commerce & Industry (GEMI) and on the same date the Company was registered with the General Commercial Register of the Hellenic Republic, as a société anonyme under the registration number 164362401000.

THE AZUR SELECTION SA is incorporated in Greece with an indefinite corporate life, the address of its registered office is 19, Stratarchou Alexandrou Papagou Street, 16673 Voula, Athens, Greece and its web address is www.azurselection.com.

The Company's ordinary shares were listed on the Cyprus Stock Exchange on the Emerging Companies Market (E.C.M.) since 29 October 2020. On 27 May 2022, the Company decided to delist from the Cyprus Stock Exchange in the perspective of its listing on Euronext Access+Paris. On 20 September 2022, the Company’s shareholders approved the listing of the Company’s ordinary shares on Euronext Access+Paris. Since 22 November 2022 the Company is traded under the ticker MLAZR. The majority shareholder of the parent company holding 84% (as at 31 December 2022) is Mr George Arvanitakis.

Apart of the taxation the aforementioned redomiciliation has no significant effect on the consolidated financial information for the current period or comparative figures.

Based on its articles of incorporation, the primary activities of the Company are to participate to the share capital of selected hotel groups located mainly in Greece and to act as lessor and operator. In addition, other activities include:

- Rendering of advisory services in relation to the organisation, administration and management of hotels and other touristic units
- Construction, repair and maintenance, administration, development and management of bars, restaurants, coffee shops, clubs, casinos and commercial shops.
- Acquisition, disposal, development, management, lease of real estate properties
- Retail sale of food, beverages, books, and touristic products
- Lease of beach umbrellas, sunbeds and chairs
- Lease of parking spaces, cars and vans
- Operation of hairdressing, sauna and spa facilities

The accompanying consolidated financial statements were approved for issuance by the Board of directors on 28 April 2023.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). These consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in euros (€) rounded to the nearest value, except when otherwise indicated.

In determining the appropriate basis of preparation of the consolidated and Company financial statements, the Directors are required to consider whether the Group and the Company can continue in operational existence for the foreseeable future. It is noted that since the activity of the Company is directly related to the activity of its subsidiaries, the assessment of the going concern principle of the Company is directly related to the going concern of the Group. The future financial performance of the Group is dependent upon the wider economic environment and factors that particularly affect the environment and therefore the performance of the Group include macroeconomic conditions and supply and demand of touristic product and the value of the hoteling assets.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material judgement in the carrying amount of assets or liabilities affected in future periods. Actual results may differ from those estimates. Estimates are based on management's previous experience including expectations of future events under normal conditions.
The aforementioned judgments, estimates and assumptions are periodically re - assessed in order to be in line with current available data and reflect current risks. When applying the Group's accounting policies, management has made the following judgments, estimates and assumptions that may have a significant impact on the items reported in the financial statements:

Deferred tax assets: Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profits will be available against which the losses or deductible differences can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Right of use assets: On the beginning date of the leasing period, a right of use asset and a liability are recognized by calculating the present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to borrow all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will be exercised. The Group implements a single discount rate at each leasing category with similar characteristics (as leasing with similar duration, assets and economic environment). Afterwards, the asset is measured at cost less depreciation and any impairment losses while, the liability is measured by increasing book value with interest expenses on the liability and by decreasing book value with leases payment.

Useful life of property plant and equipment: Management makes estimates when determining the useful life of depreciable assets. Such estimates are periodically reviewed.

Determination of cash generating units for impairment testing: For the purposes of its impairment testing the Company identifies each cash generating unit ("CGU") which represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In determining the CGUs the Group considers various factors including management's marketing and trading strategies and nature and terms of contractual arrangements. The Group also considers other factors such as investment and discontinuance decisions, and how management monitors financial performance.

The determination as to whether the cash inflows of groups of products which form a CGU are largely dependent on each other requires judgment to be exercised in assessing all the available data and information noted above, particularly with reference to assumptions and judgments regarding future planned and expected marketing and trading strategies. Should these judgments be proven, through the passage of time, to be incorrect or subject to change or amendment in future periods it is possible that impairment charges may arise, or reversals of impairments may occur.

3. Adoption of new or revised standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS amendments which have been adopted by the Group as of 1 January 2022:

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**
  The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:
  - **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.
  - **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes such sales proceeds and related cost in profit or loss.
  - **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.
  - **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. The amendments had no impact on the financial statements of the Group.

IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)
The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendments had no impact on the financial statements of the Group.

Standards issued but not yet effective and not early adopted

- **IFRS 17: Insurance Contracts**
  The standard is effective for annual periods beginning on or after 1 January 2023 with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The group does not issue contracts in scope of IFRS 17; therefore its application does not have an impact on the group's financial performance, financial position or cash flows.

- **IFRS 17: Insurance Contracts**
  The standard is effective, for annual periods beginning on or after 1 January 2023, with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17.
  IFRS 17, with the objective to provide an accounting model for insurance contracts that is more useful and consistent for insurers, establishes principles for the recognition, measurement, presentation and disclosure of all types of insurance contracts, as well as of certain guarantees and financial instruments with discretionary participation features. The accounting model is supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and by a simplified approach (the premium allocation approach) mainly for short-duration contracts.
  The main features of the new accounting model include the measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows). Also, the model includes a Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period. Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period. Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement but are recognised directly on the statement of financial position.
  Furthermore, the presentation of insurance revenue and insurance service expenses in the statement of comprehensive income will be based on the concept of services provided during the period. Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense. In the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held, are presented separately. Finally, IFRS 17 requires extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.
  Regarding the transition, the Board decided on a retrospective approach for estimating the CSM on the transition date. However, if full retrospective application, as defined by IAS 8, for a group of insurance contracts, is impracticable, an entity is required to choose either the modified retrospective approach or fair value approach. Both provide transitional reliefs.
  Finally, in December 2021, the IASB issued amendments to IFRS 17 to add a transition option for a "classification overlay" to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17. An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. Management has made an assessment of the effect of the standard and its amendments and considers there is no significant impact on the Group.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2023 with earlier

application permitted. 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. Management has assessed these amendments and considers there is no significant impact on the Group.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**
  The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Management has assessed these amendments and considers there is no significant impact on the Group.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**
  The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Management has assessed these amendments and considers there is no significant impact on the Group.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU. Management has assessed these amendments and considers there is no significant impact on the Group.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**
  The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-

lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU. Management has assessed these amendments and considers there is no significant impact on the Group.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed these amendments and considers there is no significant impact on the Group.

4. Significant accounting policies

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

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company THE AZUR SELECTION S.A. and the financial statements of the following subsidiaries, as described in Note 17.

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

Business combinations

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

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

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

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

Investments in associates

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

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

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

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

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

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 Group operates only in Greece and for this reason operations are not analysed by geographical segment. The Group reports financial information and evaluates its operations by one reportable segment. The Group's revenue is analysed in Note 7.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

- **Sale of products**

  Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **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.

- **Work executed**

  Work executed is recognised in the accounting period in which the work is carried out by reference to completion of the specific transaction assessed on the basis of the actual work executed provided as a proportion of the total work to be carried out.

- **Rental income**

  Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Tax

Current income tax: Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income (income statement component). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax: Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of comprehensive income (income statement component) is recognized outside the statement of comprehensive income (income statement component). Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

No depreciation is provided on land.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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 for 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.

Deferred income

Deferred income represents income receipts which relate to future periods.

Investment properties

Investment property, principally comprising shops and office buildings, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property is treated as a non-current asset and is stated at historical cost less depreciation. Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Leases

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

<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.

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

The lease liabilities are presented in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

Financial assets

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Group determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, 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 borrowings 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 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 "Financial Instruments", and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with customers".

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

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

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Share capital

Ordinary shares are classified as equity.

Financial liabilities - Modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

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.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

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

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. During the preparation of the consolidated financial statements of 31 December 2022, certain errors and omissions were identified that related to the prior year financial statements (see note 27).

5. Financial risk management

Financial risk factors
The Group is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

5.1 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's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. 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.

5.2 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, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly.

(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
- cash and cash equivalents
- credit commitments

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
- internal credit rating

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Trade receivables and contract assets

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, lease receivables 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 contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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.

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Group assesses whether there was a significant increase in credit risk.

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

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Lease receivables

Management estimates the loss allowance on lease receivables at the end of the reporting period at an amount equal to lifetime ECL.

None of the lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these lease receivables, Management consider that no lease receivable is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for lease receivables.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with finance lease receivables is mitigated because they are secured over the leased store equipment.

There were no significant lease receivables written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Group will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

5.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

5.4 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Group manages its capital 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. The Group's overall strategy remains unchanged from last year.

6. Critical accounting estimates, judgments and assumptions

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

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.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Group's accounting policies

- **Impairment of investments in associates**

The Group periodically evaluates the recoverability of investments in associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in associates may be impaired, the estimated future discounted cash flows associated with these associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

- **Useful live of depreciable assets**

  The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary, so that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

- **Provisions**

  The amount recognised for provisions is estimated based on Directors' past experience and its future expectations. However, the actual outcome may vary from the amount recognised.

7. Revenue

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

Disaggregation of revenue	**2022**	**2021**
	€	**€**
Rendering of services	2.883.403	1.610.052
Work executed	538.000	635.936
Rental income	1.235.269	455.277
	4.656.672	**2.701.265**

Rendering of services represents the income received from the hotel activities, specifically from the hotel operations and the short-term rentals of hotel luxury apartments (suites).

Rental income consists of the rent receivable amounts from the sub-lease of the right-of-use assets (hotel units).

8. Other operating income

	2022	**2021**
	€	**€**
Government grants and subsidies	642.342	250.437
Other	125.599	-
	767.941	**250.437**

9. Administration and other expenses

	2022	2021
	€	€
Rent	16.120	10.038
Electricity	177.713	60.614
Water supply and cleaning	93.467	43.425
Insurance	9.001	4.590
Repairs and maintenance	15.327	250.646
Telephone and postage	9.626	18.348
Stationery and printing	16.723	11.561
Accounting fees	56.788	37.166
Legal and professional	30.148	5.750
Other professional fees	1.245.657	381.446
Fines	162.427	31.163
Travelling and accommodation	73.689	37.706
Advertising	-	4.500
Decoration	-	14.337
Irrecoverable VAT & other taxes	79.843	20.292
Write off receivables	142.965	-
Sundry expenses	149.374	188.061
	2.278.868	**1.109.605**

10. Staff costs

	2022	2021
	€	€
Salaries	719.005	412.088
Social security costs	159.939	91.115
Other costs	8.086	-
	887.030	**503.203**

11. Finance costs

	2022	2021
	€	€
Interest expense on lease liabilities	119.702	59.646
Sundry finance expenses	112.112	16.432
Finance costs	**231.814**	**76.078**

12. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. There is no diluted EPS as at 31 December 2022 and 2021.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2022	**2021**
Profit (loss) for the year attributable to equity holders of the parent	(3.744.330)	87.881
Weighted average number of ordinary shares	19.662.520	19.662.520
EPS	(0,190)	0,004

13.Tax

The corporate income tax rate in Greece for periods commencing after 1 January 2021, is 22%.
The company calculates deferred income tax on goodwill following the redomicile from Cyprus to Greece.
Current income and deferred tax are analysed below:

	2022	**2021**
	€	**€**
Current income tax:		
Current income tax charge	188.171	74.382
Deferred tax:		
Relating to originating and reversal of temporary differences	4.012.900	(48.778)
Total income tax (benefit) / expense	**4.201.071**	**25.604**

Reconciliation of deferred tax:

	Consolidated Statement of financial position		**Consolidated Statement of profit or loss**	
	2022	**2021**	**2022**	**2021**
	€	**€**	**€**	**€**
Right of use assets	223.264	249.525	26.262	
Goodwill	(3.986.638)	-	3.986.638	(48.778)
Deferred tax expense (benefit)			***4.012.900***	***(48.778)***
Net deferred tax assets	**(3.763.374)**	**249.525**		
Deferred tax assets	262.991	283.403		
Deferred tax liabilities	(4.026.365)	(33.878)		
Deferred tax assets net	**(3.763.374)**	**249.525**		

Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities in the countries the companies operate in, examine the returns and the records of the taxpayer and a final assessment is issued.

Pending the tax examination of the related unaudited tax years, the Group, based upon previous years' tax examinations and past interpretations of the tax laws, believes that adequate provisions for probable future tax assessments have been made in the consolidated financial statements. Books and records of all the entities included in the consolidation have not been audited by the tax authorities since their incorporation. The management of the Group does not anticipate any additional liabilities for 2022, other than those recorded in the accompanying consolidated financial statements.

14. Property, plant and equipment

	Buildings €	Furniture, fixtures and office equipment €	Total €
Cost			
Balance at 1 January 2021	**1.394.728**	**913.314**	**2.308.043**
Additions	365.558	6.613	372.171
Balance at 31 December 2021	**1.760.286**	**919.927**	**2.680.214**
Additions/Disposals	-	14.487	14.487
Balance at 31 December 2022	**1.760.286**	**934.414**	**2.694.700**
Depreciation			
Balance at 1 January 2021	156.049	592.201	748.250
Charge for the year	66.294	49.962	116.256
Balance at 31 December 2021	**222.343**	**642.163**	**864.506**
Charge for the year	80.917	49.103	130.020
Balance at 31 December 2022	**303.260**	**691.265**	**994.525**
Net book value			
Balance at 31 December 2022	**1.457.026**	**243.148**	**1.700.175**
Balance at 31 December 2021	**1.537.943**	**277.764**	**1.815.708**

15. Right-of-use assets

	Land and buildings €	Total €
Cost		
Balance at 1 January 2021	**15.759.491**	**15.759.491**
Additions	-	**-**
Balance at 31 December 2021	**15.759.491**	**15.759.491**
Additions	1.634.209	**1.634.209**
Balance at 31 December 2022	**17.393.700**	**17.393.700**
Depreciation		
Balance at 1 January 2021	**2.036.215**	**2.036.215**
Charge for the year	719.767	719.767
Balance at 31 December 2021	**2.755.982**	**2.755.982**
Charge for the year	722.883	722.883
Balance at 31 December 2022	**3.478.865**	**3.478.865**
Net book value		
Balance at 31 December 2022	**13.914.835**	**13.914.835**
Balance at 31 December 2021	**13.003.509**	**13.003.509**

The Group leases several assets including buildings, land for hotel and hotel apartments units. The average lease term is 24 years (2021: 25 years).

The lease agreements consist of the agreed rentals over the lease period, with a Company right for renewal.

The Right-of-use assets were recognized using the Discounted Cash flows Method. The discount rates were used in all periods presented is 3%.

The assumptions and estimates used are based on future forecasts as at 31 December 2022. The management considers that the estimates and assumptions used in the calculation of impairment losses are reasonable and appropriate, but such estimates are highly subjective; No impairment loss was recognized on the assets as a result of the impairment test.

Depreciation expense on right-of-use assets has been recognised in the consolidated statement of profit and loss:

The lease liabilities are analyzed in Note 22.

16. Intangible assets

	Software	Goodwill	Total
	€	**€**	**€**
Cost			
Balance at 1 January 2021	1.670	18.121.081	18.122.751
Additions	7.955	-	7.955
Balance at 31 December 2021	**9.625**	**18.121.081**	**18.130.706**
Additions/Disposals	14.834	-	14.834
Balance at 31 December 2022	**24.459**	**18.121.081**	**18.145.540**
Depreciation			
Balance at 1 January 2021	1.550	-	1.550
Charge for the year	705	-	705
Balance at 31 December 2021	**2.255**	**-**	**2.255**
Charge for the year	3.051	-	3.051
Balance at 31 December 2022	**5.306**	**-**	**5.306**
Net book value			
Balance at 31 December 2022	**19.153**	**18.121.081**	**18.140.234**
Balance at 31 December 2021	**7.370**	**18.121.081**	**18.128.451**

Goodwill represents the premium paid to acquire the business of the Company's subsidiaries and associates and is measured at cost less any accumulated impairment losses.

The Group reassess annually the Goodwill paid for the acquisition of subsidiaries and associates. The initial goodwill estimate is based on the net present value of the future cash flows (NPV model) of the acquired assets. The sensitivity and achievability of the set expected cash flows are being evaluated on an annual basis.

These future cash items have been discounted using the Group's average cost of capital plus a risk premium of 2%. Goodwill was impaired in 2019 by € 1.366.435 due to the COVID-19 pandemic and the Management of the Group, having reassessed the impact on future cash flows, concluded that no further impairment is required.

17. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %
A.S Resort IKE	Greece	Investment activities in the tourism sector	100	100
ARISTON Glyfada IKE	Greece	Investment activities in the tourism sector	100	100
Crystal Vouliagmeni IKE	Greece	Hotel management	80	80
ARVAN Hotel Constructions IKE	Greece	Construction Company	100	100
Housepeak Investments Limited	Cyprus	Investments in Properties (57% owner of A & K Anaptyxiaki IKE)	80	80
R&A Biene Propertia Investments Ltd	Cyprus	Investment activities in the tourism sector (100% owner of A Mykonos Hotels IKE)	58	58
Estoril Holdings Limited	Cyprus	Investment activities in the tourism sector (100% owner of B Mykonos Hotels IKE)	75	75

18. Investments in associates

	2022 €	2021 €
Balance at 1 January	74.845	47.884
Share of results of associates before tax	64.873	26.961
Balance at 31 December	**139.718**	**74.845**

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %
MATSAR LTD	Cyprus	Investments activities in tourist sector (100% owner of Grisogono Investments IKE, a company established in Greece)	50	50

19. Trade and other receivables

	2022 €	2021 €
Trade receivables	784.781	470.870
Shareholders' current accounts - debit balances	1.603.556	863.190
Deposits and prepayments	429.311	466.296
Advances to subcontractors	353.320	243.254
Other receivables	4.044.610	241.188
Refundable VAT	289.781	217.609
Trade and other receivables	**7.505.359**	**2.502.407**

The Group does not hold any collateral over the trading balances.

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 5 of the consolidated financial statements.

20. Cash at bank and in hand

	2022	2021
	€	€
Cash at bank and in hand	76.571	367.250
	76.571	**367.250**

The Company's sight and time deposits earn interest at floating rates based on daily bank deposits rates. Sight and time deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company.

21. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	19,662,520	19,662,520	19,662,520	19,662,520
Issued and fully paid				
Balance at 1 January	19,662,520	19,662,520	19,662,520	19,662,520
Balance at 31 December	19,662,520	19,662,520	19,662,520	19,662,520

22. Lease Liabilities

At 1st January 2021	**14.335.293**
Additions	224.428
Interest expense	59.646
Lease payments	-557.696
At 31 December 2021	**14.061.671**
At 1st January 2022	**14.061.671**
Additions	1.634.209
Interest expense	119.702
Lease payments	-961.960
At 31 December 2022	**14.853.622**

All lease liabilities are denominated in Euro. The present value of lease liabilities consists of minimum lease payments minus future finance charges.

During the fourth quarter of 2022 the Group entered into an agreement for the long-term lease of a plot of land located in the Peloponnese region, between Patras and Aigio. The Company contemplates the construction of a 5-Star resort on the 7,5 hectare site at an estimated investment of €40 million.

It is the Group's policy to lease properties and operate or sublease them as hotel units or in hospitality industry with average lease and sublease term 24 years and 9 years respectively. For year ended 31 December 2022, the average effective borrowing rate was 3.0% (2021: 3.0%). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Future minimum lease payments are analysed as follows:

Maturity of lease liabilities	**31.12.2022**	**31.12.2021**
0-1 year	831.969	842.258
1-5 years	3.261.393	3.161.238
Over 5 years	10.760.260	10.058.175
	14.853.622	**14.061.671**

The fair values of lease obligations approximate to their carrying amounts as presented above.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

23. Provisions for other liabilities and charges

	Pension and other post-retirement obligations	**Warranty on Rents receivable**	**Total**
	€	**€**	**€**
Balance at 1 January 2021	26.424	1.457.425	1.483.849
Additions	-	17.502	17.502
Balance at 31 December 2021	**26.424**	**1.474.927**	**1.501.351**
Used	(17.059)		(17.059)
Additions	-	2.414	2.414
Balance at 31 December 2022	**9.365**	**1.477.341**	**1.486.706**

The amounts included in the consolidated statement of financial position include the following:

	2022	**2021**
	€	€
Provisions to be used after more than twelve months	**1.486.706**	**1.501.351**

24. Trade and other payables

	2022	2021
	€	€
Trade payables	1.255.219	646.078
Social insurance and other taxes	1.520.427	727.384
VAT	155.890	-
Accruals	37.527	155.429
Other creditors	2.470.063	794
Government grants	273.334	-
Payables to associates	1.937.991	622.065
	7.650.451	**2.151.750**

Government grants relate to Government subsidies given to the Group's Greek subsidiaries for financial support purposes due to the adverse consequences caused by the pandemic COVID-19.

According to decision issued by the Ministry of Finance in Greece, it was established that approximately 50% of the grants given by the government will not be returned by the companies. The Group will repay the balance of € 273.334.

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

25. Operating Environment of the Group

Hospitality (tourism) industry is dependent on consumer confidence, highly sensitive to economic, but also social environment. In Greece despite the economic crisis the industry has been growing fast and systematically in the last three years, in terms of both visitors and revenues. That increased Greek share in the global market, led to higher occupancy and stabilised business profitability. 2022 was a very good season for the Greek hospitality industry and the industry experts anticipate the same for 2023.

Two years after inflation began its rapid increase, investors, economists and governments remain divided over the future. Inflation in developed economies is either stable or declining. Inflationary pressures from the Covid 19 pandemic are weakening and the energy crisis in Europe, following Russia's invasion in Ukraine, tends to de-escalate. Supply chain disruptions caused by the Covid 19 pandemic and the war in Ukraine - key drivers of increasing inflation - have eased significantly. Global supply chains have “returned to normal”, with the restart of China, which lifted strict anti-pandemic restrictions as the last driver of improvement.

The aim of the Company's management is to adapt to the post-Covid era, maintain positive cash flows mainly through the optimization of working capital management, as well as strict selection and evaluation of investment opportunities.

Regarding the labour market, the employment cost index is slowing down. For an economy where the demand for workers significantly outstrips the supply, we would expect to see wages and employment costs rise.

These economic conditions will affect the borrowing interest rates hence the ability of the Group to obtain new borrowings to finance new investments.

The Company's Management is unable to predict all developments which could have an impact on the Greek economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

Based on the evaluation performed, the Group's management has concluded that no provisions or impairment charges are required. The management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.

26. Related party transactions

The following transactions were carried out with related parties:

26.1 Directors' remuneration

	2022	2021
	€	€
Directors' fees	2.000	2.000
Directors' remuneration	2.000	4.800
	4.000	**6.800**

26.2 Sales of goods and services

	Nature of transactions	2022 €	2021 €
Latin Beach	Services	522.873	-
Grisogono Investments (Greece)	Services	30.000	46.000
		552.873	**46.000**

Sales to the associated undertakings were made at cost.

26.3 Purchases of goods and services

	Nature of transactions	2022 €	2021 €
ARVANITAKIS MANAGEMENT COMPANY SARL	Technical support	-	51.341
		-	**51.341**

Purchases from related company ARVANITAKIS MANAGEMENT COMPANY SARL were made on commercial terms and conditions.

26.4 Receivables from related parties

Name	Nature of transactions	2022 €	2021 €
Grisogono Investments (Greece)	Services	107.500	-
Office A IKE	Finance	59.475	-
Azur Volos (Greece)	Finance/Services	50.210	55.768
Azur Meganisi (Greece)	Finance	1.501.744	349.795
Azur Skiathos (Greece)	Finance	256	-
George Arvanitakis Technical Manufacturing Company	Finance	51.527	-
Panamera Manufacturing Company	Finance	47.213	-
Kiratsa Stavroula	Finance	69.000	-
Latin Beach Athens (Greece)	Services	43.565	-
Revithis Ioannis	Finance	143.041	-
		2.073.531	**405.563**

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

26.5 Payables to related parties

Name	Nature of transactions	2022 €	2021 €
Grisigono Investments (Greece)	Services	854.822	570.724
Lokland consulting Limited	Services	439.000	-
Arvanitakis Management Company SARL	Trade	51.243	51.341
Azur Volos (Greece)	Finance	445.964	-
Azur Meganisi (Greece)	Finance	51.660	-
Latin Beach Athens (Greece)	Services	95.303	-
		1.937.991	**622.065**

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

26.6 Shareholders' current accounts - debit balances (Note 19)

	2022	2021
	€	€
Georgios Arvanitakis	1.603.556	863.190
	1.603.556	**863.190**

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

Management has assessed the recoverability of the amounts due/from the related parties and concluded that no provision for impairment is required.

26.7. Significant agreements with management

At the end of the year, no significant agreements existed between the Group and its Management.

27. Restatement of Financial Statements of 31 December 2021 and 2020:

During the preparation of the consolidated financial statements of 31 December 2022, certain errors and omissions were identified that related to the financial statements of 31 December 2021, prepared in accordance with IFRS and the respective comparatives of 31 December 2020. The Group's management decided to go forward with a retrospective correction of these errors in the respective periods and thus to restate the financial statements of 31 December 2021 and 2020, according to the provisions of IAS 8 "Accounting Principles, Changes in Accounting Estimates and Errors". The adjustments that took place in the balance sheet and income statement for the periods ending on 31 December 2021 and 2020, are presented in the following tables and the main adjustments relate to the issues described below:

Statement of financial position as at 31 December 2020

	Published 31.12.2020	Adjustment	Restated 31.12.2020
ASSETS			
Non-current assets			
Property Plant & Equipment	367.803	1.191.990	1.559.793
Right-of-use assets	10.616.031	3.107.245	13.723.276
Investment Properties	297.110	(297.110)	-
Intangible assets	18.121.081		18.121.081
Investments in associates	47.884		47.884
Deferred tax Assets	-	229.050	229.050
Lease Receivables	900.000	(900.000)	-
Trade and other receivables	12.792.853	(12.792.853)	-
	43.142.762		**33.681.084**
Current assets			
Trade and other receivables	3.486.430		3.486.430
Lease Receivables	114.577		114.577
Cash at bank and in hand	361.774		361.774
	3.962.781		**3.962.781**
Total assets	**47.105.543**		**37.643.865**
EQUITY AND LIABILITIES			
Equity			
Share capital	19.662.520		19.662.520
Other reserves	1.549		1.549
Accumulated losses	(997.809)	(1.494.176)	(2.491.985)
	18.666.260		**17.172.084**
Non-controlling interests	(29.942)		(29.942)
Total equity	**18.636.318**	**-**	**17.142.142**
Non-current liabilities			
Government subsidies	836.392		836.392
Obligations under finance leases	21.862.499	(7.990.036)	13.872.463
Trade and other payables	760.522		760.522
Deferred tax Liabilities		28.303	28.303
Provisions for other liabilities and charges	1.483.849		1.483.849
	24.943.262		**16.981.529**
Current liabilities			
Trade and other payables	2.380.594		2.380.594
Obligations under finance leases	468.600	(5.769)	462.831
Borrowings	43.600		43.600
Deferred income	309.205		309.205
Current tax liabilities	323.964		323.964
	3.525.963		**3.520.194**
Total liabilities	**28.469.225**		**20.501.723**
Total equity and liabilities	**47.105.543**		**37.643.865**

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Statement of Comprehensive Income for the year ended December 31,2021

	1.01.2021-31.12.2021 Published	Adjustment	1.01.2021-31.12.2021 Restated
Revenue	2.791.265	(90.000)	2.701.265
Other operating income	403.004	(152.567)	250.437
Purchases and consumables used (COS)	(275.926)		(275.926)
Staff costs	(503.203)		(503.203)
Depreciation and amortization expense	(294.241)	(542.487)	(836.728)
Administration and other expenses	(1.619.819)	510.214	(1.109.605)
Operating profit	**501.080**		**226.240**
Finance costs	(119.843)	43.765	(76.078)
Share of results of associates before tax	26.961		26.961
Profit before tax	**408.198**		**177.123**
Tax	(74.382)	48.778	(25.604)
Net profit for the year	**333.816**		**151.519**

Statement of financial position as at 31 December 2021

	Published 31.12.2021	Adjustment	Restated 31.12.2021
ASSETS			
Non-current assets			
Property Plant & Equipment	-	1.815.708	1.815.708
Right-of-use assets	12.172.864	830.645	13.003.509
Investment Properties	270.100	(270.100)	-
Intangible assets	18.121.081	7.370	18.128.451
Investments in associates	74.845		74.845
Deferred tax Assets	-	283.403	283.403
Lease Receivables	800.000	(800.000)	-
Trade and other receivables	12.979.037	(12.979.037)	-
	44.417.927		**33.305.916**
Current assets			
Trade and other receivables	2.502.407		2.502.407
Lease Receivables	124.577	(124.577)	-
Cash at bank and in hand	367.250		367.250
	2.994.234		**2.869.657**
Total assets	**47.412.161**		**36.175.573**
EQUITY AND LIABILITIES			
Equity			
Share capital	19.662.520		19.662.520
Other reserves	1.549		1.549
Accumulated losses	(802.186)	(1.601.916)	(2.404.102)
	18.861.883		**17.259.967**
Non-controlling interests	110.755	(77.059)	33.696
Total equity	**18.972.638**		**17.293.663**
Non-current liabilities			
Government subsidies	858.737		858.737
Obligations under finance leases	22.107.680	(8.888.267)	13.219.413
Trade and other payables	1.215.971	(1.215.971)	-
Deferred tax Liabilities	-	33.878	33.878
Provisions for other liabilities and charges	1.501.351		1.501.351
	25.683.739		**15.613.379**
Current liabilities			
Trade and other payables	1.698.301	453.449	2.151.750
Obligations under finance leases	782.960	59.298	842.258
Borrowings	-		-
Deferred income	-		-
Current tax liabilities	274.523		274.523
	2.755.784		**3.268.531**
Total liabilities	**28.439.523**		**18.881.910**
Total equity and liabilities	**47.412.161**		**36.175.573**

Tables above, present the effect of the adjustments and reclassifications made to the 31 December 2021 Statement of Financial Position and Statement of Comprehensive Income and the 31 December 2020 Statement of financial position. Adjustments and reclassifications were mainly recorded to reflect Group's property, plant and equipment in accordance with IAS 16 ("Property, Plant and Equipment"), deferred taxes in accordance with IAS 12 ("Income Taxes") and finance and operating lease contracts in accordance with IFRS 16 ("Leases") in the Group books.

In this respect, (i) Property, Plant and Equipment was restated to properly present with the fixed assets owned by the Group as reflected in the Fixed Assets Registers, (ii) deferred tax was accounted for to reflect the tax effect on the temporary differences between the statutory-tax books and IFRS and (ii) accounts related to the application of Lease accounting (IFRS 16) were restated to conform with the terms of the underline lease contracts.

28. Contingent liabilities

The Group had no contingent liabilities as of 31 December 2022.

29. Commitments

The Group had no capital or other commitments as of 31 December 2022.

30. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.