

Half-Yearly Financial Report 2022

Half-Yearly Financial Report 2022

Attachments:

1. **LCH Announcement - 6months Financial Report 2022**
2. **LCH - 6months Financial Report 2022**

Regulated

Publication Date: 03/10/2022

ANNOUNCEMENT FOR CYPRUS STOCK EXCHANGE
DATED 3.10.2022

The Company's Board of Directors at a meeting on 30/9/2022 approved the unaudited consolidated results for the first six months of the year 2022, which are herewith attached.

It has been further decided to publicize the account of the results in "Alithia" newspaper on 4/10/2022.

The full report of the said results will be available to the public at the offices of the Company, 111 Ap. Pavlou Avenue, Kato Paphos, Paphos, without any financial burden and at the website of the Company www.leptoscalypso.com.



Stavros Leptos
Secretary

LEPTOS CALYPSO HOTELS PUBLIC LIMITED

**Unaudited interim condensed consolidated financial
statements for the six month period ended 30 June
2022**

Leptos Calypso Hotels Public Limited

Unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2022

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Leptos Calypso Hotels Public Limited

Board of Directors and other officers

Board of Directors

Pantelis M. Leptos (Chairman and Managing Director)
George M. Leptos (Substitute Chairman and Non-Executive Director)
Ioannis Pantazis (Executive Director)
Andreas Demetriades (Non-Executive Director)
Andreas Iacovides (Non-Executive Director)
Paris Gavriel (Non-Executive Director)
Savvas Michael (Non-Executive Director)
Aggelos Loizou (Non-Executive Director)

Company Secretary

Stavros N. Leptos
91 Aggelou Terzaki Street,
2402 Egkomi
Cyprus

Registered office

111 Apostolou Pavlou Avenue
P.O.Box 60146
8046 Paphos
Cyprus

Legal Advisors

Stavros N. Leptos

Registration number

HE 18806

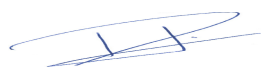



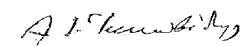



Leptos Calypso Hotels Public Limited

Declaration of the members of the Board of Directors and the Financial Controller of the Company for the preparation of the interim condensed consolidated financial statements


In accordance with Article 10 sections (3)(c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 until 2016 ("Law"), we the members of the Board of Directors and the Financial Controller of Leptos Calypso Hotels Public Limited, responsible for the consolidated financial statements of Leptos Calypso Hotels Public Limited for the six months ended 30 June 2022 confirm that, based on our knowledge:

- (a) the unaudited interim condensed consolidated financial statements which are presented on pages 5 to 20:
- (i) have been prepared in accordance with the IAS 34 "Interim Financial Reporting" as adopted by the European Union and in accordance with the provisions of Article 10, section (4) of the Law, and
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Group and the Company and the businesses that are included in the consolidated financial statements as a total, and
- (b) the interim management report of the Board of Directors provide fair review of the information required by the Article 10, section (6) of the Law.

Members of the Board of Directors:

Name and surname	Capacity	Signature
Pantelis M. Leptos	Chairman and Managing Director	
George M. Leptos	Substitute Chairman and Non-Executive Director	
Ioannis Pantazis	Executive Director	
Andreas Demetriades	Non-Executive Director	
Andreas Iacovides	Non-Executive Director	
Aggelos Loizou	Non-Executive Director	
Paris Gavriel	Non-Executive Director	
Savvas Michael	Non-Executive Director	

Financial Controller

Name and surname	Capacity	Signature
Longginos Christodoulou	Financial Controller	

Paphos, 30 September 2022

Leptos Calypso Hotels Public Limited

Interim management report

On 30 September 2022, the Board of Directors of the Company examined and approved the results of the Group Leptos Calypso Hotels Public Limited for the six month period ended 30 June 2022, which will be published on 3 October 2022.

The interim condensed consolidated financial statements, which have been prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting", have not been audited by the external auditors of the Company.

Analysis of the Group's results for the six month period ended 30 June 2022

The results of the Group are shown in the interim condensed consolidated statement of profit or loss and other comprehensive income on page 5.

The turnover of the Group for the first half of 2022 amounted to €7,98 million compared to €1,37 million during the corresponding period of 2021. This increase is due to the progressive operation of the hotel units of the Group after the complete lifting of the government's restrictive measures due to the COVID 19 pandemic.

The Group's loss from operations for the first half of 2020 amounted to €790,54 thousand compared to a loss of €1,35 million in the corresponding period last year.

During the first half of 2022, the loss after tax amounted to €1,90 million compared to a loss of €2,69 million in the corresponding period of last year. The Group showed a loss after tax corresponding to the shareholders of the Company amounting to €1,85 million against a loss of €2,48 million during the corresponding period of 2021.

The results of the Group for the first six months period of 2022 are not representative for the full year due to the ongoing Russian-Ukrainian conflict, in part due to the effects of the COVID 19 pandemic and the seasonality of the turnover of the Group's hotels. The largest volume of hotel business is conducted during the main tourist season which falls in the second half of the Group's accounting year.

The Group has completed the restructuring of the terms of its loan obligations with two banking institutions, while the discussions with the third one continue.

Principal risks and uncertainties

The principal risk and uncertainties faced by the Group are disclosed in Notes 4 and 5 of the interim condensed consolidated financial statements. The Cypriot economy and especially the tourism sector has been greatly tested by the Corona virus pandemic. In the first half of 2022, total tourist arrivals in Cyprus were down by around 25% compared to 2019. There are also concerns for the second half of 2022, as indications show a significant decline in the tourism industry overall, mainly due to the Russian-Ukrainian conflict which started on 24 February 2022. The dispute has a negative impact and is expected to further affect tourism, with a potential drop of around 25% in total arrivals to the country, from the countries of Russia and Ukraine. The price of energy has increased significantly, the supply chain has been adversely affected and the increasing inflationary pressures (in July inflation has reached 10%) are directly affecting the Group's activities. The future effects of these factors are difficult to predict, and Management's current projections and calculations could differ from actual results. The Management takes the necessary measures to minimize any negative consequences from these factors. Management cannot predict the exact results based on today's data as the dispute is ongoing.

Definitions and use of Alternative Performance Measures (APMs)

Gross profit/(loss):

Includes operating income less cost of sales of the group. Depreciation of property, plant and equipment as well as depreciation of right of use-assets are included in the cost of sales.

Operating loss:

Includes the gross profit/(loss) after deducting the following expenses: selling and marketing expenses, administrative expenses, impairment of trade receivables and non-operating other income.

Loss before income tax:

Includes the operating loss less any financing costs.

Loss after tax attributable to equity holders

It is the loss after tax.

Leptos Calypso Hotels Public Limited

Interim management report (continued)

Definitions and use of Alternative Performance Measures (APMs) (continued)

The use of the above alternative performance measurement indicators is done with the aim of adequate justification in the Management Report of the configuration of the results during the period as well as the changes of the results in relation to the corresponding previous period.

Use of financial instruments by the Group

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the Group's financial performance. The Risk management is carried out by the Board of Directors. The Board of Directors identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

It must be noted that the interim condensed consolidated financial statements do not include all the financial information and disclosures as required in the annual financial statements regarding the "risk management" and "related party transactions" and therefore these should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021. There were no changes to the risk management department or any risk management policies from the end of the year onwards.

Disclosures of Related Parties

As specified by IAS 24 "Related Party Disclosures", for the purposes of those interim condensed consolidated financial statements, the parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the financial or operational decisions of the other party. Further details are set out in Note 15.

Issue of new shares

The Company has not issued shares with special control rights. Analytical information in relation to the share capital of the Company is presented in Note 11 of the interim condensed consolidated financial statements.

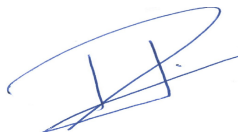
Contracts with Directors and connected persons

Other than the agreements disclosed in Note 15 of the condensed consolidated financial statements, at 30 June 2022 there were no other significant contracts with the Group in which Directors or persons connected to them had material interest.

Events after the balance sheet date

Any significant events that occurred after the reporting period are described in Note 16 of the interim condensed consolidated financial statements.

By order of the Board of Directors



Pantelis M. Leptos
Chairman and Managing Director

Paphos,
30 September 2022

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2022

	Note	30 June 2022 €	30 June 2021 €
Revenue	7	7.980.623	1.374.970
Cost of sales		<u>(7.331.369)</u>	<u>(2.195.902)</u>
Gross profit/(loss)		649.254	(820.932)
Selling and marketing costs		(222.288)	(80.557)
Administrative expenses		(1.204.776)	(687.238)
Impairment loss on trade receivables		(48.000)	(54.000)
Other income		<u>35.274</u>	<u>295.729</u>
Operating loss		(790.536)	(1.346.998)
Finance expenses		<u>(1.074.343)</u>	<u>(1.332.782)</u>
Loss before income tax		(1.864.879)	(2.679.780)
Income tax		<u>(31.091)</u>	<u>(10.910)</u>
Loss after tax for the period		(1.895.970)	(2.690.690)
Attributable to:			
Equity holders of the Company		(1.846.720)	(2.476.771)
Non-controlling interest		<u>(49.250)</u>	<u>(213.919)</u>
Loss after tax for the period		(1.895.970)	(2.690.690)
Loss per share attributable to equity holders of the Company			
- Basic and diluted (cents)	8	<u>(1,43)</u>	<u>(1,92)</u>

The notes on pages 11 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed statement of comprehensive income for the six month period ended 30 June 2022

	30 June 2022	30 June 2021
	€	€
Loss after tax for the period	<u>(1.895.970)</u>	<u>(2.690.690)</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Deferred tax due to a change in the tax rate	<u>-</u>	<u>159.500</u>
Other comprehensive income for the period, net of tax	<u>-</u>	<u>159.500</u>
Total comprehensive loss for the period	<u>(1.895.970)</u>	<u>(2.531.190)</u>
Attributable to:		
Equity holders of the Company	<u>(1.846.720)</u>	<u>(2.397.021)</u>
Non-controlling interest	<u>(49.250)</u>	<u>(134.169)</u>
	<u>(1.895.970)</u>	<u>(2.531.190)</u>

The notes on pages 11 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed statement of financial position as at 30 June 2022

	Note	30 June 2022 €	31 December 2021 €
Assets			
Non-current assets			
Property, plant and equipment	9	118.499.610	118.654.605
Right-of-use assets	10	895.570	996.570
Investment property		15.574.940	15.574.940
Investment in a jointly controlled company		11.105.890	11.105.890
Financial assets at FVTPL		346.846	346.846
Trade and other receivables		2.106	2.106
Deferred tax assets		187.500	187.500
		<u>146.612.462</u>	<u>146.868.457</u>
Current assets			
Inventories		497.735	267.259
Trade and other receivables		7.200.878	4.489.905
Cash and cash equivalents		1.104.717	3.804.036
		<u>8.803.330</u>	<u>8.561.200</u>
Total assets		<u>155.415.792</u>	<u>155.429.657</u>
Equity and liabilities			
Capital and reserves			
Share capital	11	43.856.392	43.856.392
Share premium	11	2.870.968	2.870.968
Other reserves		49.574.848	49.592.753
Accumulated losses		(31.829.500)	(30.000.685)
		64.472.708	66.319.428
Non-controlling interest		3.446.397	3.495.647
Total equity		<u>67.919.105</u>	<u>69.815.075</u>

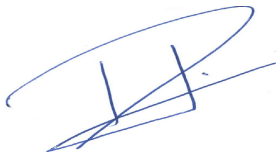
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Leptos Calypso Hotels Public Limited


Interim condensed statement of financial position as at 30 June 2022 (continued)

	Note	30 June 2022 €	31 December 2021 €
Non-current liabilities			
Borrowings	12	49.849.326	50.599.003
Lease liabilities	13	334.463	716.464
Deferred tax liabilities		19.660.124	19.629.033
Trade and other payables	14	563.010	563.911
		<u>70.406.923</u>	<u>71.508.411</u>
Current liabilities			
Trade and other payables	14	9.206.613	7.437.549
Current tax liabilities		40.901	40.901
Borrowings	12	6.536.069	5.562.149
Lease liabilities	13	1.306.181	1.065.572
		<u>17.089.764</u>	<u>14.106.171</u>
Total liabilities		<u>87.496.687</u>	<u>85.614.582</u>
Total equity and liabilities		<u>155.415.792</u>	<u>155.429.657</u>

On 30 September 2022 the Board of Directors of Leptos Calypso Hotels Public Limited authorised these interim condensed consolidated financial statements for issue.



Pantelis M. Leptos
Chairman and Managing Director



George M. Leptos
Substitute Chairman and Non-Executive Director

The notes on pages 11 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed statement of changes in equity for the six month period ended 30 June 2022

	Attributable to equity holders of the Company				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Accumulated losses			
	€	€	€	€	€	€	€
At 1 January 2021	43.856.392	2.870.968	49.165.692	(27.896.187)	67.996.865	3.222.615	71.219.480
Comprehensive income							
Net loss for the six months	-	-	-	(2.476.771)	(2.476.771)	(213.919)	(2.690.690)
Other comprehensive (loss)/income							
Land and buildings:							
Depreciation transfer, net of tax	-	-	(32.905)	32.905	-	-	-
Deferred tax due to change in tax rate	-	-	79.750	-	79.750	79.750	159.500
Total other comprehensive income	-	-	46.845	32.905	79.750	79.750	159.500
Total comprehensive income/(loss) for the six months	-	-	46.845	(2.443.866)	(2.397.021)	(134.169)	(2.531.190)
At 30 June 2021	<u>43.856.392</u>	<u>2.870.968</u>	<u>49.212.537</u>	<u>(30.340.053)</u>	<u>65.599.844</u>	<u>3.088.446</u>	<u>68.688.290</u>
Net profit for the six months until 31 December 2021	-	-	380.216	339.368	719.584	407.201	1.126.785
At 31 December 2021	<u>43.856.392</u>	<u>2.870.968</u>	<u>49.592.753</u>	<u>(30.000.685)</u>	<u>66.319.428</u>	<u>3.495.647</u>	<u>69.815.075</u>
Balance at 1 January 2022	43.856.392	2.870.968	49.592.753	(30.000.685)	66.319.428	3.495.647	69.815.075
Comprehensive income							
Net loss for the six months	-	-	-	(1.846.720)	(1.846.720)	(49.250)	(1.895.970)
Land and buildings:							
Depreciation transfer, net of tax	-	-	(32.905)	32.905	-	-	-
Total other comprehensive (loss)/income	-	-	(32.905)	32.905	-	-	-
Total comprehensive loss for the six months	-	-	(32.905)	(1.813.815)	(1.846.720)	(49.250)	(1.895.970)
Other movements							
Transfer from accumulated losses	-	-	15.000	(15.000)	-	-	-
Total other movements	-	-	15.000	(15.000)	-	-	-
At 30 June 2022	<u>43.856.392</u>	<u>2.870.968</u>	<u>49.574.848</u>	<u>(31.829.500)</u>	<u>64.472.708</u>	<u>3.446.397</u>	<u>67.919.105</u>

The notes on pages 11 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed statement of cash flows for the six month period ended 30 June 2022

	Note	30 June 2022 €	30 June 2021 €
Cash flows from operating activities			
Loss before income tax		(1.864.879)	(2.679.780)
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	9,10	879.615	765.848
Impairment loss on trade receivables		48.000	54.000
Interest expense		1.071.410	1.261.466
		<u>134.146</u>	(598.466)
Changes in working capital:			
Inventories		(230.476)	(101.332)
Trade and other receivables		(2.758.972)	106.292
Trade and other payables		1.829.600	98.482
		<u>1.025.702</u>	(495.024)
Cash used in operations		(1.025.702)	(495.024)
Interest paid		(51.144)	-
Tax paid		(61.437)	-
		<u>(1.138.283)</u>	(495.024)
Net cash used in operating activities			
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	9	(489.245)	(506.359)
		<u>(489.245)</u>	(506.359)
Net cash used in investing activities			
Cash flows from financing activities			
Repayments of borrowings		(341.497)	-
Payments of leases liabilities	10	(310.818)	(60.273)
Proceeds from borrowings		-	371.769
Interest paid		(313.691)	(104.263)
		<u>(966.006)</u>	207.233
Net cash (used in)/generated from financing activities		(966.006)	207.233
Net decrease in cash and cash equivalents		(2.593.534)	(794.150)
Cash and cash equivalents at beginning of the period		768.867	(1.076.077)
Cash and cash equivalents at end of the period		(1.824.667)	(1.646.584)

The cash and cash equivalents include the following:

	30 June 2022 €	30 June 2021 €
Cash and cash equivalents (i)	1.104.717	1.792.841
Bank overdrafts (Note 12)	(2.929.384)	(3.439.425)
	<u>(1.824.667)</u>	(1.646.584)

(i) Cash and cash equivalents include an amount of €0,5 million, which comes from the indirect subsidiary Karkavatsos & Co. Tourist Enterprises SA.

The notes on pages 11 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Notes to the interim condensed consolidated financial statements

1. Interim condensed consolidated financial statements

The interim condensed consolidated financial statements have not been audited by the external auditors of the Company.

On 30 September 2022, the Board of Directors of the Company examined and approved the results of the Group Leptos Calypso Hotels Public Limited for the six month period ended 30 June.

2. General information

Country of incorporation

Leptos Calypso Hotels Public Limited (the 'Company') was incorporated in Cyprus on 29 December 1982, as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and changed legal form to that of a public company. On 29 March 1996 the Company's shares were listed on the Cyprus Stock Exchange.

The Company's registered office is at 111 Apostolou Pavlou Avenue, CY 8046 Paphos, Cyprus. The Company and its subsidiaries together are referred to as "Group".

Principal activities

The principal activities of the Group, which are unchanged from last year, are the ownership and management of hotels and tourist resorts in Cyprus and Greece.

Operating environment of the Group

There were no significant changes on 30 June 2022 regarding the disclosed operating environment in the Group's consolidated financial statements for the year ended 31 December 2021.

3. Summary of significant accounting policies

The accounting policies that have been used in preparing these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2021.

Basis of preparation

The interim condensed consolidated financial statements for the six month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union (EU). The interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU - IFRS) and the requirements of the Cyprus Companies Law, Cap. 113. This set of financial statements represents an English translation of the original which have been prepared in Greek. In the event of any inconsistency between the Greek text and the English translation, the Greek text shall prevail.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. As a result of the adoption of the accounting policies, these have been updated according to the requirements of the new standards. This adoption did not have any material effect on the opening balances of the reserves or the comparative amounts presented in these condensed interim consolidated financial statements.

After issuance of the annual consolidated financial statements for the year ended 31 December 2021 until today there were no new issued standards and modifications that could bring significant changes in the accounting policies of the Group.

Leptos Calypso Hotels Public Limited

4. Financial risk management

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's annual financial statements as at 31 December 2021. There have been no changes in risk management department or in any risk management policies since the year end.

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the Board of Directors.

(ii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been identified as follows:

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

The following table presents the Group's assets that are measured at fair value at 30 June 2022 and 31 December 2021.

	30 June 2022	31 December 2021
	Level 3	Level 3
	€	€
Assets		
Financial assets at fair value through profit or loss		
– Equity securities	346.846	346.846
Total assets measured at fair value	346.846	346.846

There were no transfers between Levels 1, 2 and 3 during the period.

Note that all of the resulting fair value estimates are included in Level 3.

(a) Financial instruments in level 3

The fair value of Level 3 investments which relate to equity securities is determined based on the sales comparable method with regards to the properties held by the investments. The higher the selling price, the higher the fair value.

The carrying amount less provision for trade receivables and payables approximates their fair value. The fair value of financial liabilities is calculated based on the discounted future cash flows using the existing market interest rate which is available to the Group for similar financial instruments.

(b) Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

(iii) Classification and measurement of financial assets and financial liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Secured bank and other loans

Leptos Calypso Hotels Public Limited

5. Critical accounting estimates and judgements

The accounting estimates and judgements are assessed on a continuous basis and are based on historical experience and other factors, including expectations that relate to future events that are considered to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. As a result, the accounting estimates rarely equal to the actual results.

In preparing these interim condensed consolidated financial statements, the significant estimates made by the Management of the Group for the implementation of the Group's accounting policies and significant estimates and assumptions were applied as in the consolidated financial statements for the year ended 31 December 2021.

6. Nature of operations

On February 24, 2022, the Russian-Ukrainian conflict began, which continues to this day and, in combination with the COVID-19 pandemic, has a negative impact on the tourism industry. This is expected to have an impact on the results of the second half, which are expected to be much lower than last period.

The Management is not able to predict all the developments that could have an impact on the economy of Cyprus and consequently, what effect, if any, could have on the future financial performance, cash flows and financial position of the Group

Based on the evaluation made, the Management estimates that it takes all the necessary measures to maintain the viability of the Group and the corresponding conduct of its operations in the current business and financial environment.

7. Segmental reporting

The operating segments are presented on the basis of internal information that is being provided to the Group's Board of Directors (the highest level where operating decisions are taken). The Group's Board of Directors is responsible for the distribution of resources in the reported segments and the evaluation of their performance.

The Group has prepared the analysis of reporting segments in accordance with IFRS 8 "Operating Segments".

Description of the main segments and their operations

According to Management's approach regarding IFRS 8, the operating segments are presented on the basis of internal information that is being provided to the Board of Directors (the highest level where operating decisions are taken), which is responsible for the distribution of resources in the reported segments and the evaluation of their performance. All operating segments used by the Group meet the definition of reporting segment in accordance with IFRS 8.

At 30 June 2022, the Board of Directors identified the following three main operating segments, considering both the principal activities of the Group and the country in which they operate:

- **Hotel operations - Cyprus:** The hotel operations in Cyprus comprise of the Company's hotel units, Coral Beach Hotel & Resort and Thalassa Coral Bay, both located in Paphos and the activities of the subsidiary, Vesta Tourist Management Limited, which is renting and managing tourist resorts in Paphos. The lease of Thalassa Coral Bay expired on 31 December 2019. The lease provided for the right to extend the period of operation for 19 years, which the Company exercised, but the owners tried to cancel this right. As a result, the Company proceeded with legal proceedings while at the same time continuing to maintain the ownership of the hotel.
- **Hotel operations - Greece:** The hotel operations in Greece comprise of the hotel of the indirect subsidiary, Karkavatsos & Co Touristikes Epichirisis S.A, "Panorama Hotel" located in Chania, Crete.
- **Ownership of land:** This operating segment comprises of investment property.

The main segments of the Group for which a segmental analysis is provided are the hotel operations and the ownership of land. All the operating segments of the Group are based in Cyprus, except from the operations of the hotel of the subsidiary, Karkavatsos & Co Touristikes Epichirisis S.A which are in Greece.

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7. Segmental reporting (continued)

Description of the main segments and their operations (continued)

The Management of the Group, assesses the performance of the operating segments based on profit/(loss) before interest, tax, depreciation, amortisation and impairment (EBITDA).

This measurement excludes the effects of non-recurring expenditure from the operating segments, such as provisions for restructuring costs, legal expenses and impairment when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not included in the result for each operating segment. Other information provided, except as noted below, are accounted for in accordance with the consolidated financial statements.

Results per segment

The segment results for the six months ended 30 June 2022 and 2021 are as follows:

30 June 2022	Hotel operations - Cyprus €	Hotel operations - Greece €	Total hotel operations €	Ownership of land €	Total €
Revenue/ per segment	<u>6.926.283</u>	<u>1.054.340</u>	<u>7.980.623</u>	-	<u>7.980.623</u>
(Loss)/profit before interest, tax, depreciation, amortisation and impairment/ per segment	(61.132)	150.211	89.079	-	89.079
Depreciation of property, plant and equipment (Note 9,10)	(771.067)	(108.548)	(879.615)	-	(879.615)
Finance expenses	<u>(965.269)</u>	<u>(109.074)</u>	<u>(1.074.343)</u>	-	<u>(1.074.343)</u>
Loss before income tax	<u>(1.797.468)</u>	<u>(67.411)</u>	<u>(1.864.879)</u>	-	<u>(1.864.879)</u>
Income tax	-	(31.091)	(31.091)	-	(31.091)
Loss after tax for the period	<u>(1.797.468)</u>	<u>(98.502)</u>	<u>(1.895.970)</u>	-	<u>(1.895.970)</u>
30 June 2021	Hotel operations - Cyprus €	Hotel operations - Greece €	Total hotel operations €	Ownership of land €	Total €
Revenue/ per segment	<u>1.364.237</u>	<u>10.733</u>	<u>1.374.970</u>	-	<u>1.374.970</u>
Loss before interest, tax, depreciation, amortisation and impairment/ per segment	(326.323)	(254.827)	(581.150)	-	(581.150)
Depreciation of property, plant and equipment (Note 9,10)	(706.986)	(58.862)	(765.848)	-	(765.848)
Finance expenses	<u>(1.229.543)</u>	<u>(103.239)</u>	<u>(1.332.782)</u>	-	<u>(1.332.782)</u>
Loss before income tax	<u>(2.262.852)</u>	<u>(416.928)</u>	<u>(2.679.780)</u>	-	<u>(2.679.780)</u>
Income tax	-	(10.910)	(10.910)	-	(10.910)
Loss after tax for the period	<u>(2.262.852)</u>	<u>(427.838)</u>	<u>(2.690.690)</u>	-	<u>(2.690.690)</u>

Revenue from hotel operations in Cyprus consists of revenue amounting to €4.916.752 (2021: €811.161) generated from the Company's hotels and revenue amounting to €2.009.531 (2021: €553.076) generated from Vesta Tourist Management Limited. In addition, profit before interest, tax, depreciation, amortization and impairment consists of €192.678 (2021: €303.866 loss) generated from the Company's hotels and loss €253.810 (2021: €22.458) generated from Vesta Tourist Management.

Of the Group's total revenue for the period 2022, approximately 34% (2021: 47%) relates to income derived from cooperation with three major tour operators, which individually exceeded 10% of total revenue .

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7. Segmental reporting (continued)

Results per segment (continued)

Assets and liabilities per segment at 30 June 2022 for the six months then ended are as follows:

	Hotel operations - Cyprus €	Hotel operations - Greece €	Total hotel operations €	Ownership of land €	Total €
Assets	<u>109.338.548</u>	<u>18.862.068</u>	<u>128.200.616</u>	<u>15.574.940</u>	<u>143.775.556</u>
Liabilities	<u>59.867.501</u>	<u>7.928.161</u>	<u>67.795.662</u>	<u>-</u>	<u>67.795.662</u>

The assets and liabilities per segment at 31 December 2021 and the capital expenditure per segment for the six months ended at this date are as follows:

	Hotel operations - Cyprus €	Hotel operations - Greece €	Total hotel operations €	Ownership of land €	Total €
Assets	<u>109.513.862</u>	<u>18.700.619</u>	<u>128.214.481</u>	<u>15.574.940</u>	<u>143.789.421</u>
Liabilities	<u>58.245.346</u>	<u>7.699.302</u>	<u>65.944.648</u>	<u>-</u>	<u>65.944.648</u>

Assets per segment differ from the total assets as per the consolidated balance sheet as follows:

	30 June 2022 €	31 December 2021 €
Total assets from reportable operating segments	143.775.556	143.789.421
Deferred tax assets	187.500	187.500
Financial assets at FVTPL	346.846	346.846
Investment in joint venture	11.105.890	11.105.890
Total assets as per consolidated statement of financial position	<u>155.415.792</u>	<u>155.429.657</u>

Liabilities per segment differ from the total liabilities as per the consolidated balance sheet as follows:

	30 June 2022 €	31 December 2021 €
Total liabilities from reportable operating segments	67.795.662	65.944.648
Deferred income tax liabilities	19.660.124	19.629.033
Current tax liabilities	40.901	40.901
Total liabilities as per consolidated statement of financial position	<u>87.496.687</u>	<u>85.614.582</u>

8. Loss per share

The basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

	30 June 2022	30 June 2021
Loss attributable to equity holders of the Company (€)	<u>(1.846.720)</u>	<u>(2.476.771)</u>
Weighted average number of ordinary shares in issue during the six months and fully paid preference shares	<u>128.989.389</u>	<u>128.989.389</u>
Basic loss per share - basic and fully diluted (cents)	<u>(1,43)</u>	<u>(1,92)</u>

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9. Property, plant and equipment

	Property, plant and equipment €
Period ended 30 June 2021	
Opening net book amount	119.179.250
Additions	506.359
Depreciation charge	<u>(592.601)</u>
Closing net book amount	<u>119.093.008</u>
Period ended 30 June 2022	
Opening net book amount	118.654.605
Additions	489.245
Depreciation charge	<u>(644.240)</u>
Closing net book amount	<u>118.499.610</u>

10. Right-of-use assets

The Group has leased a beach in front of the Coral Beach Hotel & Resort, located within the Administrative boundaries of the Municipality of Pegeia after a tender. The lease for the right to use the beach is valid for a period of 4 years until November 30, 2022.

The Group has a lease on real estate (apartments) located within 2 of the hotels it manages. The group maintains various contracts with third parties (the legal owners of the apartments) with the right to use them for the agreed period. The contracts are valid for a specific period as agreed and there is no option to renew without reviewing all the terms at their expiration.

(i) Right of use

	Buildings €	Land €	Total €
2022			
Balance 1 January 2022	948.768	47.802	996.570
Additions	134.375	-	134.375
Amortisation charge	<u>(211.474)</u>	<u>(23.901)</u>	<u>(235.375)</u>
Net book value at the end of of the period	<u>871.669</u>	<u>23.901</u>	<u>895.570</u>
2021			
Balance 1 January 2021	953.437	95.604	1.049.041
Amortisation charge	<u>(149.346)</u>	<u>(23.901)</u>	<u>(173.247)</u>
Net book value at the end of of the period	<u>804.091</u>	<u>71.703</u>	<u>875.794</u>

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10. Right-of-use assets (continued)

(ii) Amounts recognised in the statement of profit or loss

	Buildings €	Land €	Total €
2022 - Right of use under IFRS 16 Interest from lease liabilities	<u>(34.542)</u>	<u>(509)</u>	<u>(35.051)</u>
2021 - Right of use under IFRS 16 Interest from lease liabilities	<u>(24.293)</u>	<u>(1.649)</u>	<u>(25.942)</u>

(iii) Amounts recognised in the statement of cash flows

	Buildings €	Land €	Total €
2022 Cash outflows from leases	<u>285.066</u>	<u>25.752</u>	<u>310.818</u>
2021 Cash outflows from leases	<u>34.523</u>	<u>25.750</u>	<u>60.273</u>

11. Share capital and share premium

The Group and the Company

	Fully paid ordinary and preference shares	Share capital €	Share premium €	Total €
At 1 January 2021/30 June 2022	<u>128.989.389</u>	<u>43.856.392</u>	<u>2.870.968</u>	<u>46.727.360</u>

Authorised share capital

The authorised share capital is 1.000.000.000 shares (2021: 1.000.000.000 shares) with par value of €0,34 per share.

Issued share capital

The issued share capital is 101.683.294 ordinary shares and 27.306.095 preference shares with par value of € 0,34 per share.

Shares' rights

The preference shares have the same rights with the ordinary shares, but in the case of a dissolution of the Company they have priority against the ordinary shares in the distribution.

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12. Borrowings

	30 June 2022	31 December 2021
	€	€
Current		
Bank overdrafts	2.929.384	3.035.169
Bank borrowings (i)	<u>3.606.685</u>	<u>2.526.980</u>
	<u>6.536.069</u>	<u>5.562.149</u>
Non-current		
Bank borrowings (i)	46.681.741	47.479.378
Borrowings from third parties	<u>3.167.585</u>	<u>3.119.625</u>
	<u>49.849.326</u>	<u>50.599.003</u>
Total borrowings	<u>56.385.395</u>	<u>56.161.152</u>

Maturity of non-current borrowings (excluding finance lease liabilities)

	30 June 2022	31 December 2021
	€	€
Between 1 and 2 years	3.138.625	3.138.625
Between 2 and 5 years	14.514.956	14.466.996
Over 5 years	<u>32.195.745</u>	<u>32.993.382</u>
	<u>49.849.326</u>	<u>50.599.003</u>

(i) Out of the total bank loan, an amount of €1,1 million and an amount of €5,2 million, come from short-term and long-term borrowings respectively, from the indirect subsidiary Karkavatsos & Co. Tourist Enterprises SA.

13. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	31 December		31 December	
	30 June 2022	2021	30 June 2022	2021
	€	€	€	€
Not later than 1 year	1.309.623	1.076.299	1.306.181	1.065.572
Later than 1 year and not later than 5 years	<u>406.940</u>	<u>840.565</u>	<u>334.463</u>	<u>716.464</u>
	<u>1.716.563</u>	1.916.864	<u>1.640.644</u>	1.782.036
Future finance charges	<u>(75.919)</u>	<u>(134.828)</u>	-	-
Present value of finance lease liabilities	<u>1.640.644</u>	<u>1.782.036</u>	<u>1.640.644</u>	<u>1.782.036</u>

All lease obligations are denominated in Euro.

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14. Trade and other payables

	30 June 2022	31 December 2021
	€	€
Trade payables	2.630.106	2.331.126
Payables to related companies (Note 15 (iii))	78.976	65.805
Accrued expenses	4.482.581	3.242.974
Contract liabilities received from tour operators (i)	2.341.949	2.064.107
Defence tax on deemed distribution	236.011	297.448
	9.769.623	8.001.460
Less: Non current trade and other payables	(563.010)	(563.911)
	9.206.613	7.437.549

The fair value of current and non current trade and other payables approximates their carrying amount at the balance sheet date.

15. Related party transactions

The Company is controlled by the Chairman and Managing Director, Mr Pandelis M. Leptos and Substitute Chairman Mr George M. Leptos, who own directly or indirectly 74,94% of the Company's shares and are also the ultimate controlling parties of the Group.

The ultimate parent entity, Armonia Estates Limited prepares the consolidated financial statements of all the companies of the group which it belongs. The registered office is at 9 Dimitsani Street, Galeria Court, 1st floor, Apartment 101, Nicosia, Cyprus.

The following transactions were carried out with related parties.

(i) Sales of goods and services

	30 June 2022	30 June 2021
	€	€
Accommodation and other hotel services and goods:		
Parent entity	120.482	65.479
Companies under common control	406.192	184.668
	526.674	250.147

(ii) Purchase of services

	30 June 2022	30 June 2021
	€	€
Management and other services and charges:		
Parent entity	15.048	52.293
Companies under common control	177.734	101.789
	192.782	154.082

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15. Related party transactions (continued)

(iii) Year end balances with related parties arising from sales/purchases of services and goods and financing facilities

	30 June 2022	31 December 2021
	€	€
Receivables from related parties:		
Receivables from fellow subsidiaries	1.810.207	1.775.757
Receivables from parent	<u>2.120.861</u>	<u>1.609.872</u>
	<u>3.931.068</u>	<u>3.385.629</u>
Payables to related parties (Note 14):		
Payables to Jointly controlled entities	<u>78.976</u>	<u>65.805</u>
	<u>78.976</u>	<u>65.805</u>

The balances with related companies are not secured, are payable on first demand and bear no interest, as they are balances arising from commercial activities between related companies.

16. Events after the balance sheet date

The Group with the recent restructuring of the terms of its loan obligations with two banking institutions has already received an amount of €3 million while the discussions with the third banking institution are continued.

There were no other significant events after the balance sheet date, which have a bearing on the understanding of the consolidated financial statements.