K.T. GOLDEN RETAIL VENTURE LTD

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

K.T. GOLDEN RETAIL VENTURE LTD

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Natalie Georgiou Constantinos Tsouvelekakis Lora Stylianou
Company Secretary:	Fiducitrust Secretaries Limited
Independent Auditors:	Markos Drakos & Co Ltd Chartered Accountants 86 Ifigenias Street 2003 Nicosia Cyprus
Registered office:	66 Acropoleos ACROPOLIS TOWER 2012 Strovolos Nicosia Cyprus
Bankers:	Vista bank (Romania) S.A. Alpha Bank National Bank of Greece Eurobank
Registration number:	HE385933

MANAGEMENT REPORT

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

Principal activity and nature of operations of the Group
The principal activity of the Group, which is unchanged from last year, is the operation of malls named "Attica, the department store".

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.

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

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 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 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.

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.

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.

Results and Dividends
The Group's results for the year are set out on page 7. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Group, approved the payment of a dividend as detailed below and the remaining net profit for the year is retained.

Dividends
On 18 February 2022 the Board of Directors approved the payment of an interim dividend of €693.847 (2021: €1.070.000).

Share capital
There were no changes in the share capital of the Company during the year under review.

MANAGEMENT REPORT

Board of Directors
The members of the Group's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2022.

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

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

Independent Auditors
The Independent Auditors, Markos Drakos & Co Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Fiducitrust Secretaries Limited
Secretary

Nicosia, 21 April 2023

Independent Auditor's Report

To the Members of K.T. Golden Retail Venture Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of K.T. Golden Retail Venture Ltd (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 46 and 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.

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

Basis for Opinion

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

Other information

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

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

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

Independent Auditor's Report (continued)

To the Members of K.T. Golden Retail Venture Ltd

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

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

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

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

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

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

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

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

Independent Auditor's Report (continued)

To the Members of K.T. Golden Retail Venture Ltd

Report on Other Legal Requirements

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

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

Other Matter

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

Andreas Constantinides
Certified Public Accountant and Registered Auditor
for and on behalf of
Markos Drakos & Co Ltd
Chartered Accountants

Nicosia, 21 April 2023

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

	Note	2022 €	2021 €
Revenue	8	**190.624.336**	144.114.583
Cost of sales		**(124.757.123)**	(98.552.908)
Gross profit		**65.867.213**	45.561.675
Other operating income	9	**6.091.708**	10.280.469
Administration and selling expenses	10	**(51.623.807)**	(39.235.567)
Other operating expenses	11	**(214.620)**	(659.555)
Operating profit		**20.120.494**	15.947.022
Finance income	13	**45.444**	16.615
Finance costs	13	**(10.314.928)**	(10.092.389)
Profit before tax		**9.851.010**	5.871.248
Tax	14	**(2.261.918)**	(989.212)
Net profit for the year		**7.589.092**	4.882.036
Other comprehensive income			
Remeasurements of post-employment benefit obligations		**80.428**	9.806
Deferred tax on measurements of post-employment benefit obligations		**(17.694)**	(2.158)
Deferred tax on change of tax rate		**-**	(732)
Deferred tax on own capital equity		**-**	(1.348)
Other comprehensive income for the year		**62.734**	5.568
Total comprehensive income for the year		**7.651.826**	4.887.604

The notes on pages 12 to 46 form an integral part of these consolidated financial statements.

K.T. GOLDEN RETAIL VENTURE LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	16	**35.142.665**	34.504.432
Right-of-use assets	17	**219.089.350**	222.866.960
Intangible assets	18	**84.138.124**	83.604.947
Investments in associates	19	**882.000**	882.000
Other investments	24	**50.061**	2.108.941
Deferred tax assets	30	**1.865.861**	1.494.500
		341.168.061	345.461.780
Current assets			
Inventories	21	**57.792.385**	49.301.274
Trade and other receivables	22	**19.063.992**	17.881.597
Financial assets at fair value through profit or loss	23	**985.888**	1.150.790
Cash and cash equivalents	25	**43.042.270**	45.986.467
		120.884.535	114.320.128
Total assets		**462.052.596**	459.781.908
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**1.387.694**	1.387.694
Share premium		**20.902.774**	20.902.774
Other reserves	27	**(10.758)**	(73.492)
Retained earnings		**57.554.749**	50.659.504
Total equity		**79.834.459**	72.876.480
Non-current liabilities			
Borrowings	28	**34.523.141**	56.306.976
Lease liabilities	29	**222.538.859**	224.107.391
Deferred tax liabilities	30	**80.190**	59.564
Provisions for other liabilities and charges		**829.660**	868.081
		257.971.850	281.342.012
Current liabilities			
Trade and other payables	32	**98.719.327**	88.237.201
Borrowings	28	**15.532.182**	8.341.091
Lease liabilities	29	**7.208.647**	6.739.274
Current tax liabilities	33	**2.786.131**	2.245.850
		124.246.287	105.563.416
Total liabilities		**382.218.137**	386.905.428
Total equity and liabilities		**462.052.596**	459.781.908

The notes on pages 12 to 46 form an integral part of these consolidated financial statements.

On 21 April 2023 the Board of Directors of K.T. Golden Retail Venture Ltd authorised these consolidated financial statements for issue.

....	....
Natalie Georgiou	Lora Stylianou
Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 December 2022

	Note	Share capital €	Share premium €	General reserve €	Retained earnings €	Total €
Balance at 1 January 2021		**1.387.694**	**20.902.774**	**(79.061)**	**46.847.468**	**69.058.875**
Net profit for the year		-	-	-	4.882.036	4.882.036
Other comprehensive income for the year		-	-	5.569	-	5.569
Dividends	15	-	-	-	(1.070.000)	(1.070.000)
Balance at 31 December 2021/ 1 January 2022		**1.387.694**	**20.902.774**	**(73.492)**	**50.659.504**	**72.876.480**
Net profit for the year		-	-	-	7.589.092	7.589.092
Other comprehensive income for the year		-	-	62.734	-	62.734
Dividends	15	-	-	-	(693.847)	(693.847)
Balance at 31 December 2022		**1.387.694**	**20.902.774**	**(10.758)**	**57.554.749**	**79.834.459**

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

CONSOLIDATED CASH FLOW STATEMENT
31 December 2022

	Note	**2022**	2021
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**9.851.010**	5.871.248
Adjustments for:			
Depreciation of property, plant and equipment	16	**3.333.240**	3.409.977
Depreciation of right-of-use assets	17	**9.623.968**	9.199.177
Exchange difference		**8.861**	(1.401)
(Profit)/loss from the sale of property, plant and equipment		**(4.600)**	93.278
Loss/(profit) from the sale of financial assets at fair value through profit or loss		**164.902**	(599.610)
Loss on obsolete stock		**206.248**	98.107
(Credit)/charge to profit or loss for provisions	31	**(253.620)**	455.469
Interest income	13	**(27.454)**	(5.254)
Interest expense	13	**8.264.371**	7.903.295
		31.166.926	26.424.286
Changes in working capital:			
(Increase)/decrease in inventories		**(5.301.332)**	13.972.117
Decrease/(increase) in trade and other receivables		**751.862**	(9.172.535)
Increase in trade and other payables		**3.951.465**	18.977.803
Cash generated from operations		**30.568.921**	50.201.671
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	**(387.942)**	(65.292)
Payment for purchase of property, plant and equipment	16	**(3.252.631)**	(3.581.392)
Government grants on purchases of property, plant and equipment		**-**	1.056.590
Acquisition of other investments, net cash outflow on Merger		**-**	(1.892.000)
Proceeds from disposal of property, plant and equipment	16	**4.600**	64.014
Disposal of financial assets at fair value		**-**	6.663.194
Interest received		**27.454**	5.254
Net cash (used in)/generated from investing activities		**(3.608.519)**	2.250.368
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(14.641.091)**	(60.579.281)
Payments of leases liabilities		**(13.948.342)**	(13.392.166)
Proceeds from borrowings		**-**	51.545.000
Interest paid		**(1.599.681)**	(519.456)
Dividends paid		**(693.847)**	(3.080.000)
Expenses on capital issued		**48.348**	(260.734)
Net cash used in financing activities		**(30.834.613)**	(26.286.637)
Net (decrease)/increase in cash and cash equivalents		**(3.874.211)**	26.165.402
Cash and cash equivalents at beginning of the year		**45.986.467**	19.821.065
Cash and cash equivalents from Merger		**930.014**	-
Cash and cash equivalents at end of the year	**25**	**43.042.270**	45.986.467

The notes on pages 12 to 46 form an integral part of these consolidated financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company K.T. Golden Retail Venture Ltd (the "Company") was incorporated in Cyprus on 5 July 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 66 Acropoleos, ACROPOLIS TOWER, 2012 Strovolos, Nicosia, Cyprus.

Principal activity

The principal activity of the Group, which is unchanged from last year, is the operation of malls named “Attica, the department store”.

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) and the requirements of the Cyprus Companies Law, Cap. 113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss.

3. Adoption of new or revised standards and interpretations

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

4. 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 Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company K.T. Golden Retail Venture Ltd and the financial statements of the subsidiary Attica Polikatastimata SA (the "Subsidiary"), can be obtained from 66 Acropoleos Avenue, Acropolis Tower, 2012, Strovolos,Nicosia, Cyprus.

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:

4. Significant accounting policies (continued)

Business combinations (continued)

- 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.

4. Significant accounting policies (continued)

Business combinations (continued)

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.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the diminution is identified.

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.

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.

4. Significant accounting policies (continued)

Revenue recognition (continued)

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.

- **Rental income**

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

Finance income

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

4. Significant accounting policies (continued)

Finance costs

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

Foreign currency translation

(1) Functional and presentation currency
Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Interim dividends are recognised in equity in the year in which they are approved by the Company's Directors. Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

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

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

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. The annual depreciation rates used are as follows:

	%
Buildings	2,27%-25%
Rights of use of buildings	3,11%-33,33%
Plant and machinery	8,28%-20%
Motor vehicles	6,67%-10%
Rights of use of motor vehicles	19,67%-25%
Furniture, fixtures and other equipment	4%-14,29%

No depreciation is provided on land.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

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.

4. Significant accounting policies (continued)

Intangible assets (continued)

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

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

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

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. Significant accounting policies (continued)

Leases

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

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

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

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.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

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.

4. Significant accounting policies (continued)

Financial assets (continued)

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

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.

4. Significant accounting policies (continued)

Financial assets (continued)

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 at bank and in hand. 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.

4. Significant accounting policies (continued)

Financial assets (continued)

Classification as trade receivables (continued)

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.

4. Significant accounting policies (continued)

Financial assets (continued)

Borrowings

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

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

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

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

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

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

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

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.

4. Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

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

Non-current liabilities

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

5. New accounting pronouncements

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

6. Financial risk management

Financial risk factors
The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency 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:

6.1 Market price risk
The Group is exposed to equity securities price risk because of equity investments held by the Group and classified on the consolidated statement of financial position either as fair value through other comprehensive income or at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's equity investments that are publicly traded are included in the Athens Stock Exchange Composite Index.

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group's Board of Directors.

6.2 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.

6.3 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'.

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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- 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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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, 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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The 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.

Cash and cash equivalents

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

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

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

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) Financial assets at fair value through profit or loss

(iv) 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.

6. Financial risk management (continued)

6.4 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.

6.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

6.6 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.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

Fair value measurements recognised in consolidated statement of financial position

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

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

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Shares	985.888	-	-	985.888
Total	**985.888**	**-**	**-**	**985.888**

6. Financial risk management (continued)

Fair value estimation (continued)

Fair value measurements recognised in consolidated statement of financial position (continued)

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Shares	1.150.790	-	-	1.150.790
Total	1.150.790	-	-	1.150.790

7. Critical accounting estimates, judgments and assumptions

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

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.

- **Going concern basis**

  Management has made an assessment of the Group's ability to continue as a going concern.

- **Amount payable under residual value guarantees**

  The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the Group does not expect to pay anything under the guarantees.

  At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices.

- **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.

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

- **Provision for obsolete and slow-moving inventory**

  The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

  The amount of provision is recognised in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

- **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

- **Fair value of financial assets**

- **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 6, Credit risk section.

- **Retirement benefits**

  The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on plan assets, future salary increases, mortality rates and future pension increases where necessary. The Group sets these assumptions based on market expectations at the reporting date using best-estimates for each parameter covering the period over which obligations are to be settled. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

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

- **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 intangible assets**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible 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.

- **Valuation of non-listed investments**

  The Group uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

- **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 Board of Directors' past experience and its future expectations. However, the actual outcome may vary from the amount recognised.

8. Revenue

	2022	2021
	€	€
Sales of products	**186.989.084**	141.991.263
Rendering of services	**3.635.252**	2.123.320
	190.624.336	144.114.583

9. Other operating income

	2022	2021
	€	€
Gain from sale of property, plant and equipment	-	5.000
Rent decrease (Covid 19) - Ifrs 16	-	3.820.534
Profit from sale of financial assets at fair value through profit or loss	-	1.160.887
Government grants	2.052	1.056.590
Compensation income	50.800	-
Rental income	13.557	29.447
Sundry operating income	6.025.299	4.208.011
	6.091.708	10.280.469

10. Administration and selling expenses

	2022	2021
	€	€
Staff costs	22.364.800	17.045.721
Rent	1.301.502	157.740
Common expenses	1.683.130	1.208.905
Municipality taxes	409.518	362.423
Annual levy	350	350
Water supply and cleaning	4.362.605	2.884.779
Insurance	248.490	224.643
Repairs and maintenance	1.119.000	650.363
Sundry expenses	1.625.109	1.353.023
Telephone and postage	173.125	220.212
Stationery and printing	1.264.111	862.881
Equipment maintenance	71.513	65.474
Auditors' remuneration - current year	2.975	2.975
Auditors' remuneration - prior years	151	151
Accounting fees	2.975	694
Other professional fees	6.399	9.185
Fines	78.448	27.938
Inland travelling and accommodation	662.826	276.320
Advertising	3.194.763	1.013.815
Stock write off	151.930	98.107
General provision for bad debts	(59.977)	-
Tender expenses	-	157.858
Office expenses	2.856	2.856
Depreciation of right-of-use assets	9.623.968	9.199.177
Depreciation	3.333.240	3.409.977
	51.623.807	39.235.567

11. Other operating expenses

	2022	2021
	€	€
Loss on disposal of property, plant and equipment	49.718	98.278
Loss from sales of financial assets at fair value through profit or loss	164.902	561.277
	214.620	659.555

12. Staff costs

	2022	2021
	€	€
Salaries	**22.363.976**	17.045.359
Social security costs	**325**	243
GHS contribution	**434**	70
Social cohesion fund	**65**	49
	22.364.800	17.045.721
Average number of employees (including Directors in their executive capacity)	**958**	981

13. Finance income/(costs)

	2022	2021
	€	€
Interest income	**27.454**	5.254
Exchange profit	**17.990**	11.361
Finance income	**45.444**	16.615
Net foreign exchange losses	**(26.852)**	(9.960)
Interest expense on lease liabilities	**(6.966.295)**	(6.926.009)
Other interest expense	**(1.426.661)**	(1.509.226)
Sundry finance expenses	**(1.895.120)**	(1.647.194)
Finance costs	**(10.314.928)**	(10.092.389)
Net finance costs	**(10.269.484)**	(10.075.774)

14. Tax

14.1 Tax recognised in profit or loss

	2022	2021
	€	€
Corporation tax - current year	**2.669.290**	1.646.947
Corporation tax - effect on the change of tax rate	**-**	64.307
Deferred tax - credit (Note 30)	**(407.372)**	(722.042)
Charge for the year	**2.261.918**	989.212

14.2 Tax recognised in other comprehensive income

	2022	2021
	€	€
Revaluation of the obligation of personnel benefits	**(17.694)**	(4.238)
Total income tax recognised in other comprehensive income	**(17.694)**	(4.238)

The corporation tax rate is 12,5% in Cyprus and 22% in Greece. In addition in Cyprus, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

14. Tax (continued)

Under certain conditions the interest income of the Parent company may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) of the Parent company are exempt from Cyprus income tax.

15. Dividends

	2022	2021
	€	€
Interim dividend paid	**693.847**	1.070.000
	693.847	1.070.000

On 18 February 2022 the Board of Directors approved the payment of an interim dividend of €693.847 (2021: €1.070.000).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

16. Property, plant and equipment

	Land and buildings	Property under construction	Plant and machinery	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€	€	€	€
Cost						
Balance at 1 January 2021	41.185.154	1.171.961	277.375	424.381	18.381.370	61.440.241
Additions	950.107	1.724.798	27.800	-	878.688	3.581.393
Disposals	(56.318)	-	-	(59.968)	(418.488)	(534.774)
Transfers	2.337.154	(2.697.971)	-	-	360.817	-
Balance at 31 December 2021/ 1 January 2022	**44.416.097**	**198.788**	**305.175**	**364.413**	**19.202.387**	**64.486.860**
Additions through Merger	108.860	-	-	1.943	1.024.092	1.134.895
Additions	505.997	1.090.185	73	-	1.806.706	3.402.961
Disposals	(570)	-	(156)	(19.403)	(266.344)	(286.473)
Transfers	-	(336.356)	-	-	-	(336.356)
Balance at 31 December 2022	**45.030.384**	**952.617**	**305.092**	**346.953**	**21.766.841**	**68.401.887**
Depreciation						
Balance at 1 January 2021	14.791.139	-	130.267	172.734	12.166.459	27.260.599
Charge for the year	1.756.316	-	22.661	37.360	1.305.282	3.121.619
On disposals	-	-	-	(27.918)	(371.872)	(399.790)
Balance at 31 December 2021/ 1 January 2022	**16.547.455**	**-**	**152.928**	**182.176**	**13.099.869**	**29.982.428**
Additions through Merger	12.886	-	-	372	531.661	544.919
Charge for the year	1.531.237	-	24.054	33.928	1.374.811	2.964.030
On disposals	(71)	-	(156)	(19.403)	(212.525)	(232.155)
Balance at 31 December 2022	**18.091.507**	**-**	**176.826**	**197.073**	**14.793.816**	**33.259.222**
Net book amount						
Balance at 31 December 2022	**26.938.877**	**952.617**	**128.266**	**149.880**	**6.973.025**	**35.142.665**
Balance at 31 December 2021	**27.868.642**	**198.788**	**152.247**	**182.237**	**6.102.518**	**34.504.432**

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2022	2021
	€	€
Net book amount	**54.318**	134.984
(Loss) from the sale of property, plant and equipment (Notes 9 and 11)	**(49.718)**	(93.278)
Proceeds from disposal of property, plant and equipment	**4.600**	41.706

17. Right-of-use assets

	Land and buildings €	Motor vehicles €	Total €
Cost			
Balance at 1 January 2021	241.155.604	50.417	241.206.021
Additions	12.015.360	-	12.015.360
Adjustment to right-of-use asset	(2.888.343)	-	(2.888.343)
Balance at 31 December 2021/ 1 January 2022	**250.282.621**	**50.417**	**250.333.038**
Additions through Merger	1.375.110	-	1.375.110
Additions	5.030.487	64.855	5.095.342
Adjustment to right-of-use asset	(400.729)	(7.582)	(408.311)
Balance at 31 December 2022	**256.287.489**	**107.690**	**256.395.179**
Depreciation			
Balance at 1 January 2021	18.356.420	37.852	18.394.272
Charge for the year	9.068.672	3.134	9.071.806
Balance at 31 December 2021/ 1 January 2022	**27.425.092**	**40.986**	**27.466.078**
Additions through Merger	211.856	21.040	232.896
Charge for the year	9.631.693	15.649	9.647.342
Adjustment to right-of-use asset	(40.487)	-	(40.487)
Balance at 31 December 2022	**37.228.154**	**77.675**	**37.305.829**
Net book amount			
Balance at 31 December 2022	**219.059.335**	**30.015**	**219.089.350**
Balance at 31 December 2021	**222.857.529**	**9.431**	**222.866.960**

Amounts recognised in profit and loss:

	2022 €	2021 €
Depreciation expense on right-of-use assets	**9.623.968**	9.199.177
Interest expense on lease liabilities	**(6.966.295)**	(6.926.009)

18. Intangible assets

	Goodwill €	Computer software €	Patents and trademarks €	Total €
Cost				
Balance at 1 January 2021	52.542.465	2.445.432	30.224.235	85.212.132
Additions	-	65.291	-	65.291
Balance at 31 December 2021/ 1 January 2022	**52.542.465**	**2.510.723**	**30.224.235**	**85.277.423**
Additions	141.906	237.612	-	379.518
Additions through Merger	-	366.926	-	366.926
Transfers	-	336.356	-	336.356
Balance at 31 December 2022	**52.684.371**	**3.451.617**	**30.224.235**	**86.360.223**
Amortisation				
Balance at 1 January 2021	-	1.408.502	-	1.408.502
Amortisation for the year	-	263.974	-	263.974
Balance at 31 December 2021/ 1 January 2022	**-**	**1.672.476**	**-**	**1.672.476**
Amortisation for the year	-	346.902	-	346.902
Additions through Merger	-	202.721	-	202.721
Balance at 31 December 2022	**-**	**2.222.099**	**-**	**2.222.099**
Net book amount				
Balance at 31 December 2022	**52.684.371**	**1.229.518**	**30.224.235**	**84.138.124**
Balance at 31 December 2021	**52.542.465**	**838.247**	**30.224.235**	**83.604.947**

On 29 April 2022 the Board of Directors of the Subsidiary company decided its Merger with Cosmobrands Monoprosopi SA with the absorption of the latter by the former in accordance with the provisions of Law 4601/2019 and Law 2166/1993 in Greece.

19. Investments in associates

	2022 **€**	2021 €
Balance at 1 January	**882.000**	882.000
Balance at 31 December	**882.000**	882.000

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	**Holding %**	**2022 €**	2021 €
Retail Vision United Distribution SA	Greece	Management of department stores	49	**882.000**	882.000
				882.000	882.000

20. Available-for-sale financial assets

	2022	2021
	€	€
Balance at 1 January	**-**	-
Balance at 31 December	**-**	-

Available-for-sale financial assets includes the investment in the company Flexfin Ltd.

21. Inventories

	2022	2021
	€	€
Finished products	**55.365.805**	47.722.666
Less: Diminution in value of products	**(132.814)**	(358.661)
Add: Prepayments for purchase of products	**2.559.394**	1.937.269
	57.792.385	49.301.274

The cost of inventories recognised as expense and included in "cost of sales" amounted to €123.200.362 (2021: €97.531.265).

Inventories are stated at cost.

22. Trade and other receivables

	2022	2021
	€	€
Trade and sundry receivables	**15.916.205**	14.804.563
Less: credit loss on trade receivables	**(202.332)**	(256.425)
Trade receivables - net	**15.713.873**	14.548.138
Deposits and prepayments	**565.707**	200.323
Advances to suppliers	**1.990.358**	2.387.034
Accrued income	**336.503**	410.843
Deferred expenses	**457.551**	335.259
	19.063.992	17.881.597

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the consolidated financial statements.

23. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January	**1.150.790**	5.794.935
Additions	**-**	331.000
Disposals	**-**	(4.413.868)
Change in fair value	**(164.902)**	(561.277)
Balance at 31 December	**985.888**	1.150.790

23. Financial assets at fair value through profit or loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2022	2021
	€	€
Financial assets at fair value through profit or loss		
Shares listed in Athens Stock Exchange	**985.888**	1.150.790
	985.888	1.150.790

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

24. Other investments

	2022	2021
	€	€
Balance at 31 December	**50.061**	2.108.941

On 29 April 2022 the Board of Directors of the Subsidiary decided its Merger with Cosmobrands Monoprosopi SA with the absorption of the latter by the former in accordance with the provisions of Law 4601/2019 and Law 2166/1993 in Greece.

	Fair values 2022	**Cost 2022**	Fair values 2021	Cost 2021
	€	**€**	€	€
Cosmobrands Monoprosopi SA	**-**	**-**	2.058.880	2.058.880
Flexfin Ltd	**50.061**	**50.061**	50.061	50.061
	50.061	**50.061**	2.108.941	2.108.941

25. Cash and cash equivalents

Cash balances are analysed as follows:

	2022	2021
	€	€
Cash at bank and in hand	**913.558**	1.455.426
Bank deposits	**42.128.712**	44.531.041
	43.042.270	45.986.467

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the consolidated financial statements.

26. Share capital

	2022 Number of shares	**2022 €**	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	**1.387.694**	**1.387.694**	1.387.694	1.387.694
Issued and fully paid				
Balance at 1 January	**1.387.694**	**1.387.694**	1.387.694	1.387.694
Balance at 31 December	**1.387.694**	**1.387.694**	1.387.694	1.387.694

27. Other reserves

	General reserve €
Balance at 1 January 2021	(79.061)
Remeasurements of post-employment benefit obligations	9.806
Deferred tax on measurements of post-employment benefit obligations	(2.157)
Deferred tax on change of tax rate	(732)
Deferred tax on own capital equity	(1.348)
Balance at 31 December 2021/ 1 January 2022	**(73.492)**
Remeasurements of post-employment benefit obligations	80.428
Deferred tax on measurements of post-employment benefit obligations	(17.694)
Balance at 31 December 2022	**(10.758)**

28. Borrowings

	2022 €	2021 €
Current borrowings		
Bond loans	**15.532.182**	8.341.091
Non-current borrowings		
Bond loans	**34.523.141**	56.306.976
Total	**50.055.323**	64.648.067

On 22 September 2020 the Board of Directors of the Subsidiary decided on the implementation of the Joint Bond Issuance Program for the amount of €15.000.000, to cover its working capital. On 9 January 2023, the Subsidiary repaid the remaining amount of €7.500.000.

On 28 January 2021 the Board of Directors of the Subsidiary decided to issue a bond loan to the Hellenic Development Bank for the amount of €10.000.000. On 16 January 2023 the Subsidiary paid the remaining amount of €3.500.000.

On 29 January 2021 the Board of Directors of the Subsidiary decided to issue a bond loan for the amount of €41.545.000 for the purpose of refinancing existing loans.

29. Lease liabilities

	2022 €	2021 €
Maturity analysis:		
Analysed as:		
Non-current	**222.538.859**	224.107.391
Current	**7.208.647**	6.739.274
	229.747.506	230.846.665

All lease obligations are denominated in Euro.

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

30. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 14).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The movement on the deferred taxation account is as follows:

Deferred tax assets/liability

	Deferred tax on fixed assets €	Deferred tax on leasing €	Deferred tax on provisions €	Deferred tax on accruals €	Total €
Balance at 1 January 2021	(697.952)	96.073	(256.876)	78.666	(780.089)
Charged/(credited) to:					
Statement of profit or loss and other comprehensive income (Note 14)	(584.478)	(4.908)	(36.570)	(95.706)	(721.662)
Recognised in own capital (Note 27)	-	-	2.889	-	2.889
Transfers	(381)	-	-	-	(381)
Effect of tax rate change	58.194	(8.006)	20.674	(6.555)	64.307
Balance at 31 December 2021/ 1 January 2022	**(1.224.617)**	**83.159**	**(269.883)**	**(23.595)**	**(1.434.936)**
Charged/(credited) to:					
Statement of profit or loss and other comprehensive income (Note 14)	(470.498)	(4.907)	42.160	25.874	(407.371)
Recognised in own capital	-	-	17.694	-	17.694
From merger	40.946	-	(1.715)	(288)	38.943
Balance at 31 December 2022	**(1.654.169)**	**78.252**	**(211.744)**	**1.991**	**(1.785.670)**

31. Provisions for other liabilities and charges

	Pension and other post retirement obligations €	Provision for risks and expenses €	Total €
Balance at 1 January 2021	618.708	38.712	657.420
Charged/(credited) to profit or loss	52.803	157.858	210.661
Balance at 31 December 2021/ 1 January 2022	**671.511**	**196.570**	**868.081**
Charged/(credited) to profit or loss	36.995	(75.416)	(38.421)
Balance at 31 December 2022	**708.506**	**121.154**	**829.660**

32. Trade and other payables

	2022 €	2021 €
Trade payables	**80.250.327**	72.774.585
Prepayments from clients	**3.211.820**	2.548.857
VAT	**3.357.797**	3.185.704
Accruals	**1.462.484**	1.301.128
Other creditors	**10.436.899**	8.426.927
	98.719.327	88.237.201

33. Current tax liabilities

	2022 €	2021 €
Corporation tax	**2.093.465**	1.646.947
Special contribution for defence	**689.835**	598.771
Special contribution for refugees	**2.831**	132
	2.786.131	2.245.850

34. Related party transactions

The Company is controlled by Medzino Limited, incorporated in Cyprus, which owns 83,18% of the Company's shares. The company Qemerito Holding Limited, incorporated in Cyprus owns the remaining16,82% of the Company's shares.

On 29 April 2022 the Board of Directors of the Subsidiary company decided its Merger with Cosmobrands Monoprosopi SA with the absorption of the latter by the former in accordance with the provisions of Law 4601/2019 and Law 2166/1993 in Greece.

34. Related party transactions (continued)

The following transactions were carried out with related parties:

34.1 Directors' remuneration

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

	2022	2021
	€	€
Board of Directors' fees	**21.000**	4.000
Directors' remuneration	**1.733.839**	1.406.315
Other remunerations	**110.011**	82.366
	1.864.850	1.492.681

34.2 Sales of goods and services

	2022	2021
	€	€
Cosmobrands SA	**-**	552.870
Retail Vision United SA	**-**	490.475
	-	1.043.345

34.3 Purchases of goods and services

	2022	2021
	€	€
Retail Vision United SA	**24.575**	2.587.002
Cosmobrands SA	**-**	1.577.228
	24.575	4.164.230

34.4 Receivables from related parties

		2022	2021
Name	Nature of transactions	€	€
Cosmobrands SA	Trade	**-**	325.128
Retail Vision United SA	Trade	**17.851**	189.120
		17.851	514.248

34.5 Payables to related parties (Note 32)

		2022	2021
Name	Nature of transactions	€	€
Retail Vision United SA	Trade	**1.371.761**	2.310.931
Cosmobrands SA	Trade	**-**	527.459
		1.371.761	2.838.390

35. Contingent liabilities

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

36. Commitments

Operating lease commitments

The Group as lessee:

The Group entered into an agreement with PICAR AEEE for the provision of services for the period expiring on 28 February 2027 and the Group has the option for extension for an additional 24-year period. The Group committed to guarantee letters for the total amount of €6.175.000 as a goodwill for the terms of the above-mentioned agreement.

The Group entered into an agreement with the company LAMDA DOMI SA for the rights of use of mall at emporium center Golden Hall for a 10-year period with option for extension for additional 28 years (14 years + 14 years). The Group has exercised its option for the extension of the first 14 years. The Group committed to guarantee letter for the amount of €1.666.445 as a goodwill for the terms of the above-mentioned agreement.

For the new shops the Group is operating at emporium center Golden Hall, the Group entered into agreements up to year 2046 and committed to guarantee letters for the total amount of €775.673 as a goodwill for the terms of the mentioned agreement.

For the shop at The Mall Athens the Group entered into an agreement with the company LAMDA OLYMPIA VILLAGE SA for a 10-year period. The Group committed to guarantee letter for the amount of €196.280 as a goodwill for the terms of the above-mentioned agreement. On 23 November 2018 agreed for an extension for the period up to 28 November 2046.

The Group entered into an agreement with the company PILAIA SA for a 20-years period with no option for extension until the expiry of the agreement. The Group has been assigned the obligation to operate the shop as a retail shop. The Group committed to guarantee letter for the amount of €994.265 as a goodwill for the terms of the above-mentioned agreement.

For all the agreements dated since 23 November 2018 agreed extension period up to 31 May 2047.

The Group entered into a leasing agreement with IERA MONI AGIAS THEODORAS TIS IERAS MITROLOLEOS THESALLONIKIS for renting a building in Thesalloniki for a 12-years period with the option for extension by the Group. The Group committed to guarantee letter for the amount of €1.350.231 as a goodwill for the terms of the above-mentioned agreement.

The Group committed to guarantees for the amount of €8,5 million for the bank overdrafts of the associate RETAIL VISION UNITED SA. In addition, the Group has a commitment against the company Etereias Diethnis Aerolimenas Athinon SA as a goodwill of the agreement for the operation of the new shop.

37. 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.

Independent auditor's report on pages 4 to 6