Jumbo Trading Limited

Report and consolidated financial statements translated into English as at 31 December 2022

The attached consolidated financial statements represent a translation into the English language, of the original audited consolidated financial statements of Jumbo Trading Limited, with registration number HE-44824, for the year ended 31 December 2022.

Although every effort has been made to ensure the accuracy of the translation, the original document, which is prepared in the Greek language, remains the authoritative version, which will prevail in the case of differing interpretations, disagreements, or disputes.

On behalf of the Company,

Apostolos-Evaggelos Vakakis, Director

Polyvios Economides, Director

Jumbo Trading Ltd

Report and consolidated financial statements
31 December 2022

Contents

Jumbo Trading Ltd

Board of Directors and other officers

Board of Directors

Apostolos - Evaggelos Vakakis (CEO)
Polyvios Economides
Efrosini Petri
Yiannis Karayiannis
Sophia Vakaki

Company Secretary

Yiannis Karayiannis
Makedonias 14 Street
2651 Politiko
Nicosia
Cyprus

Registered office

Avraam Antoinou 9 Street
Kato Lakatamia
2330, Nicosia
Cyprus

Jumbo Trading Ltd

Consolidated Management Report

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

Principal activities and nature of operations of the Company

2 The principal activities of the Group, which are unchanged from last year, are the the retailing of toys, baby goods, seasonal goods, decorative and home goods, stationery and mini market products.

Changes in group structure

3 During the year there were no changes in the structure of the Group.

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

4 The Group's profit for the year ended 31 December 2022 was €31.081.405 compared to €24.296.531 which was for the year ended 31 December 2021 and total comprehensive income was €31.204.611 compared to €25.645.669 which was for the year ended 31 December 2021. The Group's total assets were €318.802.849 compared to €288.697.174 which were for the year ended 31 December 2021 and equity was €295.681.519 compared to €264.476.908 which was for the year ended 31 December 2021.

5 During the year ended 31 December 2022, the Company's turnover increased by 22%, from €88.868.741 which was for the year ended 31 December 2021 to €108.308.923. Gross profitability increased by 22% from €44.184.023 which was for the year ended 31 December 2021 to €54.099.777, and profit for the year increased by 28% to €31.081.405 compared to €24.296.531 which was for the year ended 31 December 2021. The financial situation, development and performance of the Group as presented in the financial statements is considered satisfactory.

The Board of Directors proceeded with the installation of solar panels in three stores. Two of the stores were fully operational with solar panels in the year ended 31 December 2022. Operation at the third store began in December 2022. As a result, the Company's electricity increased by only 15% in a period of increased electricity prices, while consumption decreased from 6.252.640KWH to 4.413.954KWH.

6 **Non-financial performance indicators**

7 The Group since its inception remains committed to providing good quality products at low prices with the aim of maintaining its competitive advantage and increasing its market share. With the aim of better serving its customers, the Group also remains committed to the continuous training of its staff.

Jumbo Trading Ltd

Consolidated Management Report (continued)

Principal risks and uncertainties

8 The principal risks and uncertainties faced by the Group are disclosed in Notes 6, 7 and 27 of the consolidated financial statements.

Use of financial instruments by the Group

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

10 The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department of the Group Jumbo S.A. under policies approved by the Board of Directors of Jumbo Trading Ltd. Management recognizes, assesses and compensates for financial risks.

Foreign exchange risk

11 The Group imports finished goods from abroad and is subject to foreign exchange risk arising from various transactions and balances in United States Dollars. Currency risk arises from future commercial transactions and obligations. The Group's foreign exchange risk is not significant due to the fact that the Group's purchases in United States Dollars constitute a small percentage of its total purchases of finished products.

Price risk

12 The Group is exposed to equity securities and bond price risk because of investments held by the Group and classified on the balance sheet either as fair value through other comprehensive income.

13 The Group's investments in equity securities as at 31 December 2022 include shares worth €4,536,764 and bonds worth €7,654,460 which are publicly traded and included in the General Index of the Cyprus Stock Exchange and the Luxembourg Stock Exchange respectively. The Group does not apply hedge accounting for market price risk.

Cash flow and fair value interest rate risk

14 The Group's interest rate risk arises from interest-bearing assets. Interest-bearing assets issued at floating rates expose the Group to cash flow interest rate risk. Interest-bearing assets issued at fixed rates expose the Group to fair value interest rate risk.

15 At 31 December 2022, the Group is not exposed to interest rate risk related to cash flows due to the fact that it had no assets or significant borrowings that bear interest at floating rates.

Credit risk

16 The Group's credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables.

17 Credit risk is managed on a collective basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties. Separate credit limits and credit terms are not defined for banks and financial institutions.

18 For wholesale customers or other debtors where there is no independent assessment, Management assesses the credit quality of the customer, taking into account their financial situation, past experiences and other factors. Sales to retail customers are settled in cash or using major credit cards.

Liquidity risk

19 Management monitors the current liquidity position of the Group based on expected cash flows and expected revenue receipts. On a long-term basis, liquidity risk is defined based on the expected future cash flows at the time of entering into new credit facilities or leases and based on budgeted forecasts. Management believes that it is successful in managing the Group's liquidity risk.

Future developments of the Group

20 The Board of Directors expects to open a new store in Nicosia within the next 12 months. The Group does not expect any other significant changes or developments in the activities, financial condition and performance of the Group for the foreseeable future.

Results

21 The Group's results for the year are set out on pages 9 and 10.The Board of Directors following consideration of the availability of profits for distribution as well as the liquidity position of the Group, does not recommend the payment of a dividend and the profit for the year is retained.

Share capital

22 There were no changes in the share capital of the Company.

Jumbo Trading Ltd

Consolidated Management Report (continued)

Board of Directors

23 The members of the Board of Directors at 31 December 2022 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2022.

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

Events after the balance sheet date

25 The material post balance sheet events, which have a bearing on the understanding of the consolidated financial statements are disclosed in Note 29 of the consolidated financial statements.

Branches

26 The Group did not operate through any branches during the year.

Independent Auditors

27 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. 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

Apostolos - Evaggelos Vakakis (CEO)
Director

Nicosia,

Independent Auditor's Report

To the Members of Jumbo Trading Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jumbo Trading Ltd (the "Company"), and its subsidiaries (the "Group"), which are presented in pages 9 - 52 and comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statements of income, 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 consolidate 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' 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.

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 skepticism 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 true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal Requirements

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

- In our opinion, the consolidated management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In 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 consolidated 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.

Constantinos Taliotis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, _______________

Jumbo Trading Ltd

Consolidated income statement
for the year ended 31 December 2022

	Note	**2022** €	2021 €
Revenue	8	**108.308.923**	88.868.741
Cost of sales	10	**(54.209.146)**	(44.684.718)
Gross profit		**54.099.777**	44.184.023
Selling and marketing costs	10	**(13.792.370)**	(12.532.475)
Administrative expenses	10	**(5.386.303)**	(4.439.911)
Other income	9	**1.551.586**	1.399.309
Other gains/(losses) - net		**94**	(91.828)
Operating profit		**36.472.784**	28.519.118
Finance costs	12	**(629.651)**	(417.636)
Profit before income tax		**35.843.133**	28.101.482
Income tax expense	13	**(4.761.728)**	(3.804.951)
Profit for the year		**31.081.405**	24.296.531

The notes on pages 14 to 52 are an integral part of these consolidated financial statements.

Jumbo Trading Ltd

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Note	**2022** **€**	2021 €
Profit for the year		**31.081.405**	24.296.531
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments designated at fair value through other comprehensive income	24	**(1.593.048)**	479.037
Items that may be reclassified to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income	24	**1.716.254**	870.101
Other comprehensive income for the year, net of tax		**123.206**	1.349.138
Total comprehensive income for the year		**31.204.611**	25.645.669

The notes on pages 14 to 52 are an integral part of these consolidated financial statements.

Jumbo Trading Ltd

Consolidated balance sheet at 31 December 2022

	Note	**2022 €**	2021 €
Assets			
Non-current assets			
Property, plant and equipment	14	**85.374.274**	86.738.694
Right-of-use assets	15	**9.245.940**	9.982.056
Intangible assets	16	**67.335**	78.353
Financial assets at fair value through other comprehensive income	18	**12.191.224**	12.068.019
		106.878.773	108.867.122
Current assets			
Inventories	20	**16.798.792**	10.978.199
Other non-financial assets	19	**1.526.189**	645.873
Trade receivables	18	**53.615**	37.294
Financial assets at amortised cost	18	**430.344**	10.325.795
Tax refundable		**22.713**	-
Restricted bank deposits	21	**10.122.162**	13.713.648
Cash and cash equivalents	22	**182.970.261**	144.129.243
		211.924.076	179.830.052
Total assets		**318.802.849**	288.697.174
Equity and liabilities			
Capital and reserves			
Share capital	23	**6.579.002**	6.579.002
Share premium	23	**1.627.974**	1.627.974
Other reserves	24	**(6.384.496)**	(6.507.702)
Retained earnings		**293.859.039**	262.777.634
Total equity		**295.681.519**	264.476.908
Non-current liabilities			
Lease liabilities	15	**3.505.238**	3.753.496
Deferred income tax liabilities	25	**197.663**	197.663
		3.702.901	3.951.159
Current liabilities			
Trade and other payables	26	**19.100.344**	19.857.937
Current income tax liabilities		**8.285**	121.355
Lease liabilities	15	**309.800**	289.815
		19.418.429	20.269.107
Total liabilities		**23.121.330**	24.220.266
Total equity and liabilities		**318.802.849**	288.697.174

On ______________ the Board of Directors of Jumbo Trading Ltd authorised these consolidated financial statements for issue.

Apostolos - Evaggelos Vakakis (CEO), Director

Polyvios Economides, Director

The notes on pages 14 to 52 are an integral part of these consolidated financial statements.

Jumbo Trading Ltd

Consolidated statement of changes in equity for the year ended 31 December 2022

		Attributable to owners of the parent				
	Note	Share capital €	Share premium €	Other reserves €	Retained earnings[1] €	Total €
Balance at 1 January 2021		6.579.002	1.627.974	(7.948.668)	238.481.103	238.739.411
Comprehensive income						
Profit for the year		-	-	-	24.296.531	24.296.531
Other comprehensive income						
Financial assets at fair value through other comprehensive income:						
Fair value gains	24	-	-	1.349.138	-	1.349.138
Gains less losses reclassified to profit or loss upon disposal of debt securities at fair value through other comprehensive income	24	-	-	91.828	-	91.828
Total other comprehensive income		-	-	1.440.966	-	1.440.966
Total comprehensive income for the year		-	-	1.440.966	24.296.531	25.737.497
Balance at 31 December 2021/1 January 2022		6.579.002	1.627.974	(6.507.702)	262.777.634	264.476.908
Comprehensive income						
Profit for the year		-	-	-	31.081.405	31.081.405
Other comprehensive income						
Financial assets at fair value through other comprehensive income:						
Fair value gains	24	-	-	123.206	-	123.206
Total other comprehensive income		-	-	123.206	-	123.206
Total comprehensive income for the year		-	-	123.206	31.081.405	31.204.611
Balance at 31 December 2022		6.579.002	1.627.974	(6.384.496)	293.859.039	295.681.519

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2020, the deemed dividend distribution is subject to a 1,70% contribution to the National Health System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable.The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 14 to 52 are an integral part of these consolidated financial statements.

Jumbo Trading Ltd

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	2022 €	2021 €
Cash flows from operating activities			
Profit before income tax		**35.843.133**	28.101.482
Adjustments for:			
Depreciation of property, plant and equipment	14	**2.799.828**	2.837.183
Depreciation of right-of-use assets	15	**914.691**	883.960
Amortisation of intangible assets	16	**22.618**	25.829
Interest income	9	**(1.228.860)**	(730.790)
Interest expense	12	**67.857**	75.235
		38.419.267	31.192.899
Changes in working capital:			
Inventories		**(5.820.593)**	4.862.384
Trade receivables		**(16.321)**	50.817
Other non-financial assets		**(795.879)**	(99.403)
Financial assets at amortised costs		**9.616.600**	(7.385.716)
Trade and other payables		**(687.233)**	(762.060)
Cash generated from operations		**40.715.841**	27.858.921
Income tax paid		**(4.678.148)**	(3.300.000)
Net cash generated from operating activities		**36.037.693**	24.558.921
Cash flows from investing activities			
Purchases of property, plant and equipment	14	**(1.384.062)**	(2.265.796)
Purchases of intangibles	16	**(11.600)**	-
(Decrease)/Increase of restricted bank deposits	28	**3.591.486**	(113.648)
Interest received		**941.021**	652.046
Purchase of financial assets - bonds		**-**	(8.988.552)
Sale of financial assets - bonds		**-**	4.220.000
Net cash from/(used in) investing activities		**3.136.845**	(6.495.950)
Cash flows from financing activities			
Principal elements of lease payments	28	**(333.520)**	(365.328)
Interest paid		**-**	(58)
Net cash used in financing activities		**(333.520)**	(365.386)
Net increase in cash and cash equivalents		**38.841.018**	17.697.585
Cash and cash equivalents at beginning of year		**144.129.243**	126.431.658
Cash and cash equivalents at end of year	22	**182.970.261**	144.129.243

The notes on pages 14 to 52 are an integral part of these consolidated financial statements.

1 General information

Country of incorporation

The parent company of the Group, Jumbo Trading Ltd (the "Company"), is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Avraam Antoinou 9 Street, Kato Lakatamia, 2330, Nicosia, Cyprus.

Subsidiaries

On 13 March 2015, Jumbo Trading Ltd acquired 100% of the share capital of Geocam Limited for the amount of €2.000.

On 13 March 2015, Jumbo Trading Ltd acquired 100% of the share capital of Geoform Holdings Ltd for the amount of €2.000.

On 19 December 2019, Jumbo Trading Ltd acquired 100% of the share capital of Introserve Properties Limited for the amount of €13.000.000.

On 19 December 2019, Jumbo Trading Ltd acquired 100% of the share capital of Indene Properties Limited for the amount of €3.500.000.

On 19 December 2019, Jumbo Trading Ltd acquired 100% of the share capital of Ingane Properties Limited for the amount of €1.200.000.

Principal activities

The principal activities of the Group, which are unchanged from last year, are the the retailing of toys, baby goods, seasonal goods, decorative and home goods, stationery and mini market products.

Opearting environment of the Group

Covid-19 pandemic

The year 2022 continued to be marked by the effects of the COVID-19 pandemic, the emergence of new variants and the associated measures implemented by various governments globally with a view to delay the spread of the disease, safeguard public health and ensure the economic survival of working people, businesses, vulnerable groups and the economy at large.

To this end, the government of the Republic of Cyprus continued to have in place certain of the measures introduced in 2020 and 2021, and in some cases, introduced new, economically costly measures with the aim of protecting the population from further spread of the disease.

The measures were continuously revised (lifted or tightened) by the Republic of Cyprus during the year taking into consideration the epidemic status in the country.

Industries such as tourism, hospitality and entertainment have been directly and significantly disrupted by these measures for some period in 2022. Other industries, such as manufacturing and financial services, have also been indirectly affected.

1 General information (continued)

Opearting environment of the Group (continued)

Covid-19 pandemic (continued)

These measures have further restricted the economic activity both in Cyprus and globally and have severely impacted and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time. Some of those measures were subsequently relaxed, however, as of 31 December 2022, there remains a risk that the authorities may impose additional restrictions in 2023 as a response to possible new variants of the virus.

War between Russia and Ukraine

During 2021, the Russian economy continued to be negatively impacted by the ongoing political tension in the region and international sanctions against certain Russian companies and individuals, with the tension intensifying towards the end of 2021 as a result of further developments of the situation with Ukraine. From late February 2022 the conflict between Russia and Ukraine escalated further and the situation remains highly unstable.

In response to the conflict, a number of sanctions have been imposed on Russian entities to restrict them from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Nonetheless, the Company is not significantly impacted from the conflict, as its operations are not affected by the situation however it will continue monitoring the situation and take action if required.

Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Company's operations and support the Company's employees, customers and suppliers. The measures taken comprise of: quarantine for employees belonging to vulnerable groups and social distancing measures, such as replacing physical meetings with telecommunications. In particular, since March 2020, employees in non-critical activities of the Group have been working from home in rotation and employees in critical activities have been divided into different locations. In addition, strict hygiene rules have been imposed to protect the health and safety of the Group's employees and customers.

The unprecedented economic conditions have affected (1) the ability of the Company to generate revenue, to sell its existing inventories and/or offer its services to customers; (2) the cash flow forecasts of the Company's management in relation to the impairment of financial and non-financial assets.

1 General information (continued)

Opearting environment of the Group (continued)

The Company's management has assessed

1)The impact on the expected credit losses of the Company's financial instruments that are subject to impairment under IFRS 9. IFRS 9 requires forward-looking information (including macro-economic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses. As with any economic forecast the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Refer to Note 6 for more information on impairment of financial assets.

2)The potential impairment of non-financial assets. IAS 36 requires goodwill and indefinite-lived intangible assets to be tested for impairment at a minimum every year, and other non-financial assets whenever there is an indicator that those assets might be impaired. Management considered the prevailing economic conditions and the impact that these had on the Company's operations, results and cash flows for the year 2022 as indications that the carrying amount of the Company's non-financial assets might exceed its recoverable amount. Based on the impairment testing performed, the Company's management concluded that no impairment charges are necessary.

3) Whether the net realizable value for the Company's inventory exceeds cost. Where net realizable value is below cost, the excess should be charged to the income statement for the year.

4) The potential impact on the realisation of the Company's deferred tax asset recognised for tax losses incurred in the previous years. For further information refer to Note 13.

5) The ability of the Company to continue as a going concern

The future effects of the COVID-19 pandemic, the conflict in the region and of the above measures on the Cyprus economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2 Basis of preparation

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

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

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated (refer to Notes 3 and 4).

2 Basis of preparation (continued)

The consolidated financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of financial assets at fair value through other comprehensive income.

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

Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are fully consolidated from the date control is transferred to the Group and consolidation ceases from the date such control is terminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

3 Adoption of new or revised standards and interpretations

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

4 Summary of significant accounting policies

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

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 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 recognized 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 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 that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

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

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the income statement 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 contain one or more performance obligations and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good that is promised to a customer is distinct if the customer can benefit from the good, either on its own or together with other resources that are readily available to the customer (that is the good is capable of being distinct) and the Group's promise to transfer the good to the customer is separately identifiable from other promises in the contract (that is, the good is distinct within the context of the contract).

4 Summary of significant accounting policies (continued)

Revenue (continued)

Sale of goods

Sales of goods are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised goods to the customer, which is usually when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the client’s acceptance of the goods. Acceptance occurs when the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the goods.

Employee benefits

The Group and the employees contribute to the Government Social Insurance Fund based on employees’ salaries. In addition, the Group operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Group. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Foreign currency translation

(i) 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 consolidated financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are recognised in profit or loss, as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

4 Summary of significant accounting policies (continued)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. In accounting for the tax effects of on-balance sheet leases, the Company views the right-of-use asset and lease liability separately and considers that the temporary difference on each item does not give rise to deferred tax since the initial recognition exception applies.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Group where there is an intention to settle the balances on a net basis.

Property, plant and equipment

Land and buildings comprising mainly stores, offices and parking lots. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

	%
Buildings	3
Furniture and fixtures	10
Motor vehicles	20
Computer hardware	20
Aircraft	4

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses) – net" in profit or loss.

Leases

The Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

4 Summary of significant accounting policies (continued)

Leases (continued)

The Company is the lessee (continued)

- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases. 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.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

4 Summary of significant accounting policies (continued)

Leases (continued)

The Company is the lessee (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

In determining the lease term, management of the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

Right-of-use assets are reviewed for impairment in accordance with the Group's accounting policy for impairment of non-financial assets.

As an exception to the above, payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets and associated lease liabilities are presented as separate lines on the face of the balance sheet.

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 programmes 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 programmes are charged to the profit or loss of the year in which they were incurred. Computer software costs are amortised using the straight line method over their estimated useful lives, not exceeding a period of five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

4 Summary of significant accounting policies (continued)

The Company is the lessor (continued)

Impairment of non-financial assets

Intangibles that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. 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 other comprehensive income 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 at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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 recognized when the entity becomes a party to the contractual provisions of the instrument.

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

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

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

Debt instruments

The subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income from these financial assets is included in ‘’other income’’. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. The Group's financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, trade receivables and financial assets at amortised cost.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in “other gains/(losses)”. Interest income from these financial assets is included in “other income”. Foreign exchange gains and losses are presented in “other gains/(losses)” and impairment expenses are presented as separate line item in the income statement.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets – impairment – credit loss allowance for expected credit losses

The Group assesses on a forward-looking basis the expected credit losses for debt instruments (including loans) measured at ammortised cost and FVOCI and exposures 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 income statement within 'net impairment losses on financial assets'.

Debt instruments measured at ammortised cost are presented in the balance sheet net of the allowance for ECL.

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 instrument assessed for impairment. Refer to Note 6, Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for financial assets that are subject to impairment under IFRS 9.

Financial assets - Reclassification

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

Financial assets – write-off

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

Financial assets – modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg 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.

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets – modification (continued)

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.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at ammortised 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. These 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.

Interest income

Interest income from financial assets at FVTPL is included in the other gains/(losses) - net on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the income statement as "Other income". Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

4 Summary of significant accounting policies (continued)

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is 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 liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Transactions with equity owners

The Group carries out transactions with shareholders. When consistent with the nature of the transaction, the Group's accounting policy is to recognize any gains or losses from transactions with shareholders directly in equity and to consider such transactions as an additional contribution of capital or as a dividend payment. Similar transactions with other parties, other than shareholders, are recognized in profit and loss in accordance with IFRS 9 "Financial Instruments".

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Share capital and share premium

Ordinary shares are classified as equity.

4 Summary of significant accounting policies (continued)

Share capital and share premium (continued)

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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 the income statement.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

5 New accounting pronouncements (continued)

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)*. IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.
- Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2023)*. These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Group is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.

5 New accounting pronouncements (continued)

- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023)*. The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance. The Group is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective for annual periods beginning on or after 1 January 2023)* - The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known.

** Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union*

6 Financial risk management

(i) Financial risk factors

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

The Group's risk management program focuses on the unpredictability of the financial markets and aims to reduce the potential negative effects on the Group's financial performance. Risk management is carried out by the accounting department of Jumbo Trading Ltd in accordance with principles followed by the Jumbo S.A. Group. Accounting recognizes, assesses and hedges financial risks.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk**

Foreign exchange risk

Exposure

The Group imports finished goods from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars. Foreign exchange risk arises when future commercial transactions and recognised liabilities are denominated in a currency that is not the Group's functional currency. The Group's foreign exchange risk is not significant due to the fact that the Group's purchases in US dollars constitute a small percentage of its total purchases of finished products.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Price risk

Exposure

The Group is exposed to equity securities and bonds price risk because of investments held by the Group and classified on the balance sheet as fair value through other comprehensive income.

The Group's investments in publicly traded bonds and equity securities are included in the General Index of the Cyprus Stock Exchange (CSE) and the Luxembourg Stock Exchange (LUX).

Sensitivity

The table below summarises the impact of increases/decreases of the CSE and LuxSE general index on other components of equity of the Group. The analysis is based on the assumption that the equity indexes had increased/decreased by 20% (2021: 20%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

	Impact on other components of equity in €	
	2022	2021
Index		
Cyprus Stock Exchange – General Index	**907.353**	564.102
Luxembourg Stock Exchange – General Index	**1.530.892**	1.849.502

The other components of equity would increase/decrease as a result of gains/losses on equity securities and bonds classified as at fair value through other comprehensive income.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow and fair value interest rate risk

Exposure

The Group's interest rate risk arises from intrest-bearing assets. Interest-bearing assets issued at variable rates expose the Group to cash flow interest rate risk. Interest-bearing assets issued at fixed rates expose the Group to fair value interest rate risk.

Sensitivity

At 31 December 2022, the Group is not exposed to interest rate risk related to cash flows due to the fact that it has no assets that bear interest at floating rates.

At 31 December 2022, if interest rates on Euro-denominated interest-bearing assets had been 1% (2021: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been €1.809.365 (2021: €673.858) higher/lower, mainly as a result of the higher/lower interest income on deposits at fixed interest rates.

The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income and at fair value through profit or loss favourable derivative financial instruments, as well as credit exposures to retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties. For banks and financial institutions, separate credit limits and credit terms are not defined.

For wholesale customers or other debtors where there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales to retail customers are settled in cash or using major credit cards.

(ii) Impairment of financial assets

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

- trade receivables
- financial assets at amortised cost (related party and other receivables)
- debt investments carried at FVOCI

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**
- cash and cash equivalents

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

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach – three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial 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"). 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 assets" within operating profit.

Significant increase in credit risk. The Group considers the probability of default upon initial recognition of 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 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:

- 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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

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 when 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 estimated impairment loss was insignificant for all financial asset classes.

The following tables contain an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised.

Trade receivables

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:

Company internal credit rating	**2022** **€**	2021 €
Performing	**53.615**	37.294
Total trade receivables	**53.615**	37.294

Receivables from related parties

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

Company internal credit rating	**2022** **€**	2021 €
Performing	**-**	10.043.970
Total receivables from related parties	**-**	10.043.970

Other receivables

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:

Company internal credit rating	**2022** **€**	2021 €
Performing	**430.094**	281.825
Total other receivables	**430.094**	281.825

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

Financial assets at fair value through other comprehensive income

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

Company internal credit rating	External credit rating €	2022 €	2021 €
Moody's	**B3**	-	9.247.508
Moody's	**B2**	7.654.460	-
Total financial assets at fair value through other comprehensive income		7.654.460	9.247.508

Cash and cash equivalents

The Company 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.

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

	External credit rating €	2022 €	2021 €
Moody's - Bank of Cyprus	**Ba3**	-	67.597.616
Moody's - Bank of Cyprus	**Ba2**	105.978.357	-
Moody's - Hellenic Bank	**B1**	-	6.465
Moody's - Hellenic Bank	**Ba2**	8.472	-
Moody's - Eurobank S.A.	**Ba2**	75.000.000	-
Eurobank Cyprus	**non-rated**	1.747.801	76.263.102
Total cash and cash equivalents		182.734.630	143.867.183

All cash and cash equivalents balance of the amount of €235.631 (2021: €262.060) is cash on hand.

All cash and bank balances were performing (Stage 1) as at 31 December 2022 and 31 December 2021.

- **Liquidity risk**

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

	Less than 1 year €	Μεταξύ 1 και 5 ετών €	Πέραν των 5 ετών €
At 31 December 2021			
Trade and other payables	19.857.937	-	-
Lease liabilities	356.491	1.664.305	2.546.139
	20.214.428	1.664.305	2.546.139

	Less than 1 year €	Μεταξύ 1 και 5 ετών €	Over 5 years €
At 31 December 2022			
Trade and other payables	**19.100.344**	**-**	**-**
Lease liabilities	**372.285**	**1.673.695**	**2.244.290**
	19.472.629	**1.673.695**	**2.244.290**

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group considers equity as shown on the face of the balance sheet as capital.

(iii) Fair value estimation

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

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

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

	Level 1 €
31 December 2022	
Assets	
Financial assets at fair value through other comprehensive income:	
- Equity securities	4.536.764
- Debt investments	7.654.460
Total financial assets measured at fair value	12.191.224

6 Financial risk management (continued)

(iii) Fair value estimation (continued)

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

	Level 1
	€
31 December 2021	
Assets	
Financial assets at fair value through other comprehensive income:	
- Equity securities	2.820.511
- Debt investments	9.247.508
Total assets measured at fair value	12.068.019

There were no transfers between Levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus Stock Exchange equity investments and bonds listed on Luxembourg Stock Exchange, classified at FVOCI.

(iv) Offsetting financial assets and liabilities

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

7 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements 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.

(i) 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.

7 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **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 the Note 6 Credit risk section.

- **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. 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

Where the actual final outcome (on the judgemental areas) to differ by 10% from management’s estimates then the Group's tax liabilities would not have significant fluctuations.

- **Initial recognition for related party transactions**

The Group enters into transactions with related parties in the ordinary course of its activities. Based on IFRS 9, the initial recognition of financial instruments is based on their fair value. In determining whether transactions are priced at market rates or not, where there is no active market for such transactions, judgment is applied.

Receivables from/payables to related parties are presented at their transaction value and are collectible/payable on first demand. The Board of Directors estimates that their fair value is approximately the same as their transaction value. The terms and conditions of the balances with related parties are presented in Note 28.

(ii) Critical judgements in applying the Group's accounting policies

- **Inventories**

Inventories are valued at the lower of historical cost and net realizable value. To estimate the net realizable value, Management takes into account the most reliable evidence available at the time the estimate is made.

- **Determination of the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

7 Critical accounting estimates and judgements (continued)

(ii) Critical judgements in applying the Group's accounting policies (continued)

For leases of warehouses and retail stores, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

As at 31 December 2022, potential future cash outflows of €15.036.000 (2021: €15.036.000), have not been included in the lease liability as it is not reasonably certain that the leases will be extended (or not terminated).

8 Revenue

	2022 €	2021 €
Toys	**20.437.364**	17.967.030
Baby products	**4.080.645**	3.738.654
Stationery	**8.351.390**	6.842.981
Seasonal products	**24.343.646**	19.265.670
Decorative and home goods	**41.021.498**	33.710.820
Snacks, candies and other mini market products	**10.074.380**	7.343.586
Total revenue	**108.308.923**	88.868.741

9 Other income

	2022 €	2021 €
Interest income:		
Financial assets at amortised costs:		
Bank balances	**634.166**	205.422
Financial assets measured at FVOCI:		
Bonds	**594.694**	525.368
Total interest income calculated using effective interest rate method	**1.228.860**	730.790
Other operating income	**322.726**	668.519
	1.551.586	1.399.309

10 Expenses by nature

	2022 €	2021 €
Cost of goods sold	**54.209.146**	44.684.718
Depreciation, amortisation and impairment charges (Notes 14, 15 and 16)	**3.737.137**	3.746.972
Repairs and maintenance	**360.867**	332.613
Insurance	**395.148**	350.012
Auditors' remuneration	**50.000**	47.000
Staff costs (Note 11)	**9.738.843**	8.910.158
Advertising and promotion	**810.111**	532.930
Transportation expenses	**310.245**	293.315
Legal fees	**34.595**	25.460
Packaging expenses	**175.883**	133.089
Electricity	**1.284.012**	1.119.171
Rent	**73.431**	88.409
Telephone, fax and postages	**37.077**	36.935
Printing and stationery	**19.027**	17.458
Cleaning and recycling	**102.225**	95.661
Taxes and licences	**59.508**	59.238
Subscriptions and donations	**1.480**	1.480
Annual levy	**2.100**	1.750
Other expenses	**1.439.069**	755.614
Helicopter expenses	**260.237**	172.986
Airplane expenses	**287.678**	252.135
Total cost of goods sold, selling and marketing costs, administrative expenses and other expenses	**73.387.819**	61.657.104

The total fees charged by the Group's statutory auditor for the statutory audit of the annual financial statements of the Group for the year ended 31 December 2022 amounted to €50.000 (2021: €47.000). The total fees charged by the Group's statutory auditor for the period from 1 January 2022 to 30 June 2022 for the interim audit amounted to €9.000 (for the period from 1 January 2021 to 30 June 2021: €8.500) and the total fees charged by the Group's statutory auditor for the year ended 31 December 2022 for other non-assurance services amounted to €0 (2021: €0).

11 Staff costs

	2022 €	2021 €
Salaries	**8.504.315**	7.784.144
Social insurance costs	**678.934**	617.987
Other contributions	**555.594**	508.027
	9.738.843	8.910.158
Average number of staff employed during the year	**526**	555

The above amounts include salaries and contributions related to key management personnel as presented in Note 28(iii).

12 Finance costs

	2022	2021
	€	€
Interest payable for lease liabilities and financial liabilities not at fair value through profit or loss:		
Bank borrowings	-	58
Lease liabilities (Note 15)	67.857	75.177
Other finance costs		
Credit card commission	433.498	342.401
Other interest expense	128.296	-
Total finance costs	629.651	417.636

13 Income tax expense

	2022	2021
	€	€
Current tax:		
Corporation tax	4.561.259	3.574.315
Defence contribution	200.469	230.636
Total current tax	4.761.728	3.804.951
Income tax expense	4.761.728	3.804.951

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

	2022	2021
	€	€
Profit before tax	35.843.133	28.101.482
Tax calculated at the applicable corporation tax rate of 12.5%	4.480.392	3.512.685
Tax effect of expenses not deductible for tax purposes	3.182.438	620.734
Tax effect of allowances and income not subject to tax	(3.098.430)	(556.493)
Special contribution for defence	200.469	226.436
Tax effect of utilisation of previously unrecognised tax losses	(4.154)	(2.260)
	-	-
10% additional tax due to the provisional tax declaration	1.013	543
Tax effect of tax losses for which no deferred tax asset was recognised	-	3.306
Income tax charge	4.761.728	3.804.951

The Group is subject to income tax on taxable profits at the rate of 12,5%.

Brought forward losses of only five years may be utilized.

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In addition, in certain cases, dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

13 Income tax expense (continued)

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Tax effects of components of other comprehensive income

	Year ended 31 December			
	2022		2021	
	Before tax	**After tax**	Before tax	After tax
	€	**€**	€	€
Financial assets at FVOCI				
Fair value gain	**123.206**	**123.206**	1.349.138	1.349.138
Loss transferred to profit or loss due to disposal	**-**	**-**	91.828	91.828
Other comprehensive income	**123.206**	**123.206**	1.440.966	1.440.966

14 Property, plant and equipment

	Land and buildings	Motor vehicles	Firniture & Fittings and Computer Hardware	Helicopter	Airplane	Total
	€	€	€	€	€	€
At 1 January 2021						
Cost	92.720.790	120.683	10.066.894	3.312.769	5.629.196	111.850.332
Accumulated depreciation	(15.384.309)	(120.683)	(7.470.122)	(743.208)	(922.956)	(24.641.278)
Net book amount	77.336.481	-	2.596.772	2.569.561	4.706.240	87.209.054
Year ended 31 December 2021						
Opening net book amount	77.336.481	-	2.596.772	2.569.561	4.706.240	87.209.054
Additions	2.236.303	-	54.609	-	75.911	2.366.823
Depreciation charge (Note 10)	(1.897.380)	-	(579.088)	(132.511)	(228.204)	(2.837.183)
Closing net book amount	77.675.404	-	2.072.293	2.437.050	4.553.947	86.738.694
At 31 December 2021						
Cost	94.957.093	120.683	10.121.503	3.312.769	5.705.107	114.217.155
Accumulated depreciation	(17.281.689)	(120.683)	(8.049.210)	(875.719)	(1.151.160)	(27.478.461)
Net book amount	77.675.404	-	2.072.293	2.437.050	4.553.947	86.738.694

	Land and buildings	Motor vehicles	Firniture & Fittings and Computer Hardware	Helicopter	Airplane	**Total**
	€	€	€	€	€	**€**
Year ended 31 December 2022						
Opening net book amount	77.675.404	-	2.072.293	2.437.050	4.553.947	**86.738.694**
Additions	1.341.930	-	93.478	-	-	**1.435.408**
Depreciation charge (Note 10)	(1.950.289)	-	(488.824)	(132.511)	(228.204)	**(2.799.828)**
Closing net book amount	77.067.045	-	1.676.947	2.304.539	4.325.743	**85.374.274**
At 31 December 2022						
Cost	96.299.024	120.683	10.214.981	3.312.769	5.705.107	**115.652.564**
Accumulated depreciation	(19.231.979)	(120.683)	(8.538.034)	(1.008.230)	(1.379.364)	**(30.278.290)**
Net book amount	77.067.045	-	1.676.947	2.304.539	4.325.743	**85.374.274**

Depreciation expense of €2.439.113 (2021: €2.108.219) has been charged in "selling and marketing costs" and €360.715 (2021: €728.964) has been charged in "administrative expenses"

15 Leases

This note provides information for leases where the Group is a lessee.

(i) ***The Company's leasing arrangements***

The Company leases various warehouses, retail stores and vehicles. Rental contracts are typically made for fixed periods of 5 months to 30 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(ii) ***Amounts recognised in the balance sheet***

The balance sheet shows the following amounts relating to leases:

	2022	2021
	€	€
Right-of-use assets		
Buildings	**8.403.451**	9.197.626
Land	**592.575**	624.166
Vehicles	**249.914**	160.264
Total	**9.245.940**	9.982.056
Lease liabilities	**-**	-
Current	**309.800**	289.815
Non-current	**1.438.274**	1.414.441
Non-current	**2.066.964**	2.339.055
Total	**3.815.038**	4.043.311

Additions to the right-of-use assets during the 2022 financial year were €174.905.

(iii) ***Amounts recognised in profit or loss***

The income statement shows the following amounts relating to leases:

	2022	2021
	€	€
Depreciation of right-of-use assets		
Buildings	**794.176**	798.945
Land	**31.590**	31.590
Vehicles	**88.925**	53.425
Total	**914.691**	883.960
Interest expense (included in finance cost)	**67.857**	75.177
Expense relating to short-term leases	**73.431**	88.409
Total	**141.288**	163.586

Expenses relating to leases of €914.691 (2021: €883.960) have been charged in "selling and marketing costs".

The total cash outflow for leases in 2022 was €371.303 (2021: €403.111).

16 Intangible assets

	Computer software €
At 1 January 2021	
Cost	240.823
Accumulated amortisation and impairment	(136.641)
Net book amount	104.182
Year ended 31 December 2021	
Opening net book amount	104.182
Additions	-
Amortisation charge (Note 10)	(25.829)
Closing net book amount	78.353
At 31 December 2021	
Cost	240.823
Accumulated amortisation	(162.470)
Net book amount	78.353

	Computer software €
Year ended 31 December 2022	
Opening net book amount	78.353
Additions	11.600
Amortisation charge (Note 10)	(22.618)
Closing net book amount	67.335
At 31 December 2022	
Cost	252.423
Accumulated amortisation	(185.088)
Net book amount	67.335

Amortisation of €6.687 (2021: €7.459) is included in “selling and marketing costs” in profit or loss and amortisation of €5.931 (2021: €18.370) is included in “administrative expenses” in profit or loss.

17 Investments in subsidiaries

The Group has the following subsidiaries at 31 December 2022 and 31 December 2021:

Name	**Country of incorporation and place of business**	**Proportion of ordinary shares directly held by parent at 31 December 2022 (%)**	**Proportion of ordinary shares directly held by parent at 31 December 2021 (%)**
Geoform Ltd	Cyprus	100	100
Geocam Holdings Ltd	Cyprus	100	100
Introserve Properties Limited	Cyprus	100	100
Indene Properties Limited	Cyprus	100	100
Ingane Properties Limited	Cyprus	100	100

All subsidiary undertakings are included in the consolidation.

17 Investments in subsidiaries (continued)

The above mentioned subsidiaries are presented in the consolidated balance sheet in accordance with the accounting policy for business combinations.

18 Financial assets

(a) Trade receivables

	2022 €	2021 €
Current assets		
Trade receivables from contracts with customers		
Trade receivables – net	**53.615**	37.294

(i) Fair value of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(ii) Impairment and risk exposure

At 31 December 2022, trade receivables of €53,615 (31 December 2021: €37,294) were neither overdue nor impaired. The maximum exposure to credit risk at the Balance Sheet date is the book value of each group of receivables mentioned above. The Company does not have any pledge as collateral.

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2022 €	2021 €
Euro - functional and presentation currency	**53.615**	37.294

(b) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

	2022 €	2021 €
Current		
Receivables from parent entity (Note 28(iv))	**-**	10.043.970
Other receivables	**430.344**	281.825
Total current	**430.344**	10.325.795
Financial assets at amortised cost - net	**430.344**	10.325.795

(i) Current financial assets at amortised cost

Due to the short-term nature of the current financial assets at amortised cost, their carrying amount is considered to be the same as their fair value.

18 Financial assets (continued)

(b) Financial assets at amortised cost (continued)

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2022 €	2021 €
Euro - functional and presentation currency	**430.344**	10.325.795

(ii) Impairment and risk exposure

Note 6 sets out information about the impairment of financial assets and the company's exposure to credit risk.

(c) Financial assets at fair value through other comprehensive income

Investments at FVOCI comprise the following individual investments:

	2022 €	2021 €
Equity investments designated at FVOCI		
Listed equity securities:		
Cyprus Stock Exchange	**4.536.764**	2.820.511
Debt investments:		
Bonds (1)	**7.654.460**	9.247.508
	12.191.224	12.068.019

(1) Financial assets measured at fair value through other comprehensive income include 8,982,000 Bank of Cyprus bonds, listed on the Luxembourg Stock Exchange, with an interest rate of 6.625% and a maturity date of October 23, 2031.

(i) Amounts recognised in other comprehensive income

During the year, the following gains/(losses) were recognised in other comprehensive income.

	2022 €	2021 €
Gains/(losses) recognised in other comprehensive income (Note 24)		
Bonds	**(1.593.048)**	479.037
Equity securities	**1.716.254**	870.101
	123.206	1.349.138

(ii) Impairment and risk exposure

Information about the methods and assumptions used in determining fair value and sensitivity of the assets to price and interest rate risk are provided in note 6 and information about the loss allowance recognised on debt investments at FVOCI is provided in note 6.

18 Financial assets (continued)

(c) Financial assets at fair value through other comprehensive income (continued)

Debt financial assets at FVOCI are denominated in following currencies:

	2022 €	2021 €
Euro - functional and presentation currency	**12.191.224**	12.068.019

19 Other non-financial assets

	2022 €	2021 €
Prepayments	**1.526.189**	645.873

20 Inventories

	2022 €	2021 €
Finished goods	**16.798.792**	10.978.199

All stock items are stated at cost.

21 Restricted bank deposits

	2022 €	2021 €
Current:		
Restricted bank deposits	**10.122.162**	13.713.648

Bank deposits amounting to €1,022,162 (2021: €1,013,648) have been granted as collateral in the form of restricted bank deposits to secure the Group's bank overdrafts. Bank deposits amounting to €9,100,000 (December 31, 2021: €9,100,000) have been granted as collateral in the form of restricted bank deposits for the purchase of the Stefanidis building (Introserve Properties Limited).

22 Cash and cash equivalents

	2022 €	2021 €
Cash at bank and in hand	**182.970.261**	98.798.561
Short-term bank deposits	**-**	45.330.682
	182.970.261	144.129.243

22 Cash and cash equivalents (continued)

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2022	2021
	€	€
Cash and bank balances	**182.970.261**	144.129.243

Cash and cash equivalents are denominated in the following currencies:

	2022	2021
	€	€
Euro - functional and presentation currency	**182.970.261**	144.129.243

23 Share capital and share premium

	Number of shares	Share capital €	Share premium €	Total €
At 31 December 2021/1 January 2022/31 December 2022	19 350 006	6.579.002	1.627.974	8.206.976

The total authorized number of ordinary shares is 25 000 000 shares (2021: 25 000 000 shares) with a par value of €0,34 per share. All issued shares are fully paid.

24 Other reserves

	Currency translation reserve €	Financial assets at FVOCI €	Difference from conversion of share capital into euro €	Total €
At 1 January 2021	170.695	(8.152.651)	33.288	(7.948.668)
Financial assets at fair value through OCI				
Fair value gains - bonds (Note 18)	-	479.037	-	479.037
Fair value gains - equity securities (Note 18)	-	870.101	-	870.101
Gain reclassified to retained earnings due to disposal	-	91.828	-	91.828
At 31 December 2021/1 January 2022	170.695	(6.711.685)	33.288	(6.507.702)

	Currency translation reserve €	Financial assets at FVOCI €	Difference from conversion of share capital into euro €	Total €
Financial assets at fair value through OCI:				
Fair value losses - bonds (Note 18)	-	(1.593.048)	-	(1.593.048)
Fair value gains - equity securities (Note 18)	-	1.716.254	-	1.716.254
At 31 December 2022	170.695	(6.588.479)	33.288	(6.384.496)

25 Deferred income tax liabilities

The gross movement on the deferred income tax account is as follows:

	Difference between depreciation and wear and tear allowance €
At 1 January 2021	197.663
Charged to:	
Profit or loss	-
At 31 December 2021/1 January 2022	197.663
Charged to:	
Profit or loss	-
At 31 December 2022	197.663

26 Trade and other payables

	2022 €	2021 €
Trade payables	**14.154**	43.044
Payables to parent entity (Note 28(iv))	**839.523**	-
Other payables	**10.628.803**	13.546.466
Accrued expenses	**976.766**	775.386
Social insurance and other taxes	**6.641.098**	5.493.041
Trade and other payables	**19.100.344**	19.857.937

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2022 €	2021 €
Euro - functional and presentation currency	**19.100.344**	19.857.937

27 Contingencies

The Group has the following contingent liabilities in relation to guarantees it provided:

(i) Guarantees of a total value up to the amount of €900,000 plus VAT to secure the payment of the remaining current rents due from time to time until the date of initial termination of the contract (i.e. until 28 May 2023), for the case in which the lessee JUMBO EC.B LTD does not pay these.

27 Contingencies (continued)

(ii) Guarantee of a total value of €10,125,000, before the relevant VAT, in the event that in the year 2023 JUMBO EC.B LTD does not extend the lease agreement, in which case the latter has the contractual obligation to purchase the leased property and ownership in which is constructed for an agreed price of €13,500,000, before the relevant VAT, payable either in full in cash, or as follows: a) an amount of €3,375,000, before VAT, upon signing the purchase agreement in the year 2023 and b) the remaining amount of €10,125,000, in three equal annual installments of €3,375,000 each, payable on June 30 of the years 2024, 2025 and 2026. The Group undertakes the payment of the installments of the credited amount of €10,125,000, in case JUMBO EC.B LTD cannot cover them.

(iii) Guarantees of total value up to the amount of € 7,200,000 plus VAT, in the event that in the year 2023 JUMBO EC.B LTD renews the lease agreement until May 28, 2035, to secure the payment of the lease payments due until the new expiration of the contract, as long as the lessee JUMBO EC.B LTD does not pay them.

(iv) Guarantee of a total value of €10,125,000, before the relevant VAT, in the event that during the entire contractual, initial or extended period of the lease, Mr. Apostolos Vakakis ceases to be an executive member of the Board of Directors of the parent company JUMBO AE, in which case the lessee JUMBO EC.B LTD is obliged to purchase the leased store and the property on which it is built for an agreed price of €13,500,000, before the relevant VAT, payable either in full in cash, or as follows: a) an amount of €3,375,000, before VAT, upon signing the purchase and sale contract and b) the remaining amount of €10,125,000, in three equal annual installments of €3,375,000 each, payable on June 30 of the following years of buying and selling. The Group undertakes the payment of the installments of the credited price amounting to €10,125,000, in the event that JUMBO EC.B LTD is unable to cover them.

28 Related party transactions

The Group is controlled by Jumbo S.A., registered in Greece and listed on the Athens Stock Exchange. Jumbo S.A. owns 100% of the Company's shares. The ultimate beneficial owner is Mr. Apostolos - Evangelos Vakakis.

The following transactions were carried out with related parties:

(i) Sales of goods

	2022	2021
	€	€
Sales of goods:		
Jumbo S.A. (parent entity)	**625.074**	703.622

(ii) Purchases of goods/fixed assets

	2022	2021
	€	€
Purchases of goods:		
Jubmo S.A. (parent entity)	**57.975.657**	38.507.021
Purchases of fixed assets:		
Jubmo S.A. (parent entity)	**387.460**	126.291

28 Related party transactions (continued)

(iii) Key management personnel and directors' remuneration

The total remuneration of the key management personnel and directors was as follows:

	2022	2021
	€	€
Salaries	**297.535**	264.896
Social insurance costs	**12.682**	12.370
Other contributions	**16.981**	15.511
	327.198	292.777
Emoluments in their executive capacity (included in "staff cost") (Note 11)	**327.198**	292.777

(iv) Year-end balances arising from sales/purchases of goods

	2022	2021
	€	€
Receivables from related parties (Note 18):		
Jubmo S.A. (parent entity)	**-**	10.043.970
Payables to related parties (Note 26):		
Jubmo S.A. (parent entity)	**839.523**	-

The above balances bear no interest and are repayable on demand.

(v) Personal guarantees of the Directors

The Group provided guarantees on behalf of related companies (Note 27).

29 Events after the balance sheet date

On 20 January 2023, the Company announced a dividend distribution from part of the retained earnings of the financial years from 2000 to 2015 and part of the retained earnings of the financial year from 01/07/2015 to 30/06/2016 for a total amount of €130.000.000.

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

Independent Auditor's Report on pages 6 to 8.