

LEPTOS CALYPSO HOTELS PUBLIC LIMITED

**Unaudited interim condensed consolidated financial
statements for the six month period ended 30 June
2020**

Leptos Calypso Hotels Public Limited

Unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2020

Contents

| | Page |
|---|-------------|
| Board of Directors and other officers | 1 |
| Declaration of the members of the Board of Directors and the Financial Controller of the Company for the preparation of the interim condensed consolidated financial statements | 2 |
| Interim management report | 3 - 4 |
| Interim condensed consolidated statement of profit or loss and other comprehensive income | 5 |
| Interim condensed consolidated statement of financial position | 6 - 7 |
| Interim condensed consolidated statement of changes in equity | 8 |
| Interim condensed consolidated statement of cash flows | 9 |
| Notes to the interim condensed consolidated financial statements | 10 - 20 |

Leptos Calypso Hotels Public Limited

Board of Directors and other officers

Board of Directors

Michael G. Leptos (Chairman and Managing Director)
Pantelis M. Leptos (Substitute Chairman and Non-Executive Director)
Ioannis Pantazis (Executive Director)
Andreas Ataliotis (Non-Executive Director)
Andreas Demetriadis (Non-Executive Director)
Andreas Iacovides (Non-Executive Director)
George M. Leptos (Non-Executive Director)
Paris Gavriel (Non-Executive Director)
Savvas Michael (Non-Executive Director)

Company Secretary

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

Registered office

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

Legal Advisors

Stavros N. Leptos

Registration number

HE 18806

Leptos Calypso Hotels Public Limited

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

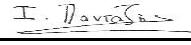
In accordance with Article 10 sections (3)(c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Markets) Law of 2007 until 2016 ("Law"), we the members of the Board of Directors and the Financial Controller of Leptos Calypso Hotels Public Limited, responsible for the consolidated and separate financial statements of Leptos Calypso Hotels Public Limited for the six months ended 30 June 2020 confirm that, based on our knowledge:

(a) the unaudited interim condensed consolidated financial statements which are presented on pages 5 to 20:

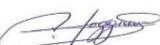
- (i) have been prepared in accordance with the IAS 34 "Interim Financial Reporting" as adopted by the European Union and in accordance with the provisions of Article 10, section (4) of the Law, and
- (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Group and the Company and the businesses that are included in the consolidated financial statements as a total, and

(b) the interim management report of the Board of Directors provide fair review of the information required by the Article 10, section (6) of the Law.

Members of the Board of Directors:

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

Financial Controller

| Name and surname | Capacity | Signature |
|------------------------|----------------------|---|
| Longinos Christodoulou | Financial Controller |  |

Paphos, 21 September 2020

Leptos Calypso Hotels Public Limited

Interim management report

On 21 September 2020, the Board of Directors of the Company examined and approved the results of the Group Leptos Calypso Hotels Public Limited for the six month period ended 30 June 2020, which will be published on 22 September 2020.

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

Analysis of the Group's results for the six month period ended 30 June 2020

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

The turnover of the Group for the first half of 2020 amounted to €2,13 million compared to €10,64 million during the corresponding period of 2019. This decrease is due to the suspended operation of the hotel units of the group from March 21 until July 17 due to the Coronavirus pandemic but also the restrictive measures of the government.

The Group's loss from operations for the first half of 2020 amounted to €2,84 million compared to a loss of €359 thousand in the corresponding period last year.

During the first half of 2020, the loss after tax amounted to €3,78 million compared to a loss of €1,30 million in the corresponding period of last year. The Group showed a loss after tax corresponding to the shareholders of the Company amounting to €3,56 million against a loss of €1,29 million during the corresponding period of 2019.

The results of the Group for the first six months period of 2020 are not representative for the entire year, due to the seasonality of the operations of the Group's hotel units. The bulk of the operations of the hotels are contacted during the main touristic period which falls within the second six month period of the financial year of the Group.

Principal risks and uncertainties

The principal risk and uncertainties faced by the Group are disclosed in Notes 4 and 5 of the interim condensed consolidated financial statements. The Cypriot economy and especially the tourism sector will be severely affected by the Coronavirus pandemic. In 2020, total tourist arrivals in Cyprus are estimated to be reduced by more than 80%. There are also concerns for the coming year of 2021, as indications show that this will also show a decline in the tourism industry in general due to the Coronavirus pandemic that continues to exist. The Cypriot government has supported the hotel industry with satisfactory unemployment programs, which will continue until the end of October 2020. Flexible hours must also be provided, in order for the companies to deal with and manage the crisis more properly. The future effects of these factors are difficult to predict, and the current forecasts and calculations of the Management could differ from the actual results. The Management takes the necessary measures to minimize any negative consequences of these factors, but based on current data, the results of 2020 in the tourism sector are expected to be much lower than in 2019.

Definitions and use of Alternative Performance Measures (APMs)

Gross (loss)/profit:

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

Operating loss:

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

Loss before income tax:

Includes the operating loss less any financing costs.

Loss after income tax attributable to equity holders

It is the loss after income tax after the amount corresponding to the interest of non-controlling interest has been deducted.

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

Leptos Calypso Hotels Public Limited

Interim management report (continued)

Use of financial instruments by the Group

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

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

It must be noted that the interim condensed consolidated financial statements do not include all the financial information and disclosures as required in the annual financial statements regarding the "risk management" and "related party transactions" and therefore these should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2019. There were no changes to the risk management department or any risk management policies from the end of the year onwards.

Disclosures of Related Parties

As specified by IAS 24 "Related Party Disclosures", for the purposes of those interim condensed consolidated financial statements, the parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the financial or operational decisions of the other party. Further details are set out in Note 16.

Issue of new shares

The Company has not issued shares with special control rights. Analytical information in relation to the share capital of the Company is presented in Note 12 of the interim condensed consolidated financial statements.

Contracts with Directors and connected persons

Other than the agreements disclosed in Note 16 of the consolidated financial statements, at 30 June 2020 there were no other significant contracts with the Group in which Directors or persons connected to them had material interest.

Events after the balance sheet date

Any significant events that occurred after the reporting period are described in Note 17 of the interim condensed consolidated financial statements.

By order of the Board of Directors



Pantelis M. Leptos
Substitute Chairman and Non-Executive Director

Paphos,
21 September 2020

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2020

| | Note | 30 June 2020 | 30 June 2019 |
|---|------|--------------------|--------------------|
| | | € | € |
| Revenue | 7 | 2.125.615 | 10.636.628 |
| Cost of sales | | (3.816.643) | (9.340.553) |
| Gross (loss)/profit | | (1.691.028) | 1.296.075 |
| Selling and marketing costs | | (166.730) | (235.280) |
| Administrative expenses | | (931.307) | (1.355.283) |
| Impairment loss on trade receivables | | (54.000) | (51.000) |
| Other income/(expenses) | | <u>3.202</u> | <u>(13.752)</u> |
| Operating loss | | (2.839.863) | (359.240) |
| Finance expenses | | <u>(906.549)</u> | <u>(915.059)</u> |
| Loss before income tax | | (3.746.412) | (1.274.299) |
| Income tax | | <u>(34.040)</u> | <u>(24.763)</u> |
| Loss after income tax for the period | | (3.780.452) | (1.299.062) |
| Attributable to: | | | |
| Equity holders of the Company | | (3.557.136) | (1.293.476) |
| Non-controlling interest | | <u>(223.316)</u> | <u>(5.586)</u> |
| Loss after income tax for the period | | (3.780.452) | (1.299.062) |
| Loss per share attributable to equity holders of the Company | | | |
| - Basic and diluted (cents) | 8 | <u>(2.76)</u> | <u>(1.00)</u> |

The notes on pages 10 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of financial position as at 30 June 2020

| | Note | 30 June 2020 € | 31 December 2019 € |
|--------------------------------|------|---------------------|--------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 119.634.145 | 119.694.974 |
| Right-of-use assets | 10 | 462.103 | 290.684 |
| Investment property | | 15.574.940 | 15.574.940 |
| Financial assets at FVTPL | 4 | 12.952.736 | 12.952.736 |
| Trade and other receivables | | 1.900 | 1.900 |
| Deferred tax assets | | 187.500 | 187.500 |
| | | 148.813.324 | 148.702.734 |
| Current assets | | | |
| Inventories | | 666.481 | 666.280 |
| Trade and other receivables | | 1.562.827 | 2.757.315 |
| Cash and cash equivalents | | 1.618.325 | 3.650.521 |
| | | 3.847.633 | 7.074.116 |
| Total assets | | 152.660.957 | 155.776.850 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 12 | 43.856.392 | 43.856.392 |
| Share premium | 12 | 2.870.968 | 2.870.968 |
| Other reserves | | 49.214.030 | 49.246.935 |
| Accumulated losses | | (26.579.819) | (23.055.588) |
| | | 69.361.571 | 72.918.707 |
| Non-controlling interest | | 3.176.302 | 3.399.617 |
| Total equity | | 72.537.873 | 76.318.324 |
| Non-current liabilities | | | |
| Borrowings | 14 | 46.446.056 | 43.412.156 |
| Lease liabilities | 15 | 291.473 | 210.909 |
| Deferred tax liabilities | | 19.783.394 | 19.749.354 |
| Trade and other payables | 13 | 3.247.918 | 647.272 |
| | | 69.768.841 | 64.019.691 |

The notes on pages 10 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of financial position as at 30 June 2020 (continued)

| | | 30 June 2020 | 31 December 2019 |
|-------------------------------------|------|--------------|------------------|
| | Note | € | € |
| Current liabilities | | | |
| Trade and other payables | 13 | 5.143.177 | 9.554.174 |
| Current tax liabilities | | 62.285 | 62.285 |
| Borrowings | 14 | 5.041.209 | 5.759.630 |
| Lease liabilities | 15 | 107.572 | 62.746 |
| | | 10.354.243 | 15.438.835 |
| Total liabilities | | 80.123.084 | 79.458.526 |
| Total equity and liabilities | | 152.660.957 | 155.776.850 |

On 21 September 2020 the Board of Directors of Leptos Calypso Hotels Public Limited authorised these interim condensed consolidated financial statements for issue.



Pantelis M. Leptos
Substitute Chairman and Non-Executive Director



George M. Leptos
Non-Executive Director

The notes on pages 10 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of changes in equity for the six month period ended 30 June 2020

| | Attributable to equity holders of the Company | | | | Non-controlling interest | Total equity |
|-----------------------------------|---|------------------|-------------------|---------------------|--------------------------|-------------------|
| | Share capital | Share premium | Other reserves | Accumulated losses | | |
| | € | € | € | € | | |
| At 1 January 2019 | 43.856.392 | 2.870.968 | 49.138.115 | (23.733.104) | 72.132.371 | 1.851.652 |
| Comprehensive income | | | | | | |
| Net loss for the six months | - | - | - | (1.293.476) | (1.293.476) | (5.586) |
| Land and buildings: | | | | | | |
| Depreciation transfer, net of tax | - | - | (18.840) | 18.840 | - | - |
| At 30 June 2019 | 43.856.392 | 2.870.968 | 49.119.275 | (25.007.740) | 70.838.895 | 1.846.066 |
| Balance at 1 January 2020 | 43.856.392 | 2.870.968 | 49.246.935 | (23.055.588) | 72.918.707 | 3.399.617 |
| Comprehensive income | | | | | | |
| Net loss for the six months | - | - | - | (3.557.136) | (3.557.136) | (223.316) |
| Land and buildings: | | | | | | |
| Depreciation transfer, net of tax | - | - | (32.905) | 32.905 | - | - |
| At 30 June 2020 | 43.856.392 | 2.870.968 | 49.214.030 | (26.579.819) | 69.361.571 | 3.176.301 |
| | | | | | | 72.537.872 |

The notes on pages 10 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Interim condensed consolidated statement of cash flows for the six month period ended 30 June 2020

| | | 30 June 2020 | 30 June 2019 |
|--|------|--------------------|--------------------|
| | Note | € | € |
| Cash flows from operating activities | | | |
| Loss before income tax | | (3.746.412) | (1.274.299) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment and right of use assets | 9,10 | 869.003 | 826.147 |
| Amortisation of operating lease prepayments | | - | 150.000 |
| Impairment loss on trade receivables | | 54.000 | 51.000 |
| Interest expense | | 906.549 | 915.059 |
| | | <u>(1.916.860)</u> | <u>667.907</u> |
| Changes in working capital: | | | |
| Inventories | | (201) | (262.196) |
| Trade and other receivables | | 1.140.488 | (363.386) |
| Trade and other payables | | <u>(1.810.348)</u> | <u>(86.204)</u> |
| Net cash used in operating activities | | <u>(2.586.921)</u> | <u>(43.879)</u> |
| Cash flows from investing activities | | | |
| Payment for purchase of property, plant and equipment | 9 | (681.890) | (862.641) |
| Proceeds from joint venture classified as financial asset at fair value through profit or loss from participation in joint venture | | - | 4.000.000 |
| Net cash (used in)/generated from investing activities | | <u>(681.890)</u> | <u>3.137.359</u> |
| Cash flows from financing activities | | | |
| Repayments of borrowings | | - | (945.973) |
| Payments of leases liabilities | | (186.307) | - |
| Interest paid | | <u>(5.176)</u> | <u>(915.059)</u> |
| Net cash used in financing activities | | <u>(191.483)</u> | <u>(1.861.032)</u> |
| Net (decrease)/increase in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of the period | | (3.460.294) | 1.232.448 |
| Cash and cash equivalents at end of the period | | <u>2.384.216</u> | <u>(794.924)</u> |
| | | <u>(1.076.078)</u> | <u>437.524</u> |
| The cash and cash equivalents include the following: | | | |
| Cash and cash equivalents | | 30 June 2020 | 30 June 2019 |
| Bank overdrafts (Note 14) | | € | € |
| | | 1.618.325 | 1.830.885 |
| | | <u>(2.694.403)</u> | <u>(1.393.361)</u> |
| | | <u>(1.076.078)</u> | <u>437.524</u> |

The notes on pages 10 to 20 form an integral part of these consolidated and separate financial statements.

Leptos Calypso Hotels Public Limited

Notes to the interim condensed consolidated financial statements

1. Interim condensed consolidated financial statements

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

On 27 September 2019, the Board of Directors of the Company examined and approved the results of the Group Leptos Calypso Hotels Public Limited for the six month period ended 30 June.

2. General information

Country of incorporation

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

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

Principal activities

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

Operating environment of the Group

There were no significant changes on 30 June 2020 regarding the disclosed operating environment in the Group's consolidated financial statements for the year ended 31 December 2019.

3. Summary of significant accounting policies

The accounting policies that have been used in preparing these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2019.

Basis of preparation

The interim condensed consolidated financial statements for the six month period ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union (EU). The interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements for the year ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU - IFRS) and the requirements of the Cyprus Companies Law, Cap. 113. This set of financial statements represents an English translation of the original which have been prepared in Greek. In the event of any inconsistency between the Greek text and the English translation, the Greek text shall prevail.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. As a result of the adoption of the accounting policies, these have been updated according to the requirements of the new standards. This adoption did not have any material effect on the opening balances of the reserves or the comparative amounts presented in these condensed interim consolidated financial statements.

After issuance of the annual consolidated financial statements for the year ended 31 December 2019 until today there were no new issued standards and modifications that could bring significant changes in the accounting policies of the Group.

Leptos Calypso Hotels Public Limited

4. Financial risk management

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's annual financial statements as at 31 December 2019. There have been no changes in risk management department or in any risk management policies since the year end.

(i) Financial risk factors

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

(ii) Fair value estimation

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

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

The following table presents the Group's assets that are measured at fair value at 30 June 2020 and 31 December 2019.

| | 30 June 2020 | 31 December 2019 |
|---|-------------------|-------------------|
| | Level 3 | Level 3 |
| | € | € |
| Assets | | |
| Financial assets at fair value through profit or loss | | |
| – Equity securities | 346.846 | 346.846 |
| – Receivable from joint ventures classified as fair value through profit or loss financial assets | 12.605.890 | 12.605.890 |
| Total assets measured at fair value | 12.952.736 | 12.952.736 |

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

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

(a) Financial instruments in level 3

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

The fair value of Level 3 investments which relate to joint venture classified as financial asset available for sale is determined based on technical analysis of discounted cash flows based on the share of profit from the investment with interest rate 15% (2018: 12%). (Note 5).

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

(b) Offsetting financial assets and liabilities

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

Leptos Calypso Hotels Public Limited

4. Financial risk management (continued)

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

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

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

5. Critical accounting estimates and judgements

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

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

In preparing these interim condensed consolidated financial statements, the significant estimates made by the Management of the Group for the implementation of the Group's accounting policies and significant estimates and assumptions were applied as in the consolidated financial statements for the year ended 31 December 2019.

6. Nature of operations

On March 11, 2020, the World Health Organization declared the COVID 19 outbreak a pandemic, acknowledging its rapid spread throughout the world. Many countries that were sources of purchase of our tourist product in Cyprus, the situation continues to exist and many of them adopt restrictive measures and other precautionary measures that make it difficult for travelers to travel to tourist destinations. This is expected to have an impact on the results of the second half, which are expected to be much lower than last year.

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

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

7. Segmental reporting

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

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

Description of the main segments and their operations

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

At 30 June 2020, the Board of Directors identified the following three main operating segments, considering both the principal activities of the Group and the country in which they operate:

- **Hotel operations - Cyprus:** The hotel operations in Cyprus comprise of the Company's hotel units, Coral Beach Hotel & Resort and Thalassa Coral Bay, both located in Paphos and the activities of the subsidiary, Vesta Tourist Management Limited, which is renting and managing tourist resorts in Paphos.

Leptos Calypso Hotels Public Limited

7. Segmental reporting (continued)

Description of the main segments and their operations (continued)

- **Hotel operations - Greece:** The hotel operations in Greece comprise of the hotel of the indirect subsidiary, Karkavatsos & Co Touristikies Epichirisis S.A, "Panorama Hotel" located in Chania, Crete.
- **Ownership of land:** This operating segment comprises of investment property.

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

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

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

Results per segment

The segment results for the six months ended 30 June 2020 and 2019 are as follows:

| 30 June 2020 | Hotel operations - Cyprus | Hotel operations - Greece | Total hotel operations | Ownership of land | Total |
|---|---------------------------|---------------------------|---------------------------|-------------------|---------------------------|
| | € | € | € | € | € |
| Revenue/ per segment | <u>2.125.615</u> | <u>-</u> | <u>2.125.615</u> | <u>-</u> | <u>2.125.615</u> |
| Loss before interest, tax, depreciation, amortisation and impairment/ per segment | (1.712.266) | (258.594) | (1.970.860) | - | (1.970.860) |
| Depreciation of property, plant and equipment (Note 9) | (808.427) | (60.576) | (869.003) | - | (869.003) |
| Finance expenses | <u>(813.126)</u> | <u>(93.423)</u> | <u>(906.549)</u> | <u>-</u> | <u>(906.549)</u> |
| Loss before income tax | <u>(3.333.819)</u> | <u>(412.593)</u> | <u>(3.746.412)</u> | <u>-</u> | <u>(3.746.412)</u> |
| Income tax | <u>-</u> | <u>(34.040)</u> | <u>(34.040)</u> | <u>-</u> | <u>(34.040)</u> |
| Loss after income tax for the period | <u><u>(3.333.819)</u></u> | <u><u>(446.633)</u></u> | <u><u>(3.780.452)</u></u> | <u><u>-</u></u> | <u><u>(3.780.452)</u></u> |

Leptos Calypso Hotels Public Limited

7. Segmental reporting (continued)

Results per segment (continued)

| 30 June 2019 | Hotel operations - Cy prus | Hotel operations - Gre ece | Total hotel operations | Ownership of land | Total |
|---|----------------------------|----------------------------|------------------------|-------------------|--------------------|
| | € | € | € | € | € |
| Revenue/ per segment | 9.700.010 | 936.618 | 10.636.628 | - | 10.636.628 |
| Profit before interest, tax, depreciation, amortisation and impairment/ per segment | 583.664 | 33.243 | 616.907 | - | 616.907 |
| Depreciation of property, plant and equipment (Note 9) | (735.870) | (90.277) | (826.147) | - | (826.147) |
| Amortisation of operating lease prepayments | (150.000) | - | (150.000) | - | (150.000) |
| Finance expenses | (833.862) | (81.197) | (915.059) | - | (915.059) |
| Loss before income tax | (1.136.068) | (138.231) | (1.274.299) | - | (1.274.299) |
| Income tax | - | (24.763) | (24.763) | - | (24.763) |
| Loss after income tax for the period | (1.136.068) | (162.994) | (1.299.062) | - | (1.299.062) |

Revenue from hotel operations in Cyprus consists of revenue amounting to €1.283.392 (2019: €7.324.756) generated from the Company's hotels and revenue amounting to €842.223 (2019: €2.375.254) generated from Vesta Tourist Management Limited. In addition, loss before interest, tax, depreciation, amortization and impairment consists of €1.439.874 (2019: €678.441 profit) generated from the Company's hotels and €272.392 (2019: €94.777) generated from Vesta Tourist Management.

Of the Company's total revenue for the period 2020, approximately 23% (2019: 55%) relates to income derived from cooperation with three major tour operators, which individually exceeded 10% of total.

Assets and liabilities per segment at 30 June 2020 for the year then ended are as follows:

| | Hotel operations - Cyp rus | Hotel operations - Gre ece | Total hotel operations | Ownership of land | Total |
|-------------|----------------------------|----------------------------|------------------------|-------------------|-------------|
| | € | € | € | € | € |
| Assets | 106.587.988 | 17.357.793 | 123.945.781 | 15.574.940 | 139.520.721 |
| Liabilities | 53.908.502 | 6.368.903 | 60.277.405 | - | 60.277.405 |

The assets and liabilities per segment at 31 December 2019 and the capital expenditure per segment for the six months ended at this date are as follows:

| | Hotel operations - Cy prus | Hotel operations - Gr eece | Total hotel operations | Ownership of land | Total |
|-------------|----------------------------|----------------------------|------------------------|-------------------|-------------|
| | € | € | € | € | € |
| Assets | 109.793.517 | 17.268.157 | 127.061.674 | 15.574.940 | 142.636.614 |
| Liabilities | 53.165.173 | 6.481.714 | 59.646.887 | - | 59.646.887 |

Leptos Calypso Hotels Public Limited

7. Segmental reporting (continued)

Results per segment (continued)

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

| | 30 June 2020 | 31 December 2019 |
|--|---------------------------|---------------------------|
| Total assets from reportable operating segments | € 139,520,721 | € 142,636,614 |
| Deferred tax assets | 187,500 | 187,500 |
| Financial assets at FVTPL | <u>12,952,736</u> | <u>12,952,736</u> |
| Total assets as per consolidated statement of financial position | <u><u>152,660,957</u></u> | <u><u>155,776,850</u></u> |

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

| | 30 June 2020 | 31 December 2019 |
|---|--------------------------|--------------------------|
| Total liabilities from reportable operating segments | € 60,277,405 | € 59,646,887 |
| Deferred income tax liabilities | 19,783,394 | 19,749,354 |
| Current tax liabilities | <u>62,285</u> | <u>62,285</u> |
| Total liabilities as per consolidated statement of financial position | <u><u>80,123,084</u></u> | <u><u>79,458,526</u></u> |

8. Loss per share

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

| | 30 June 2020 | 30 June 2019 |
|--|--------------------|--------------------|
| Loss attributable to equity holders of the Company (€) | <u>(3,557,136)</u> | <u>(1,293,476)</u> |
| Weighted average number of ordinary shares in issue during the six months and fully paid preference shares | <u>128,989,389</u> | <u>128,989,389</u> |
| Basic loss per share - basic and fully diluted (cents) | <u>(2,76)</u> | <u>(1,00)</u> |

9. Property, plant and equipment

| | Property, plant |
|----------------------------------|--------------------|
| | € |
| Period ended 30 June 2019 | |
| Opening net book amount | 120,709,391 |
| Additions | 862,641 |
| Depreciation charge | <u>(826,147)</u> |
| Closing net book amount | <u>120,745,885</u> |
| Period ended 30 June 2020 | |
| Opening net book amount | 119,694,971 |
| Additions | 681,890 |
| Depreciation charge | <u>(742,716)</u> |
| Closing net book amount | <u>119,634,145</u> |

10. Right-of-use assets

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

Leptos Calypso Hotels Public Limited

10. Right-of-use assets (continued)

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

(i) Right of use

| | Buildings € | Land € | Total € |
|---|----------------|----------------|------------------|
| Balance 1 January 2020 | 147.278 | 143.406 | 290.684 |
| Additions | 297.706 | - | 297.706 |
| Amortisation charge | (102.386) | (23.901) | (126.287) |
| Net book value at the end of the period | 342.598 | 119.505 | 462.103 |

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

| | Buildings € | Land € | Total € |
|-----------------------------------|----------------|--------------|---------------|
| 2020 - Right of use under IFRS 16 | | | |
| Interest from lease liabilities | 11.469 | 2.523 | 13.992 |

(iii) Amounts recognised in the statement of cash flows

| | Buildings € | Land € | Total € |
|---------------------------|----------------|---------------|----------------|
| Cash outflows from leases | 160.557 | 25.750 | 186.307 |

11. Commitments

Operating leases commitments - where the Group is the lessee

The Group has a land lease agreement that it has concluded until December 2019, on which it completed within 2005 the construction of the hotel unit "Thalassa Coral Bay".

The Group intends to continue leasing the hotel as provided by the lease agreement and to this end the Group is in negotiation with the owners.

In addition, the Group rents tourist apartments under non-cancellable operating leases amounting to €57.687 (2019: €149.756), for which have not been recognised right of use assets and lease liabilities with duration of 12 months or less from the date of initial application. The lease expenses for the year that have recognised in statement of profit and loss are shown in

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

| | 30 June 2020 € | 31 December 2019 € |
|-----------------------|-------------------|--------------------------|
| Not later than 1 year | 57.687 | 149.756 |
| | 57.687 | 149.756 |

Leptos Calypso Hotels Public Limited

12. Share capital and share premium

The Group and the Company

| | Fully paid ordinary and preference shares | Share capital € | Share premium € | Total € |
|--------------------------------|--|--------------------|--------------------|-------------------|
| At 30 June 2019 | 128.989.389 | 43.856.392 | 2.870.968 | 46.727.360 |
| At 1 January 2019/30 June 2020 | 128.989.389 | 43.856.392 | 2.870.968 | 46.727.360 |

Authorised share capital

The authorised share capital is 1.000.000.000 shares (2019: 1.000.000.000 shares) with par value of €0,34 per share.

Issued share capital

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

Shares' rights

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

13. Trade and other payables

| | 30 June 2020 | 31 December 2019 |
|---|------------------|---------------------|
| | € | € |
| Trade payables | 2.929.534 | 3.509.075 |
| Payables to related companies (Note 16 (iv)) | 101.543 | 376.718 |
| Accrued expenses | 2.761.663 | 4.152.282 |
| Contract liabilities received from tour operators (i) | 2.598.355 | 2.163.371 |
| | 8.391.095 | 10.201.446 |
| Less: Non current trade and other payables | (3.247.918) | (647.272) |
| | 5.143.177 | 9.554.174 |

(i) The Group has entered into an agreement with tour operators, in which any contract liabilities collected until 30 June 2020 for future bookings, to be repaid through sales in subsequent tourist seasons. This liability is placed in a period of more than 12 months.

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

Leptos Calypso Hotels Public Limited

14. Borrowings

| | 30 June 2020 | 31 December 2019 |
|-------------------------------|--------------------------|--------------------------|
| | € | € |
| Current | | |
| Bank overdrafts | 2.694.403 | 1.266.304 |
| Bank borrowings | <u>2.346.806</u> | <u>4.493.326</u> |
| | <u>5.041.209</u> | <u>5.759.630</u> |
| Non-current | | |
| Bank borrowings | 43.391.291 | 40.403.641 |
| Borrowings from third parties | <u>3.054.765</u> | <u>3.008.515</u> |
| | <u>46.446.056</u> | <u>43.412.156</u> |
| Total borrowings | <u>51.487.265</u> | <u>49.171.786</u> |

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

| | 30 June 2020 | 31 December 2019 |
|------------------------------|--------------------------|--------------------------|
| | € | € |
| Between 1 and 2 years | | |
| Between 2 and 5 years | 5.001.571 | 4.293.327 |
| Over 5 years | <u>13.280.835</u> | <u>15.899.164</u> |
| | <u>28.163.650</u> | <u>23.219.665</u> |
| | <u>46.446.056</u> | <u>43.412.156</u> |

15. Lease liabilities

| | Minimum lease payments | | The present value of minimum lease payments | |
|---|------------------------|-----------------------|---|-----------------------|
| | 30 June 2020 | 31 December 2019 | 30 June 2020 | 31 December 2019 |
| | € | € | € | € |
| Not later than 1 year | 107.572 | 62.746 | 107.572 | 62.746 |
| Later than 1 year and not later than 5 years | <u>291.473</u> | <u>210.909</u> | <u>291.473</u> | <u>210.909</u> |
| | <u>399.045</u> | <u>273.655</u> | <u>399.045</u> | <u>273.655</u> |
| Present value of finance lease liabilities | <u>399.045</u> | <u>273.655</u> | <u>399.045</u> | <u>273.655</u> |

All lease obligations are denominated in Euro.

16. Related party transactions

The Company is controlled by the Chairman and Managing Director, Mr Michael G. Leptos, who owns directly or indirectly 74.94% of the Company's shares and is also the ultimate controlling party of the Group.

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

Leptos Calypso Hotels Public Limited

16. Related party transactions (continued)

The following transactions were carried out with related parties.

(i) Sales of goods and services

| | 30 June 2020 € | 30 June 2019 € |
|---|-----------------------|-----------------------|
| Accommodation and other hotel services and goods: | | |
| Parent entity | 88.233 | 240.587 |
| Companies under common control | <u>310.434</u> | <u>256.567</u> |
| | <u><u>398.667</u></u> | <u><u>497.154</u></u> |
| Leasing of tourist complexes: | | |
| Companies under common control | <u>-</u> | <u>3.398</u> |
| | <u><u>-</u></u> | <u><u>3.398</u></u> |
| Administration services: | | |
| Parent entity | <u>-</u> | <u>26.019</u> |
| Companies under common control | <u>-</u> | <u>64.461</u> |
| | <u><u>-</u></u> | <u><u>90.480</u></u> |

(ii) Purchase of services

| | 30 June 2020 € | 30 June 2019 € |
|--|-----------------------|-----------------------|
| Management and other services and charges: | | |
| Parent entity | 173.790 | 72.943 |
| Companies under common control | <u>117.833</u> | <u>127.065</u> |
| | <u><u>291.623</u></u> | <u><u>200.008</u></u> |

(iii) Interest payable

| | 30 June 2020 € | 30 June 2019 € |
|----------------------------|-------------------|-------------------|
| Balance with parent entity | <u>-</u> | <u>6.722</u> |

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

| | 30 June 2020 € | 31 December 2019 € |
|---|-----------------------|--------------------------|
| Receivables from related parties: | | |
| Receivables from fellow subsidiaries | 140.655 | 226.632 |
| Receivables from parent | <u>79.004</u> | <u>-</u> |
| | <u><u>219.659</u></u> | <u><u>226.632</u></u> |
| Payables to related parties (Note 13): | | |
| Payables to parent | <u>-</u> | <u>211.683</u> |
| Payables to Jointly controlled entities | <u>101.543</u> | <u>165.035</u> |
| | <u><u>101.543</u></u> | <u><u>376.718</u></u> |

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

Leptos Calypso Hotels Public Limited

16. Related party transactions (continued)

(v) Group reorganisation

During the year 2019, the companies Fundacia Limited and Orchord Corporation Ltd were established, in which the Company holds 50% of the share capital with a value of € 500 in each. The remaining 50% of the share capital of these companies belongs to Armonia Estates Limited which is the main shareholder of the Company and which belongs entirely to Mr. Michael G. Leptos, President and CEO of the Company.

During the year 2019, the company Orchord Corporations Properties A.E. was founded, whose share capital worth € 600,000 is 100% owned by the company Orchord Corporation Ltd.

During the year 2019, as a result of the reorganization of the Group, the Company and the parent company, Armonia Estates Limited, transferred 100% of the share capital of Karkavatsos & Co. Tourist Enterprises SA to Fundacia Limited for the amount of € 3,750,000.

17. Events after the balance sheet date

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