



Lanitis Golf Public Co. Ltd

Γεωργίου Γενναδίου αρ. 10
Αγαθάγγελος Κωρτ, γρ. 303
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20 Σεπτεμβρίου 2023

Προς:
Γενικό Διευθυντή
Χρηματιστήριο Αξιών Κύπρου
Λευκωσία

Κύριε,

ΑΝΑΚΟΙΝΩΣΗ

Θέμα: Έγκριση Εξαμηνιαίας Οικονομικής Έκθεσης της Εταιρείας Lanitis Golf Public Co. Ltd για το πρώτο εξάμηνο του 2023 (μη ελεγμένη)

Στις 20 Σεπτεμβρίου 2023 το διοικητικό συμβούλιο της Lanitis Golf Public Co. Ltd έχει μελετήσει και εγκρίνει την μη ελεγμένη Εξάμηνη Οικονομική Έκθεση της εν λόγω εταιρείας για το πρώτο εξάμηνο του 2023, το οποίο έχει λήξει στις 30 Ιουνίου 2023. Η εν λόγω μη ελεγμένη Εξάμηνη Οικονομική Έκθεση επισυνάπτεται.

Σημειώνεται ότι η μη ελεγμένη Εξάμηνη Οικονομική Έκθεση έχει καταρτιστεί σύμφωνα με το Διεθνές Λογιστικό Πρότυπο 34.

Η πλήρης Έκθεση θα αποσταλεί σε όλους τους μετόχους της Εταιρείας ταυτόχρονα με την παρούσα ανακοίνωση.

Αντίγραφα της Έκθεσης θα είναι διαθέσιμα χωρίς οποιαδήποτε επιβάρυνση στο εγγεγραμμένο γραφείο της Εταιρείας, στην οδό Γεωργίου Γενναδίου αρ. 10, Αγαθάγγελος Κωρτ, 3^{ος} όροφος, γραφ. 303, 3041 Λεμεσός, ενώ παράλληλα η Έκθεση θα είναι διαθέσιμη στην ιστοσελίδα του ΧΑΚ (www.cse.com.cy) και στην ιστοσελίδα της Εταιρείας (www.limassolgreens.com), από όπου μπορεί να εκτυπωθεί.

Εκ μέρους του διοικητικού συμβουλίου

PM Charalambous

.....
P&D Secretarial Services Limited
Γραμματέας

LANITIS GOLF PUBLIC CO LIMITED

REPORT AND INTERIM CONDENCED
UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2023 to 30 June 2023

LANITIS GOLF PUBLIC CO LIMITED

REPORT AND INTERIM CONDENCED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

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LANITIS GOLF PUBLIC CO LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Platon E. Lanitis - Chairman
Marios E. Lanitis
Costas Charitou
Demetris Solomonides (resigned on 13 June 2023)
Kevin Valenzia
Mark Gasan
Alec Mizzi
Mathew Portelli
Evagoras K. Lanitis (appointed on 13 June 2023)

Company Secretary:

P & D Secretarial Services Limited
10 Georgiou Gennadiou Street
Agathangelos Court, 3rd Floor,
3041, Limassol, Cyprus

Legal Advisers:

Charalambous, Kountouris & Co LLC

Registered office:

10 Georgiou Gennadiou Street
Agathangelos Court, 3rd Floor
3041, Limassol, Cyprus

Bankers:

Bank of Cyprus Public Company Ltd
Hellenic Bank Public Company Ltd
Eurobank Cyprus Ltd

Registration number:

HE196800

LANITIS GOLF PUBLIC CO LIMITED

MANAGEMENT REPORT

The Board of Directors presents its report and condensed unaudited financial statements of the Company for the period from 1 January 2023 to 30 June 2023.

Incorporation

The Company Lanitis Golf Public Co Limited was incorporated in Cyprus on 18 April 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public liability company under the Cyprus Companies Law, Cap.113 and is listed on the Emerging Companies Market of the Cyprus Stock Exchange ("CSE").

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are the development of a special leisure and residential golf course project. The application of the town planning permit with terms and conditions, was approved on 14 November 2012. On 26 July 2019, the Company has also obtained a building permit for construction of its golf development project. Following a change in the group structure on 15 January 2020, the Company has secured sufficient funds to enable it to commence its development plan. In 2021, the Company has begun the construction of the golf project and has also entered into agreements with buyers for the reservation and sale of plots and apartments. In 2022, the Company has entered into an additional agreement for the construction of the golf course. During the year, the Company has entered into agreements for the construction of the residential units, club house and the remaining roads of the resort. Additionally, agreements have also been entered with new buyers for the sale of apartments, villas and townhouses.

Review of current position, and performance of the Company's business

The Company is the owner of land of about 1,400 declares near villages of Tserkezoi and Asomatos, in Limassol. The land is located next to the shopping center, My Mall Limassol, the Fasouri Waterpark and the Casino.

The Company aims to develop a fully integrated golf and real estate development project on its land. One of the main goals of the master plan is to create a contemporary designed, integrated leisure and residential community project that includes luxurious villas, townhouses and apartments, an 18 hole championship golf course, a golf club, spa and sports center and commercial and retail facilities, such as restaurants and shops.

The loss attributable to the shareholders for the period ended 30 June 2023 is €1,663,604 (2022: loss of €831,390). During the period, the Company had no recognised income relating to its business activities since the project is under development. The Company recognized contract liabilities of €30,397,782 from the sale of its units as at 30 June 2023. The consultancy fees, financing and other expenses related to the development of the project, are capitalized in the statement of financial position, under Property, Plant and Equipment and Inventory to the extent that such capitalization is allowed under the Company's accounting policy.

During the period ended 30 June 2023, the Company incurred golf development expenditure amounting to €3,190,297 (2022: €5,437,096), which was financed by borrowings from related parties and prepayments received from reservation of plots, appartments, villas and townhouses. As at 30 June 2023, the Company's total assets amounted to €116,147,672 (2022: €106,464,371) and its net assets amounted to €66,310,948 (2022: €67,974,552). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in note 1 of the condensed unaudited financial statements.

Future developments of the Company

During the third quarter of 2023, the Company continues the sale of residential units. The Company continues the construction of the infrastructure and residential units which is expected to be completed over the next year.

Use of financial instruments by the Company

The Company is exposed to credit risk and liquidity risk from the financial instruments it holds.

LANITIS GOLF PUBLIC CO LIMITED

MANAGEMENT REPORT

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risks such as credit risk and liquidity risk is monitored as part of its daily management of the business.

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 deposits with banks.

Credit risk is managed on a group basis. For banks, only independently rated parties with a minimum rating of 'C' are accepted. The utilisation of credit limits is regularly monitored. The company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

The Company's credit risk arises from financial assets at amortised cost amounting to €1,691,733 (2022: €385,223) and bank balances amounting to €13,440,257 (2022: €10,128,354). During the period ended 30 June 2023, all financial assets subject to credit risk were fully performing (stage 1).

Liquidity risk

Management monitors the current liquidity position of the Company 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 Company's liquidity risk.

Dividends

The Board of Directors does not recommend the payment of a dividend.

Share capital

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

Board of Directors

The members of the Company's Board of Directors as at 30 June 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2023 to 30 June 2023. Mr. Demetris Solomonides resigned from the Board of Directors on 13 June 2023 and Mr. Evagoras K. Lanitis appointed in his place on the same date.

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

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

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 1 to the condensed unaudited financial statements.

Events after the reporting period

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements, other than the ongoing Russian/Ukrainian situation described in note 1 to the condensed unaudited financial statements.

By order of the Board of Directors

PM Charalambous

P & D Secretarial Services Ltd
Company Secretary

Limassol, 20 September 2023

LANITIS GOLF PUBLIC CO LIMITED

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE INTERIM UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY

In accordance with the relative legislation and the regulations of the Cyprus Stock Exchange, we the members of the Board of Directors and other officers responsible for the drafting of the interim financial statements of Lanitis Golf Public Co Limited ("the Company") for the period ended 30 June 2023, on the basis of our knowledge, declare the following:

- The interim unaudited financial statements of the Company have been prepared in accordance with the applicable International Financial Reporting Standards, as adopted by the European Union and the provisions of the Law.
- The interim unaudited financial statements of the Company provide a true and fair view of the assets and liabilities, the financial position and profit and loss of the Company.
- The interim unaudited financial statements of the Company provide a fair view of the developments and the performance as well as the financial position of the Company, together with a description of the main risks and uncertainties, faced by the Company.

Members of the Board of Directors

Chairman

Platon E. Lanitis

Directors

Marios E. Lanitis

Costas Charitou

Evagoras K. Lanitis

Kevin Valenzia

Mark Gasan

Alec Mizzi

Mathew Portelli

Responsible for Preparation of Interim Financial Statements

Iakovos Christofi – Financial Controller

Limassol, 20 September 2023

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2023 to 30 June 2023

		Six months period ended 30/06/2023	Six months period ended 30/06/2022
	Note	€	€
Administration expenses	5	<u>(1,644,357)</u>	<u>(828,606)</u>
Operating loss		(1,644,357)	(828,606)
Finance costs	7	<u>(19,247)</u>	<u>(2,784)</u>
Loss before income tax		(1,663,604)	(831,390)
Income tax credit	8	<u>-</u>	<u>-</u>
Total comprehensive loss for the period		<u>(1,663,604)</u>	<u>(831,390)</u>
Other comprehensive income:			
Loss per share attributable to equity holders of the Company during the period (expressed in cents per share)	9	<u>(60.24)</u>	<u>(30.10)</u>

The notes on pages 9 to 22 form an integral part of these condensed unaudited financial statements.

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION 30 June 2023

	Note	Six months period ended 30/06/2023 €	Audited 31/12/2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	10	8,435,682	6,208,236
Right-of-use assets	11	679,898	154,638
Intangible assets	12	33,499	1,033
Deferred income tax assets	20	759,534	759,534
		<u>9,908,613</u>	<u>7,123,441</u>
Current assets			
Inventories	13	86,380,788	85,302,433
Financial assets at amortised cost	14	1,691,733	385,223
Other non-financial assets	15	4,725,890	3,524,868
Cash and cash equivalents	16	13,440,648	10,128,406
		<u>106,239,059</u>	<u>99,340,930</u>
Total assets		<u>116,147,672</u>	<u>106,464,371</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	4,722,462	4,722,462
Share premium	17	25,730,893	25,730,893
Capital contribution		2,556,501	2,556,501
Retained earnings		33,301,092	34,964,696
Total equity		<u>66,310,948</u>	<u>67,974,552</u>
Non-current liabilities			
Borrowings	18	8,678,531	8,678,531
Lease liabilities	19	483,400	82,482
Deferred income tax liabilities	20	5,988,947	5,988,947
		<u>15,150,878</u>	<u>14,749,960</u>
Current liabilities			
Trade and other payables	21	3,395,835	2,716,385
Contract liabilities	22	30,397,782	20,265,469
Borrowings	18	683,666	683,666
Lease liabilities	19	208,563	74,339
		<u>34,685,846</u>	<u>23,739,859</u>
Total liabilities		<u>49,836,724</u>	<u>38,489,819</u>
Total equity and liabilities		<u>116,147,672</u>	<u>106,464,371</u>

On 20 September 2023 the Board of Directors of Lanitis Golf Public Co Limited authorised these condensed unaudited financial statements for issue.

.....
Platon E. Lanitis
Director

.....
Kevin Valenzia
Director

The notes on pages 9 to 22 form an integral part of these condensed unaudited financial statements.

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2023 to 30 June 2023

	Share capital €	Share premium €	Capital contributions €	Retained earnings €	Total €
Balance at 1 January 2022	<u>4,722,462</u>	<u>25,730,893</u>	<u>2,556,501</u>	<u>36,282,999</u>	<u>69,292,855</u>
Comprehensive income					
Loss for the year	-	-	-	(1,318,303)	(1,318,303)
Total comprehensive loss for the year	-	-	-	(1,318,303)	(1,318,303)
Balance at 31 December 2022 / 1 January 2023	<u>4,722,462</u>	<u>25,730,893</u>	<u>2,556,501</u>	<u>34,964,696</u>	<u>67,974,552</u>
Comprehensive income					
Loss for the period	-	-	-	(1,663,604)	(1,663,604)
Total comprehensive loss for the period	-	-	-	(1,663,604)	(1,663,604)
Balance at 30 June 2023	<u>4,722,462</u>	<u>25,730,893</u>	<u>2,556,501</u>	<u>33,301,092</u>	<u>66,310,948</u>

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

The notes on pages 9 to 22 form an integral part of these condensed unaudited financial statements.

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

Period from 1 January 2023 to 30 June 2023

		Six months period ended 30/06/2023	Six months period ended 30/06/2022
	Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(1,663,604)	(831,390)
Adjustments for:			
Depreciation of property, plant and equipment	10	21,569	11,070
Depreciation of right-of-use assets	11	90,939	27,829
Amortisation of intangible assets	12	7,114	520
Interest expense - Lease Liabilities	7	19,209	2,627
Interest expense	7	38	157
		(1,524,735)	(789,187)
Changes in working capital:			
Increase in inventories		(1,078,355)	(2,043,732)
(Increase)/decrease in financial assets at amortised cost		(1,306,510)	156,369
(Increase) in other non-financial assets		(1,201,022)	(145,330)
Increase/(decrease) in trade and other payables		679,450	(247,973)
Increase in contract liabilities		10,132,313	2,735,873
Cash generated/(used in) from operations		5,701,141	(333,980)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	10	(2,249,015)	(134,812)
Payment for purchase of intangible assets	12	(39,580)	-
Principal elements of lease payments	19	(100,266)	(55,209)
Proceed from disposal of right-of-use assets	11	-	25,856
Proceeds from disposal of property, plant and equipment	10	-	2,120
Net cash used in investing activities		(2,388,861)	(162,045)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(38)	(2,782)
Net cash used in financing activities		(38)	(2,782)
Net increase/(decrease) in cash and cash equivalents		3,312,242	(498,807)
Cash and cash equivalents at beginning of the period		10,128,406	7,007,188
Cash and cash equivalents at end of the period	16	13,440,648	6,508,381

The notes on pages 9 to 22 form an integral part of these condensed unaudited financial statements.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

1. Incorporation and principal activities

Country of incorporation

The Company Lanitis Golf Public Co Limited (the "Company") was incorporated in Cyprus on 18 April 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public limited liability company under the Cyprus Companies Law, Cap. 113 and is listed on the Emerging Companies Market of the Cyprus Stock Exchange ("CSE"). Its registered office is at 10 Georgiou Gennadiou Street, Agathangelos Court, 3041, Limassol, Cyprus.

Unaudited financial statements

The condensed unaudited financial statements for the six months ended on 30 June 2022 and 2023 respectively, have not been audited by the external auditors of the Company.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the development of a special leisure and residential golf course project. The application of the town planning permit with terms and conditions, was approved on 14 November 2012. On 26 July 2019, the Company has also obtained a building permit for construction of its golf development project. Following a change in the group structure on 15 January 2020, the Company has secured sufficient funds to enable it to commence its development plan. In 2021, the Company has begun the construction of the golf project and has also entered into agreements with buyers for the reservation and sale of plots and apartments. In 2022, the Company has entered into an additional agreement for the construction of the golf course. During the year, the Company has entered into agreements for the construction of the residential units, club house and the remaining roads of the resort. Additionally, agreements have also been entered with new buyers for the sale of apartments, villas and townhouses.

Operating Environment of the Company

The previous years were marked by the continuous 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 extended certain of the measures in place since 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 period 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. Other industries, such as manufacturing and financial services, have also been indirectly affected.

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 30 June 2023, there remains a risk that the authorities may impose additional restrictions for the rest of 2023 as a response to possible new variants of the virus.

As a result of the measures imposed by the government, the Company did not face any major implications.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

In 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 and sustainability of the Company's operations.

2. Basis of preparation

The condensed unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The condensed unaudited financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Significant accounting policies

The accounting policies adopted for the preparation of the condensed unaudited financial statements for the six months period ended 30 June 2023 are consistent with those followed for the preparation of the annual audited financial statements for the year ended 31 December 2022. The 2023 interim financial statements do not include all information and disclosures compared to the 2022 annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

3. Adoption of new or revised standards and interpretations

During the current period the Company 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 2023. This adoption did not have a material effect on the accounting policies of the Company.

4. New accounting pronouncements

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

5. Expenses by nature

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
	€	€
Staff costs (Note 6)	554,345	322,113
Depreciation and amortisation expense	119,622	39,420
Auditors' remuneration - current period	11,876	10,120
Auditors' remuneration - prior years	-	1,247
Marketing & Promotion expenses	447,482	169,938
Legal and professional	50,194	22,401
Motor vehicle running costs	18,172	9,608
Mortgages expenses	60,010	-
Commitment fees	153,000	153,000
Bank charges	84,514	51,332
Other expenses	145,142	49,427
Total expenses	1,644,357	828,606

6. Staff costs

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
	€	€
Salaries	471,353	274,483
Social insurance and other costs	60,096	32,018
Social cohesion fund	9,427	4,640
Provident fund contributions	13,469	10,972
	554,345	322,113

The Company participates in an external provident fund scheme run by an independent party, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

7. Finance costs

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
	€	€
Net foreign exchange losses	38	2
Interest expense on lease liabilities	19,209	2,627
Other interest expense	-	155
Finance costs	19,247	2,784

8. Income tax credit

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

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

Due to tax losses sustained in the period, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

9. Loss per share attributable to equity holders of the Company

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
Loss attributable to shareholders (€)	<u>(1,663,604)</u>	<u>(831,390)</u>
Weighted average number of ordinary shares in issue during the period	<u>2,761,674</u>	<u>2,761,674</u>
Loss per share attributable to equity holders of the parent (cent)	<u><u>(60.24)</u></u>	<u><u>(30.10)</u></u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

10. Property, plant and equipment

	Prefab house	Land and Golf Development	Plant and Motor vehicles machinery	Computer Hardware and Furniture and fittings	Signages	Leasehold Improvements	Total	
	€	€	€	€	€	€	€	
Cost								
Balance at 1 January 2022	8,800	4,400,793	5,989	3,500	46,527	39,128	-	4,504,737
Additions	14,078	1,708,641	-	-	15,805	-	-	1,738,524
Disposals	-	-	-	-	(2,651)	-	-	(2,651)
Interest capitalised during the year	-	21,432	-	-	-	-	-	20,411
Balance at 1 January 2023	22,878	6,130,866	5,989	3,500	59,681	39,128	-	6,262,042
Additions	10,922	2,111,942	-	-	101,625	3,600	20,926	2,249,015
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2023	33,800	8,242,808	5,989	3,500	161,306	42,728	20,926	8,511,057
Depreciation								
Balance at 1 January 2022	880	-	4,293	700	10,010	13,042	-	28,925
Charge for the period	2,288	-	600	700	8,780	13,043	-	25,411
Disposals	-	-	-	-	(530)	13,043	-	25,411
Balance at 1 January 2023	3,168	-	4,893	1,400	18,260	26,085	-	53,806
Charge for the period	1,690	-	299	350	10,365	7,121	1,744	21,569
Balance at 30 June 2023	4,858	-	5,192	1,750	28,625	33,206	1,744	75,375
Net book amount								
Balance at 30 June 2023	28,942	8,242,808	797	1,750	132,681	9,522	19,182	8,435,682
Balance at 1 January 2023	19,710	6,130,866	1,096	2,100	41,421	13,043	-	6,208,236

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

10. Property, plant and equipment (continued)

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

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
	€	€
Net book amount	-	2,120
Proceeds from disposal of property, plant and equipment	-	2,120

11. Right-of-use assets

	Buildings	Motor vehicles	Total
	€	€	€
Cost			
Balance at 1 January 2022	111,959	103,318	215,277
Additions	27,084	82,902	109,986
Disposals/Modifications	(8,865)	(31,027)	(39,892)
Balance at 31 December 2022	130,178	155,193	285,371
Balance at 1 January 2023	130,178	155,193	285,371
Additions	431,384	184,815	616,199
Disposals	-	-	-
Balance at 30 June 2023	561,562	340,008	901,570
Depreciation			
Balance at 1 January 2022	50,241	29,060	79,301
Charge for the period	29,159	31,506	60,665
Disposals/Modifications	(4,063)	(5,170)	(9,233)
Balance at 31 December 2022	75,337	55,396	130,733
Balance at 1 January 2023	75,337	55,396	130,733
Charge for the period	55,606	35,333	90,939
Disposals	-	-	-
Balance at 30 June 2023	130,943	90,729	221,672
Net book amount			
Balance at 30 June 2023	430,619	249,279	679,898
Balance at 1 January 2023	54,841	99,797	154,638

Amounts recognised in profit and loss:

	Six months period ended 30/06/2023	Six months period ended 30/06/2022
	€	€
Interest expense on lease liabilities	(19,209)	(2,627)

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

12. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2022	6,401
Additions	-
Balance at 31 December 2022	<u>6,401</u>
Balance at 1 January 2023	6,401
Additions	39,580
Disposals	-
Balance at 30 June 2023	<u>45,981</u>
Amortisation	
Balance at 1 January 2022	4,336
Charge for the period	1,032
Balance at 31 December 2022	<u>5,368</u>
Balance at 1 January 2023	5,368
Charge for the period	7,114
Balance at 30 June 2023	<u>12,482</u>
Net book amount	
Balance at 30 June 2023	<u>33,499</u>
Balance at 1 January 2023	<u>1,033</u>

13. Inventories

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Property under development	<u>86,380,788</u>	85,302,433
	<u>86,380,788</u>	<u>85,302,433</u>

Analysis of cost of property under development:

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Balance brought forward	85,302,433	81,163,491
Interest capitalised during the year	-	410,487
Development costs capitalised during the year	<u>1,078,355</u>	<u>3,728,455</u>
Total	<u>86,380,788</u>	<u>85,302,433</u>

Capitalised costs of €1,078,355 (2022: €3,728,455) includes costs which were incurred in relation to the construction and development of residential premises.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

13. Inventories (continued)

All inventories items are stated at cost with the exception of inventory that was transferred on 15 January 2020 from investment property which is presented at its fair value at the date of transfer.

14. Financial assets at amortised cost

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Receivables from parent (Note 23.2)	163,796	158,286
Other receivables	<u>1,527,937</u>	<u>226,937</u>
	<u><u>1,691,733</u></u>	<u><u>385,223</u></u>

The fair values of financial assets at amortised cost due within one year approximate to their carrying amounts as presented above.

15. Other non-financial assets

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Prepayments	1,281,160	859,766
Deferred expenses	<u>3,444,730</u>	<u>2,665,102</u>
	<u><u>4,725,890</u></u>	<u><u>3,524,868</u></u>

16. Cash and cash equivalents

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Cash at bank and in hand	<u>13,440,648</u>	<u>10,128,406</u>
	<u><u>13,440,648</u></u>	<u><u>10,128,406</u></u>

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Cash at bank and in hand	13,440,648	10,128,406
Bank overdrafts and short term loans (Note 18)	<u>(683,666)</u>	<u>(683,666)</u>
	<u><u>12,756,982</u></u>	<u><u>9,444,740</u></u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

16. Cash at bank and in hand (continued)

Non-cash transactions

The principal non-cash investing and financing transactions during the current and the prior year were the acquisition of right-of-use assets using leases for €616,199 (2022: €109,986).

Cash and cash equivalents by currency:

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Euro - functional and presentation currency	<u>13,440,648</u>	<u>10,128,406</u>
	<u>13,440,648</u>	<u>10,128,406</u>

17. Share capital and share premium

	2023 Number of shares	2023 €	2022 Number of shares	2022 €
Authorised				
Ordinary shares of €1.71 each	<u>3,000,000</u>	<u>5,130,000</u>	3,000,000	5,130,000
Issued and fully paid	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2022	<u>2,761,674</u>	<u>4,722,462</u>	<u>25,730,893</u>	<u>30,453,355</u>
Balance at 31 December 2022	<u>2,761,674</u>	<u>4,722,462</u>	<u>25,730,893</u>	<u>30,453,355</u>
Balance at 1 January 2023	<u>2,761,674</u>	<u>4,722,462</u>	<u>25,730,893</u>	<u>30,453,355</u>
Balance at 30 June 2023	<u>2,761,674</u>	<u>4,722,462</u>	<u>25,730,893</u>	<u>30,453,355</u>

The total authorized number of ordinary shares is 3,000,000 shares (2022: 3,000,000 shares) with a par value of €1.71 per share. All issued shares are fully paid.

18. Borrowings

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Current borrowings		
Borrowings from related parties (Note 23.4)	<u>683,666</u>	683,666
	<u>683,666</u>	683,666
Non-current borrowings		
Borrowings from related parties (Note 23.4)	<u>8,678,531</u>	8,678,531
	<u>8,678,531</u>	8,678,531
Total	<u>9,362,197</u>	9,362,197

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

18. Borrowings (continued)

Maturity of non-current borrowings:

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Between two and five years	<u>8,678,531</u>	<u>8,678,531</u>

Current borrowings

The current borrowings from related parties are repayable as follows:

- 50% of the Loan, within 60 days from the drawdown of the loan from Hellenic Bank; and
- any remaining balance of the loan plus accrued interest, if any within 210 days from the drawdown of the loan from Hellenic Bank.

Non-Current borrowings

As part of the share purchase agreement concluded on 15 January 2020, the Company received an interest free loan from a related party amounting €10.000.000 which is repayable during 2025. The interest free loan was fair valued at initial recognition using the market interest rate (5%) for bank borrowings available to the Company. The fair value gain recognised at initial recognition of €2.556.501, was credited in the statement of changes in equity as Capital Contribution. The unwinding of interest expense following the initial recognition, is capitalised against inventories and property, plant and equipment as apportioned by the building coefficient of the project.

Undrawn facilities

On 24 September 2020, the Company has signed an agreement with Hellenic Bank for a €34m loan term facility related to the construction of the infrastructure of the resort and €3.15m ancillary facilities in the form of bank guarantees and overdraft facility. The loan term facility will be available to the Company for utilisation once the Company has reached €30m of confirmed sales. On 21 October 2022, the Company has signed an amended and restated agreement with Hellenic Bank to which the confirmed sales have been reduced to €25m and the loan repayment period has been extended to 2026.

The weighted average effective interest rates at the reporting date were as follows:

	Six months period ended 30/06/2023	Audited 31/12/2022
	%	%
Borrowings from related parties	5	5

The Company borrowings are denominated in the following currencies:

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Euro - functional and presentation currency	<u>9,362,197</u>	<u>9,362,197</u>
	<u>9,362,197</u>	<u>9,362,197</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

19. Lease liabilities

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

(i) The Company's leasing arrangements

The Company leases buildings and motor vehicles. Rental contracts are typically made for fixed periods of 1 year to 4 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.

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
Right-of-use assets		
Motor vehicle	249,279	99,797
Buildings	430,619	54,841
	679,898	154,638
Lease Liabilities		
Non-current	483,400	74,339
Current	208,563	82,482
	691,963	156,821

20. Deferred tax

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Fair value gains on investment property €
Balance at 1 January 2022	5,988,947
Balance at 31 December 2022	5,988,947
Balance at 1 January 2023	5,988,947
Balance at 30 June 2023	5,988,947

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

20. Deferred tax (continued)

Deferred tax assets

	Tax losses €
Balance at 1 January 2022	460,465
Charged/(credited) to: Charged to Profit or Loss	<u>299,069</u>
Balance at 31 December 2022	<u><u>759,534</u></u>
Balance at 1 January 2023	<u><u>759,534</u></u>
Balance at 30 June 2023	<u><u>759,534</u></u>

Deferred income tax assets are recognised for the tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 31 December 2022, the Company had tax losses carried forward amounting to €6.076.271 for which a deferred tax asset was recognised. From these losses an amount of €449.616 expires in 2023, €418.903 expires in 2024, €1.585.728 expires in 2025, €2.031.769 expires in 2026 and €1.590.255 expires in 2027.

21. Trade and other payables

	Six months period ended 30/06/2023 €	Audited 31/12/2022 €
Social insurance and other taxes	45,411	44,509
VAT payable	441,719	501,839
Accruals	18,500	419,919
Other creditors	1,324,898	1,379,988
Payables to related parties (Note 23.3)	<u>1,565,307</u>	<u>370,130</u>
	<u><u>3,395,835</u></u>	<u><u>2,716,385</u></u>

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

22. Contract liabilities

	Six months period ended 30/06/2023 €	Audited 31/12/2022 €
Client advances	<u>30,397,782</u>	<u>20,265,469</u>
	<u><u>30,397,782</u></u>	<u><u>20,265,469</u></u>

Client advances represent advances from clients for the sale of plots, apartments, townhouses and villas not yet delivered.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

23. Related party balances and transactions

Up to 15 January 2020, the Company was controlled by Lanitis Farm Limited, incorporated in Cyprus, which owned 99,99% of the Company's shares. The ultimate shareholder of the company was Lanitis E.C. Holdings Limited.

On 15 January 2020, MCY Development Limited has purchased all the shares of the Company owned by Lanitis Farm Limited. As a result MCY Development Limited now owns the 99.99% of the issued share capital of the Company. The share capital of MCY Development Limited is equally owned by Lanitis Farm Limited and AMOL Enterprises Limited.

The related party balances and transactions are as follows:

23.1 Related party transactions

		Six months period ended 30/06/2023	Six months period ended 30/06/2022
	<u>Nature of transactions</u>	€	€
Lanitis Farm Limited	Rent expense	11,876	15,922
Lanitis E.C. Holdings Limited	Management fees	9,000	9,000
Cybarco Development Limited	Marketing and promotion	1,158,427	134,288
Cybarco Contracting Limited	Construction costs	2,260,507	1,730,733
Cybarco Contracting Limited	IT support fees	4,194	2,344
		<u>3,444,004</u>	<u>1,892,287</u>

23.2 Receivables from related parties

		Six months period ended 30/06/2023	Audited 31/12/2022
<u>Name</u>	<u>Relationship</u>	€	€
MCY Development Limited	Parent Company	163,796	158,286
		<u>163,796</u>	<u>158,286</u>

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

23.3 Payables to related parties (Note 21)

		Six months period ended 30/06/2023	Audited 31/12/2022
<u>Name</u>		€	€
Amol Enterprises Limited		531,941	120,762
Lanitis Farm Limited		540,257	3,211
Cybarco Development Limited		490,436	2,776
Cybarco Contracting Limited		2,673	243,381
		<u>1,565,307</u>	<u>370,130</u>

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

23. Related party balances and transactions (continued)

23.4 Borrowing from related parties (Note 18)

	Six months period ended 30/06/2023	Audited 31/12/2022
	€	€
At beginning of year	9,362,197	8,930,279
Unwinding of interest expense	-	431,918
	<u>9,362,197</u>	<u>9,362,197</u>

As part of the share purchase agreement concluded on 15 January 2020, the Company received an interest free loan from a related party amounting €10.000.000 which is repayable during 2025. The interest free loan was fair valued at initial recognition using the market interest rate (5%) for bank borrowings available to the Company. The fair value gain recognised at initial recognition of €2.556.501, was credited in the statement of changes in equity as Capital Contribution.

24. Significant agreements with management

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

25. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2023.

26. Commitments

(a) An amount of €913.824 is payable to the Electricity Authority of Cyprus upon the completion of the relevant installation and connection of the electricity supply.

(b) An amount of €830.000 is payable to Water Development Department for potable water pipeline construction. This is repayable upon request and issuance of invoice by the Government of Cyprus.

(c) The Company has entered in a contract for the construction of golf course in 2022 for the amount of €14 million. The remaining commitments from the Company related to this contract as at 31 December 2022 are €13 million, which is expected to be paid according to construction progress. Expected completion of this contract is December 2024.

(d) On 20 March 2023 the Company has entered in an agreement for the construction of the two blocks of apartments. The amount of the agreement is €16,8 million and is payable according to the construction progress. Expected completion date for this agreement is 31 December 2024.

(e) On 26 July 2023 the Company has entered in an agreement for the construction of internal road network and the relevant infrastructure. The amount of the agreement is €13 million and is payable according to the construction progress. Expected completion date for this agreement is 31 December 2024.

(f) On 26 July 2023 the Company has entered in an agreement for the construction of the club house. The amount of the agreement is €3,6 million and is payable according to the construction progress. Expected completion date for this agreement is 31 December 2024.

27. Events after the reporting period

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements, other than the ongoing Russian/Ukrainian situation described in Note 1.