

**WEALTHAVENUE PLC**

**REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS**

**31 December 2023**

# **WEALTHAVENUE PLC**

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## **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2023

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# WEALTHAVENUE PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Alexios Vandorou  
Andronikos Vandorou  
Eleftherios Kontos

**Company Secretary:**

DGH Secretarial Ltd

**Independent Auditors:**

L. Gnaftis & Co. Ltd  
Certified Public Accountants  
Anexartusias & Athinon  
NORA COURT, 2nd floor, Office 203-205  
3040 Limassol  
Cyprus

**Registered office:**

12 Prevezis  
Nicosia  
1065  
Cyprus

**Bankers:**

Bank of Cyprus Public Company Ltd  
Optima Bank S.A

**Registration number:**

HE415785

# WEALTHAVENUE PLC

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## CONSOLIDATED MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2023.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group, which are unchanged from last year, are the holding of investment properties.

The Group has operations in Greece and operates through a branch in Greece.

### **Review of current position, future developments and performance of the Group's business**

The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group are disclosed in notes 6, 7 and 23 of the consolidated financial statements.

### **Use of financial instruments by the Group**

The Group is exposed to market price risk, interest rate risk, credit risk and liquidity risk from the financial instruments it holds.

#### **Market price risk**

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

#### **Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

#### **Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

# WEALTHAVENUE PLC

## CONSOLIDATED MANAGEMENT REPORT

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### Results

The Group's results for the year are set out on page 9. The net loss for the year is carried forward.

### Share capital

The changes in the share capital of the Company during the year under review are stated in Note 20 of the financial statements.

### Corporate Governance Code

The Board of Directors, as at the date of this report has not decided to adopt the Corporate Governance Code as it is not required by the Cyprus Stock Exchange New Market.

### Board of Directors

The members of the Group's Board of Directors as at 31 December 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 year ended 31 December 2023.

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

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

### Independent Auditors

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

By order of the Board of Directors,

Alexios Vandorou  
Director

Nicosia, 30 April 2024



## WEALTHAVENUE PLC

### DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of WEALTHAVENUE PLC (the "Company") for the year ended 31 December 2023, on the basis of our knowledge, declare that:

- (a) The annual consolidated financial statements of the Group which are presented on pages 9 to 35:
  - (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and
  - (ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and
- b) The management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which they face.

#### Members of the Board of Directors:

Alexios Vandorou

Andronikos Vandorou

Eleftherios Kontos

#### Responsible for drafting the financial statements

Eleftherios Kontos (Financial Manager)

Nicosia, 30 April 2024





## Independent Auditor's Report

### To the Members of WEALTHAVENUE PLC

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of WEALTHAVENUE PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 9 to 35 and comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### Basis for Opinion

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

##### Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Valuation of Investment Properties

Refer to of the consolidated financial statements.

##### The key audit matter

##### How the matter was addressed in our audit. The audit procedures in this matter included:

The Investment Properties constitute a Overview of reports prepared by an independent professional real significant part of the Company's assets and estate appraiser to verify the correctness and completeness of the are presented in fair value. As at 31 information used.  
December 2023 the balance of the  
Investment Properties was € 333.800.



## **Independent Auditor's Report (continued)**

### **To the Members of WEALTHAVENUE PLC**

#### **Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (continued)**

The economic importance of these elements Evaluation of the independence and professional knowledge and and the subjectivity involved in the process of competence of the independent professional real estate appraiser, assessing the fair value of the Investment Properties, make the assessment one of the main audit issues.

#### **Reporting on Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report.

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

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

#### **Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements**

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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





## Independent Auditor's Report (continued)

### To the Members of WEALTHAVENUE PLC

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.



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3040, Limassol, Cyprus

## **Independent Auditor's Report (continued)**

### **To the Members of WEALTHAVENUE PLC**

#### **Report on Other Legal and Regulatory Requirements**

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements or the Consolidated Management Report.

#### **Other Legal Requirements**

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

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Lambros Gnaftis, FCCA.



Lambros Gnaftis, FCCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**L. Gnaftis & Co. Ltd**  
**Certified Public Accountants**

Limassol, 30 April 2024

# WEALTHAVENUE PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2023

	Note	2023 €	2022 €
<b>Revenue</b>	8	<b>53,594</b>	-
Loan interest income		<b>1,315</b>	-
Changes in inventories of finished goods and work in progress		<b>(5)</b>	-
Other operating income	9	<b>959</b>	103,071
Administration and other expenses	10	<b>(120,945)</b>	(71,409)
<b>Operating (loss)/profit</b>	11	<b>(65,082)</b>	31,662
Finance costs		<b>(1,446)</b>	(1,351)
Net finance costs	12	<b>(1,446)</b>	(1,351)
<b>Net (loss)/profit for the year</b>		<b>(66,528)</b>	30,311
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(66,528)</b>	30,311
<b>Net (loss)/profit for the year attributable to:</b>			
Equity holders of the parent		<b>(61,526)</b>	30,311
Non-controlling interests		<b>(5,002)</b>	-
<b>Net (loss)/profit for the year</b>		<b>(66,528)</b>	30,311
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		<b>(61,526)</b>	30,311
Non-controlling interests		<b>(5,002)</b>	-
<b>Total comprehensive income for the year</b>		<b>(66,528)</b>	30,311

The notes on pages 13 to 35 form an integral part of these consolidated financial statements.

# WEALTHAVENUE PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 December 2023

	Note	2023 €	2022 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	14,216	-
Investment properties	14	333,800	360,700
		<u>348,016</u>	<u>360,700</u>
<b>Current assets</b>			
Trade and other receivables	16	360,735	17,060
Financial assets at fair value through profit or loss	17	14,622	-
Other investments	18	50,000	-
Cash at bank and in hand	19	509,045	556,321
		<u>934,402</u>	<u>573,381</u>
<b>Total assets</b>		<u>1,282,418</u>	<u>934,081</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	34,747	33,541
Share premium	20	1,189,301	805,561
Other reserves	21	57,999	84,610
Accumulated losses /retained earnings		(56,597)	4,929
		<u>1,225,450</u>	<u>928,641</u>
Non-controlling interests		15,998	-
<b>Total equity</b>		<u>1,241,448</u>	<u>928,641</u>
<b>Current liabilities</b>			
Trade and other payables	22	40,970	5,440
		<u>40,970</u>	<u>5,440</u>
<b>Total equity and liabilities</b>		<u>1,282,418</u>	<u>934,081</u>

On 30 April 2024 the Board of Directors of WEALTHAVENUE PLC authorised these consolidated financial statements for issue.

.....  
Alexios Vandonrou  
Director



.....  
Andronikos Vandonrou  
Director

.....  
Eleftherios Kontos  
Director

The notes on pages 13 to 35 form an integral part of these consolidated financial statements.

# WEALTHAVENUE PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2023

	Note	Share capital €	Share premium €	Reserve for own shares €	Accumulated losses/retained earnings €	Total €
<b>Balance at 1 January 2022</b>		<b>32,098</b>	<b>417,402</b>	<b>22,000</b>	<b>(25,382)</b>	<b>446,118</b>
<b>Comprehensive income</b>						
Net profit for the year		-	-	-	30,311	30,311
Total comprehensive income for the year		-	-	-	30,311	30,311
<b>Transactions with owners</b>						
Issue of share capital	20	1,443	388,159	-	-	389,602
		-	-	62,610	-	62,610
Total transactions with owners		1,443	388,159	62,610	-	452,212
<b>Balance at 31 December 2022/ 1 January 2023</b>		<b>33,541</b>	<b>805,561</b>	<b>84,610</b>	<b>4,929</b>	<b>928,641</b>
<b>Comprehensive income</b>						
Net loss for the year		-	-	-	(61,526)	(61,526)
Total comprehensive income for the year		-	-	-	(61,526)	(61,526)
<b>Transactions with owners</b>						
Issue of share capital	20	1,206	383,740	(26,611)	-	358,335
Total transactions with owners		1,206	383,740	(26,611)	-	358,335
<b>Balance at 31 December 2023</b>		<b>34,747</b>	<b>1,189,301</b>	<b>57,999</b>	<b>(56,597)</b>	<b>1,225,450</b>

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 13 to 35 form an integral part of these consolidated financial statements.

# WEALTHAVENUE PLC

## CONSOLIDATED CASH FLOW STATEMENT

31 December 2023

	Note	2023 €	2022 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss)/profit before tax</b>		<b>(66,528)</b>	30,311
Adjustments for:			
Loss/(profit) from the sale of investment properties		<b>1,900</b>	(1,000)
Fair value gains on investment property		-	(102,071)
Fair value gains on financial assets at fair value through profit or loss		<b>(959)</b>	-
Interest income		<b>(1,315)</b>	-
Minority Interest		<b>21,000</b>	-
		<b>(45,902)</b>	(72,760)
<b>Changes in working capital:</b>			
Increase in trade and other receivables		<b>(343,675)</b>	(15,484)
Increase in financial assets at fair value through profit or loss		<b>(13,663)</b>	-
Increase/(Decrease) in trade and other payables		<b>35,530</b>	(629)
<b>Cash used in operations</b>		<b>(367,710)</b>	(88,873)
Interest received		<b>1,315</b>	-
<b>Net cash used in operating activities</b>		<b>(366,395)</b>	(88,873)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	13	<b>(14,216)</b>	-
Payment for purchase of investment property	14	<b>(25,000)</b>	(206,729)
Payment for purchase of other investments	18	<b>(50,000)</b>	-
Proceeds from sale of investment properties	14	<b>50,000</b>	105,000
<b>Net cash used in investing activities</b>		<b>(39,216)</b>	(101,729)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		<b>358,335</b>	389,602
<b>Net cash generated from financing activities</b>		<b>358,335</b>	389,602
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(47,276)</b>	199,000
Cash and cash equivalents at beginning of the year		<b>556,321</b>	357,321
<b>Cash and cash equivalents at end of the year</b>	<b>19</b>	<b>509,045</b>	556,321

The notes on pages 13 to 35 form an integral part of these consolidated financial statements.

# WEALTHAVENUE PLC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 1. Incorporation and principal activities

#### Country of incorporation

The Company WEALTHAVENUE PLC (the "Company") was incorporated in Cyprus on 27th November 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 12 Prevezis, Nicosia, 1065, Cyprus.

The Company is listed in the CSE Emerging Companies Market.

#### Principal activities

The principal activities of the Group, which are unchanged from last year, are the holding of investment properties.

### 2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, investment property, and financial assets and financial liabilities at fair value through profit or loss.

### 3. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRSs) 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 Group.

### 4. Material accounting policies

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

Management seeks not to reduce the understandability of these consolidated financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

#### Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company WEALTHAVENUE PLC and the financial statements of the following subsidiaries, WEALTHLIVING IKE.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group operates only in Cyprus and for this reason operations are not analysed by geographical segment.

#### Revenue

##### Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices ) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

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

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

##### Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Revenue (continued)

- **Rendering of services**

*Rendering of services - over time:*

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

*Rendering of services - at a point in time:*

The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Interest income**

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

#### Finance costs

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

#### Property, plant and equipment

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Investment properties

Investment property, principally comprising apartments in Greece, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Financial assets - Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

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

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

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

**FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

#### Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

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

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Group determines low credit risk financial assets.

#### Financial assets - Reclassification

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Financial assets - write-off

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

#### Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

#### Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

#### Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Classification as trade receivables (continued)

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

#### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### Trade payables

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

#### Financial liabilities - Modifications

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

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

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

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

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 4. Material accounting policies (continued)

#### Financial liabilities - Modifications (continued)

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

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

#### Prepayments

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

#### Share capital

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

### 5. New accounting pronouncements

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

### 6. Financial risk management

#### Financial risk factors

The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

##### 6.1 Market price risk

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6. Financial risk management (continued)

#### 6.1 Market price risk (continued)

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

#### 6.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### 6.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises [from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

##### *(i) Risk management*

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly.

##### *(ii) Impairment of financial assets*

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

- trade receivables
- cash and cash equivalents
- credit commitments

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

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### *Significant increase in credit risk*

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

##### *Low credit risk*

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

###### *Default*

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

###### *Write-off*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

#### **Trade receivables and contract assets**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

#### **Receivables from related parties**

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Group assesses whether there was a significant increase in credit risk.

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6. Financial risk management (continued)

#### 6.3 Credit risk (continued)

##### *(ii) Impairment of financial assets (continued)*

#### Receivables from related parties (continued)

The Group does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

#### Cash and cash equivalents

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

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

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Group internal credit rating	External credit rating	2023	2022
		€	€
Performing	AAA - A	<u>509,045</u>	<u>556,320</u>
<b>Total</b>		<u><b>509,045</b></u>	<u><b>556,320</b></u>

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

##### *(iii) Financial assets at fair value through profit or loss*

##### *(iv) Credit related commitments*

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Group will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

#### 6.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6. Financial risk management (continued)

#### 6.4 Liquidity risk (continued)

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2023</b>	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	32,127	32,127	-	32,127	-	-	-
	<b>32,127</b>	<b>32,127</b>	-	<b>32,127</b>	-	-	-

<b>31 December 2022</b>	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	782	782	-	782	-	-	-
	<b>782</b>	<b>782</b>	-	<b>782</b>	-	-	-

#### 6.5 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

### 7. Critical accounting estimates, judgments and assumptions

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

#### *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Calculation of loss allowance**

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

*Critical judgements in applying the Group's accounting policies*

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

- **Fair value of financial assets**

- **Impairment of loans receivable**

The Group periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

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

### 8. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

#### Disaggregation of revenue

	2023	2022
	€	€
Rendering of services	<b>53,594</b>	-
	<b>53,594</b>	-

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 9. Other operating income

	2023	2022
	€	€
Profit from sales of investment properties	-	1,000
Fair value gains on investment property	-	102,071
Fair value gains on financial assets at fair value through profit or loss	959	-
	<u>959</u>	<u>103,071</u>

### 10. Administration and other expenses

	2023	2022
	€	€
Loss from sales of investment properties	1,900	-
Rent (Note 15)	40,998	-
Common expenses	3,596	652
Licenses and taxes	-	1,050
Annual levy	350	350
Electricity	2,533	-
Water supply and cleaning	96	-
Repairs and maintenance	259	-
Telephone and postage	75	64
Subscriptions and contributions	597	-
Auditors' remuneration	2,481	3,500
Accounting fees	2,468	2,000
Legal and professional	2,000	10,425
Other professional fees (Note 15)	49,194	37,318
Revenue stamps	20	-
Fines	1,540	-
Travelling	963	887
Inland travelling and accommodation	1,138	3,176
Irrecoverable VAT	29	-
Entertaining	-	454
CSE Expenses	8,663	10,925
Sundry expenses	2,045	608
	<u>120,945</u>	<u>71,409</u>

### 11. Operating (loss)/profit

	2023	2022
	€	€
Operating (loss)/profit is stated after charging the following items:		
Auditors' remuneration	<u>2,481</u>	<u>3,500</u>

### 12. Finance costs

	2023	2022
	€	€
Sundry finance expenses	<u>1,446</u>	<u>1,351</u>
<b>Finance costs</b>	<u><b>1,446</b></u>	<u><b>1,351</b></u>

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 13. Property, plant and equipment

	Furniture, fixtures and office equipment €
<b>Cost</b>	
Additions	14,216
<b>Balance at 31 December 2023</b>	<b>14,216</b>
<b>Net book amount</b>	
<b>Balance at 31 December 2023</b>	<b>14,216</b>

### 14. Investment properties

	2023 €	2022 €
Balance at 1 January	360,700	155,900
Additions	25,000	206,729
Disposals	(51,900)	(104,000)
Fair value adjustment	-	102,071
<b>Balance at 31 December</b>	<b>333,800</b>	<b>360,700</b>

#### *Fair value hierarchy*

Investment Properties, principally comprising apartments in Athens (Greece), is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company.

In 2023, the fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's property portfolio regularly upon the directors decision.

During the year, the Group disposed investment property, for an amount of €50,000 thus generating a profit €1,900.

### 15. Investments in subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2023 €
WEALTH LIVING IKE	Greece	Services	65	39,000
				<b>39,000</b>

The following table summarises the information relating to each of the Group's subsidiaries

#### 2023

	€
Rent	38,598
Professional fees	21,317



# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 16. Trade and other receivables

	2023 €	2022 €
Trade receivables	20,936	-
Shareholders' current accounts - debit balances (Note 24.1)	1,337	1,417
Deposits and prepayments	2,400	5,900
Loans receivable	301,315	-
Other receivables	17,332	3,134
Refundable VAT	17,415	6,609
	<b>360,735</b>	<b>17,060</b>

Loans receivable were fully repaid in March 2024.

The Group does not hold any collateral over the trading balances.

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

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

### 17. Financial assets at fair value through profit or loss

	2023 €	2022 €
	2023 €	2022 €
Additions	13,663	-
Change in fair value	959	-
<b>Balance at 31 December</b>	<b>14,622</b>	<b>-</b>

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

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

### 18. Other investments

	2023 €	2022 €
Additions	50,000	-
<b>Balance at 31 December</b>	<b>50,000</b>	<b>-</b>

The above investment concerns capital invested in 'Venture Capital Funds'.

Due to the absence of recent transaction data, the purchase cost made during recent years represent the fair value of the investment.

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 19. Cash at bank and in hand

Cash balances are analysed as follows:

	2023 €	2022 €
Cash at bank and in hand	<b>509,045</b>	556,321
	<b>509,045</b>	<b>556,321</b>

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

### 20. Share capital and share premium

	2023 Number of shares	2023 €	2022 Number of shares	2022 €
<b>Authorised</b>				
Ordinary shares of €0.001 each	500,000,000	500,000	500,000,000	500,000
<b>Issued and fully paid</b>	<b>Number of shares</b>	<b>Share capital €</b>	<b>Share premium €</b>	<b>Total €</b>
Balance at 1 January 2022	32,097,500	32,098	417,402	449,500
Issue of shares of nominal value of €0.001 each at a premium	1,442,959	1,443	388,159	389,602
<b>Balance at 31 December 2022/ 1 January 2023</b>	<b>33,540,459</b>	<b>33,541</b>	<b>805,561</b>	<b>839,102</b>
Issue of shares of nominal value of €0.001 each at a premium	1,205,652	1,206	383,740	384,946
<b>Balance at 31 December 2023</b>	<b>34,746,111</b>	<b>34,747</b>	<b>1,189,301</b>	<b>1,224,048</b>

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 500.000.000 ordinary shares of nominal value of €0.001 each.

#### Issued capital

On 30 June 2022, the company issued 1,442,959 additional ordinary shares of nominal value €0.001 each, with a share premium of € 0.269 per share.

On 15 February 2023 the Company resolved to increase its issued share capital by 628.165 ordinary shares of nominal value of € 0.001 each share, with share premium as follows:

- 37.037 ordinary shares of €0.001 each share with share premium of €0.269 each share and
- 230.711 ordinary shares of €0.001 each share with share premium of €0.279 each share and
- 66.667 ordinary shares of €0.001 each share with share premium of €0.299 each share and
- 293.750 ordinary shares of €0.001 each share with share premium of €0.319 each share

Further to the decision of the Annual General Meeting dated 07.09.2023, the Company has proceeded with the issuance and allotment of 577.487 ordinary shares at the total price of €0,34 each share, by the private placement method.

# WEALTHAVENUE PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 20. Share capital and share premium (continued)

Share premium:

The share premium consists of amounts incurred from the issue of shares at prices higher than their nominal value.

Share premium is not available for distribution.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

### 21. Other reserves

	Reserve for own shares €	Total €
Balance at 1 January 2022	22,000	22,000
Proceeds during the year	62,610	62,610
<b>Balance at 31 December 2022/ 1 January 2023</b>	<b>84,610</b>	<b>84,610</b>
Issue of share capital	(26,611)	(26,611)
<b>Balance at 31 December 2023</b>	<b>57,999</b>	<b>57,999</b>

Share premium is not available for distribution.

### 22. Trade and other payables

	2023 €	2022 €
Trade payables	27,127	782
Prepayments from clients	5,000	-
Accruals	8,843	4,658
	<b>40,970</b>	<b>5,440</b>

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

### 23. Operating Environment of the Group

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2023

**23. Operating Environment of the Group (continued)**

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Group is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Group. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely.

**24. Related party transactions**

The following transactions were carried out with related parties:

**24.1 Shareholders' current accounts - debit balances (Note 16)**

	2023	2022
	€	€
Alexios Vadorou	<u>1,337</u>	<u>1,417</u>

The directors'/shareholders' current accounts are interest free and have no specified repayment date.

**25. Significant agreements with management**

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

**26. Contingent liabilities**

The Group had no contingent liabilities as at 31 December 2023.

**27. Commitments**

The Group had no capital or other commitments as at 31 December 2023.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **28. Events after the reporting period**

As explained in note 23 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these consolidated financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, the Israel-Gaza conflict and continued negative impact on economic activity, the Group might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2024 which relate to new developments that occurred after the reporting period.

Loans receivable were fully repaid in March 2024 (Note 13).

Except from the matters mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

### **Independent auditor's report on pages 5 to 8**

**WEALTHAVENUE PLC**

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**ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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Detailed income statement	1
Other operating expenses	2
Finance costs	3

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## WEALTHAVENUE PLC

### DETAILED INCOME STATEMENT

31 December 2023

	Page	2023 €	2022 €
<b>Revenue</b>			
Rendering of services		<b>53,594</b>	-
Loan interest income		<b>1,315</b>	-
Changes in inventories of finished goods and work in progress		<b>(5)</b>	-
Profit from sales of investment properties		-	1,000
Fair value gains on investment property		-	102,071
Fair value gains on financial assets at fair value through profit or loss		<b>959</b>	-
		<b>55,863</b>	103,071
Other operating expenses	2	<b>(119,045)</b>	(71,409)
Loss from sales of investment properties		<b>(1,900)</b>	-
<b>Operating (loss)/profit</b>		<b>(65,082)</b>	31,662
Finance costs	3	<b>(1,446)</b>	(1,351)
<b>Net (loss)/profit for the year before tax</b>		<b>(66,528)</b>	30,311

## WEALTHAVENUE PLC

### OTHER OPERATING EXPENSES

31 December 2023

	2023 €	2022 €
<b>Other operating expenses</b>		
Rent (Note 15)	40,998	-
Common expenses	3,596	652
Licenses and taxes	-	1,050
Annual levy	350	350
Electricity	2,533	-
Water supply and cleaning	96	-
Repairs and maintenance	259	-
Sundry expenses	2,045	608
Telephone and postage	75	64
Subscriptions and contributions	597	-
Auditors' remuneration	2,481	3,500
Accounting fees	2,468	2,000
Other professional fees (Note 15)	49,194	37,318
Legal and professional	2,000	10,425
Revenue stamps	20	-
Fines	1,540	-
Travelling	963	887
Inland travelling and accommodation	1,138	3,176
Irrecoverable VAT	29	-
Entertaining	-	454
CSE Expenses	8,663	10,925
	<b>119,045</b>	<b>71,409</b>



## WEALTHAVENUE PLC

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### FINANCE COSTS

31 December 2023

	2023 €	2022 €
<b>Finance costs</b>		
<b>Sundry finance expenses</b>		
Bank charges	<u>1,446</u>	<u>1,351</u>
	<u>1,446</u>	<u>1,351</u>