

Friday 27 September, 2024

## **Black Sea Property**

### ***Half-year Report***

RNS Number :  
Black Sea Property PLC  
27 September 2024

#### **BLACK SEA PROPERTY PLC**

("Black Sea Property" or the "Company")

#### **Half-yearly report for the period ended 30 June 2024**

The Board of Black Sea Property PLC is pleased to announce its interim report for the six-month period ended 30 June 2024.

Electronic copies of the interim report will be available at the Company's website  
<http://www.blackseapropertyplc.com>

**BLACK SEA PROPERTY PLC**

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Simon Hudd, Chairman

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Aquis Corporate Adviser

Heena Karani and Duncan Vasey

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2014 as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018).

# Black Sea Property PLC

## HALF-YEARLY REPORT

FOR THE SIX MONTH PERIOD ENDED  
30 JUNE 2024

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### Chairman's Statement

As at 30 June 2024 the significant shareholders of Black Sea Property Plc ("the Company") were as follows:

<b>Beneficial shareholder</b>	<b>Holding</b>	<b>Percentage</b>
Neo London Capital PLC	515,126,806	20.95%
Elea Capital Holding JSC	645,000,000	26.24%
Mamferay Holdings Ltd	449,957,561	18.30%
DF Compass Progress	169,356,690	6.89%
Interfund Investments PLC	89,500,000	3.64%

DF C Mix	80,200,000	3.26%
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The shareholder structure as at 31 December 2023 is the following:

Beneficial shareholder	Holding	Percentage
Neo London Capital PLC	515,126,806	20.95%
Elea Capital Holding JSC	645,000,000	26.24%
Mamferay Holdings Ltd	449,957,561	18.30%
DF Compass Progress	169,356,690	6.89%
Interfund Investments PLC	89,500,000	3.64%
DF C Mix	80,200,000	3.26%

### Chairman's statement

I am pleased to present the unaudited interim financial statements of the Company for the six months ended 30 June 2024.

The unaudited net asset value as at 30 June 2024 was €50,623,511 million or 2.02 cents per share (31 December 2023: €50,511,892 or 2.01 cents per share).

During the period, the Company generated revenues of €1,478,299 (June 2023: €264,835) which resulted in a profit before taxation of €111,619 (June 2023: €74,412). The results reflected other income of €1,722,716 (June 2023: €678,836), property operating expenses of €1,221,323 (June 2023: €283,729), other operating expenses of €561,614 (June 2023: €328,293) and interest payable and other charges of €1,306,459 (June 2023: €406,061). Profit per share amounted to €0.01 cents (June 2023: loss per share amounted to €0.01 cents).

### Camping South Beach EOOD ("CSB")

So far in 2024, CSB maintained its role as a luxury destination for camping tourism and first line beach houses. Although tourists from countries affected by war are still missing, the niche is being filled by local guests, who represent about 90% of all bookings.

The initial forecast by the management of over 10% growth in bookings, compared to 2023 was fulfilled, as occupancy level in July was 71% and in August around 61%, which also led to more than 18% growth in revenues, compared to 2023.

2024 is the fourth year since the Concession Agreement for managing the beach in front of Camping South Beach was signed. The perfectly maintained and equipped beach adds additional value to rental properties and provides excellent synergy.

The long-term strategy of CSB is to develop the whole Gradina area, including all newly acquired adjacent properties into an exclusive high-quality summer resort.

## Chairman's Statement (Continued)

### Nobu Sofia Project

A conceptual frame of the project has been prepared, while the floor distribution is currently being refined. All accompanying procedures are progressing in good time. The assignment of a technical phase and a working project for the issuance of a building permit is pending.

### Nobu Varna Project

The project has been issued a design visa according to the current Detailed Development Plan of St. Constantine and Elena Resort and a conceptual design focusing on the architecture has been prepared. A survey of the existing external connections was made and an engineering infrastructure design was commissioned.

**The Directors of the Company are responsible for the contents of this announcement.**

Simon Hudd  
Chairman  
27.09.2024

### Consolidated Statement of Comprehensive Income for the period ended 30 June 2024

		(Unaudited) 6 months to	(Unaudited) 6 months to	(Audited) Year ended
		30 June 2024	30 June 2023	31 December 2023
	Note	€	€	€
<b>Total revenue</b>				
Revenue		<b>1,478,299</b>	264,835	1,629,379
Property operating expenses		<b>(1,221,323)</b>	(283,729)	(1,260,397)
Net rental income/(expense)		<b>256,976</b>	(18,894)	368,982
(Loss)/gain on revaluation of investment properties		-	-	79,399
Fair value gain on financial assets at fair value through profit and loss		-	-	335,901
<b>Net (loss)/gain on investment property</b>		-	-	415,300
Administration and other expenses	<b>5</b>	<b>(561,614)</b>	(328,293)	(1,170,345)
<b>Total operating profit/(loss)</b>		<b>(304,638)</b>	(347,187)	(386,063)
Other income	<b>6</b>	<b>1,722,716</b>	678,836	2,255,123
Bargain purchase	<b>11</b>			10,213,883
Write off of loans		-	-	(2,025)

Interest payable and similar charges		<b>(1,306,459)</b>	(406,061)	(1,170,443)
<b>(Loss)/profit before tax</b>		<b>111,619</b>	(74,412)	10,910,475
Tax expense	<b>8</b>	-	-	(497,028)
<b>(Loss)/profit and total comprehensive income for the period</b>		<b>111,619</b>	(74,412)	10,413,447
<b>(Loss)/Profit and total comprehensive income attributable to the:</b>				
- shareholders of the parent company		<b>109,811</b>	(74,412)	10,409,093
- non-controlling interest		<b>1,808</b>	-	4,354
<b>Profit/(Loss)/earnings per share</b>				
Basic & Diluted(loss)/earnings per share (cents)	<b>7</b>	<b>0.01</b>	(0.01)	0.54

The notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27.09.2024 and were signed on their behalf by:

Chairman  
Simon Hudd

Director  
Valentino Georgiev

## Consolidated Statement of Financial Position at 30 June 2024

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
	Note	€	€
<b>Non-current assets</b>			
Investment properties	<b>9</b>	<b>58,888,532</b>	58,888,532
Intangible assets	<b>10</b>	<b>2,105,439</b>	1,882,912
Property, plant and equipment		<b>21,003,398</b>	20,018,830
Long term Deposit		<b>102,258</b>	102,258
Loan receivable		<b>4,030,710</b>	2,754,689
<b>Total non-current assets</b>		<b>86,130,337</b>	83,647,221
<b>Current assets</b>			
Trade and other receivables	<b>12</b>	<b>1,783,470</b>	2,653,084
Short term investments		<b>11,943,794</b>	12,330,603
Cash and cash equivalents		<b>985,178</b>	2,559,356
<b>Total current assets</b>		<b>14,712,442</b>	17,543,043
<b>Total assets</b>		<b>100,842,779</b>	101,190,264
<b>Equity and liabilities</b>			
Issued share capital	<b>13</b>	<b>81,019,442</b>	81,019,442

Retained deficit		(29,867,961)	(29,977,772)
Foreign exchange reserve		(1,553,086)	(1,533,086)
<b>Total equity, attributable to the shareholders of the parent company</b>		<b>49,618,395</b>	<b>49,508,584</b>
Non-controlling interest		1,005,116	1,003,308
<b>Total equity</b>		<b>50,623,511</b>	<b>50,511,892</b>
<b>Non-current liabilities</b>			
Bank loans	14	16,238,835	16,869,504
Trade and other payables	15	1,753,142	2,000,852
Deferred tax liability	8	2,873,673	2,869,332
<b>Total non-current liabilities</b>		<b>20,865,650</b>	<b>21,739,688</b>
<b>Current liabilities</b>			
Trade and other payables	15	1,600,986	1,850,981
Tax liability	15	92,377	80,950
Bank loans	14	3,617,652	3,698,920
Shareholder loan	16	24,042,603	23,307,833
<b>Total current liabilities</b>		<b>29,353,618</b>	<b>28,938,684</b>
<b>Total liabilities</b>		<b>50,219,268</b>	<b>50,678,372</b>
<b>Total equity and liabilities</b>		<b>100,842,779</b>	<b>101,190,264</b>
Number of ordinary shares in issue		2,458,323,603	2,458,323,603
NAV per ordinary share (cents)	17	2.02	2.01

The notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27.09.2024 and were signed on their behalf by:

Chairman  
Simon Hudd

Director  
Valentino Georgiev

## Consolidated Statement of Changes in Equity for the period ended 30 June 2024

	Share capital	Retained earnings	Foreign currency translation reserve	Total equity attributable to the parent company	Non-controlling interests	Total
	€	€	€	€	€	€
<b>At 1 January 2023</b>	<b>70,699,442</b>	<b>(40,386,865)</b>	<b>(1,533,086)</b>	<b>28,779,491</b>	<b>-</b>	<b>28,779,491</b>
Loss for the period	-	(74,412)	-	(74,412)	-	(74,412)

Total comprehensive income	-	(74,412)	-	(74,412)	-	(74,412)
<b>At 30 June 2023 (unaudited)</b>	<b>70,699,442</b>	<b>(40,461,277)</b>	<b>(1,533,086)</b>	<b>28,705,079</b>	-	<b>28,705,079</b>
<b>At 1 January 2023</b>	<b>70,699,442</b>	<b>(40,386,865)</b>	<b>(1,533,086)</b>	<b>28,779,491</b>	-	<b>28,779,491</b>
Issue of share capital	10,320,000	-	-	10,320,000	-	10,320,000
Profit for the year	-	10,409,093	-	10,409,093	-	10,409,093
Non-controlling interest	-	-	-	-	1,003,308	1,003,308
Total comprehensive income	-	10,409,093	-	10,409,093	1,003,308	11,412,401
<b>At 31 December 2023 (audited)</b>	<b>81,019,442</b>	<b>(29,977,772)</b>	<b>(1,533,086)</b>	<b>49,508,584</b>	<b>1,003,308</b>	<b>50,511,892</b>
<b>At 1 January 2024</b>	<b>81,019,442</b>	<b>(29,977,772)</b>	<b>(1,533,086)</b>	<b>49,508,584</b>	<b>1,003,308</b>	<b>50,511,892</b>
Profit for the period	-	109,811	-	109,811	1,808	111,619
Total comprehensive income	-	109,811	-	109,811	1,808	111,619
<b>At 30 June 2024 (unaudited)</b>	<b>81,019,442</b>	<b>(29,867,961)</b>	<b>(1,533,086)</b>	<b>49,618,395</b>	<b>1,005,116</b>	<b>50,623,511</b>

The notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27.09.2024 and were signed on their behalf by:

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Simon Hudd

Director  
Valentino Georgiev

## Consolidated Statement of Cash Flows for the period ended 30 June 2024

	<b>(Unaudited)</b> <b>6 months to</b>	(Unaudited)	(Audited)
	<b>30 June 2024</b>	6 months to	Year ended
		30 June	31 December
		2023	2023

	€	€	€
<b>Operating activities</b>			
(Loss)/profit before tax	<b>111,619</b>	(74,412)	10,910,475
Loss/(gain) on revaluation of investment properties	-	-	(79,399)
Bargain Purchase on Acquisition	-	-	(10,213,883)
Amortization of intangible fixed assets	<b>57,688</b>	17,264	48,001
Depreciation of property, plant and equipment	<b>2,348</b>	1,859	27,519
Interest received	<b>(267,730)</b>	(662,944)	(119,237)
Bad debt recovered	<b>(1,086,295)</b>	-	(1,957,176)
Finance expense	<b>1,306,459</b>	298,399	1,170,443
<b>Changes in the working capital</b>	<b>124,089</b>	(419,834)	213,257
Decrease/(increase) in receivables	<b>869,614</b>	2,729,479	17,261,922
(Decrease)/increase in payables	<b>(493,364)</b>	459,891	(650,010)
<b>Cash used in operation</b>	<b>500,339</b>	2,769,536	16,398,655
Tax refund/(paid)	<b>11,427</b>	73,370	(496,504)
<b>Net cash outflow from operating activities</b>	<b>511,766</b>	2,842,906	15,902,151
<b>Investing activities</b>			
Investment property additions and acquisitions	-	-	(5,484,400)
Property, plant and equipment additions	<b>(986,916)</b>	(708,950)	-
Acquisition of intangibles	<b>(280,215)</b>	-	(142,499)
Acquisition of Subsidiaries	-	-	(27,291,684)
Bad debt recovered	<b>1,086,295</b>	-	1,957,176
Interest received	<b>267,730</b>	662,944	119,237
Long term deposit paid	-	(102,258)	(102,258)
Cash held by the (disposed)/acquired subsidiary	-	-	733,937
Short term investments	<b>386,809</b>	-	(12,330,603)
<b>Net cash (outflow)/ from investing activities</b>	<b>473,703</b>	(148,264)	(42,541,094)
<b>Financing activities</b>			
Proceeds from issuing share capital	-	-	10,320,000
Loans issued/(repaid)	<b>(1,987,957)</b>	(2,251,053)	(932,691)
Interests paid and other charges	<b>(1,306,459)</b>	(298,399)	(1,170,443)
Loans granted from shareholders	<b>734,769</b>	-	20,742,025
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(2,559,034)</b>	(2,549,452)	28,958,891
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,574,178)</b>	145,190	2,319,947
<b>Cash and cash equivalents at beginning of period</b>	<b>2,559,356</b>	239,409	239,409
<b>Cash and cash equivalents at end of period</b>	<b>985,178</b>	384,599	2,559,356

The notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27.09.2024 and were signed on their behalf by:

Chairman  
Simon Hudd

Director  
Valentino Georgiev



# Notes to the Financial Statements for the period ended 30 June 2024

## 1. General information

Black Sea Property Plc (the Company) is a company incorporated and domiciled in the Isle of Man whose shares are publicly traded on the Aquis Stock Exchange in London.

## 2. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year-ended 31 December 2023.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Company's registered office at 6th Floor, Victory House, Prospect Hill, Douglas, Isle of Man or at [www.blackseapropertyplc.com](http://www.blackseapropertyplc.com).

These interim consolidated financial statements were approved by the Board of Directors on 27.09.2024.

## 3. Significant accounting policies

The accounting policies applied in these interim financial statements, except for the ones listed below, are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

## 4. Financial risk management policies

The principal risks and uncertainties are consistent with those disclosed in preparation of the Group's annual financial statements for the year ended 31 December 2023.

## 5. Administration and other expenses

	(Unaudited) 6 months to 30 June 2024 €	(Unaudited) 6 months to 30 June 2023 €	(Audited) Year ended 31 December 2023 €
Directors' remuneration	45,477	27,824	117,568
Administration fees - Isle of Man	-	-	103,295
Administration fees - Bulgaria	77,405	37,322	76,325
Legal and professional fees	135,282	108,012	627,941
Auditors' remuneration	-	-	55,937
Foreign currency expenses	10,824	2,051	9,136
Other administration and sundry expenses	232,590	54,876	170,850
Depreciation expense and amortization	60,036	98,208	9,293
	561,614	328,293	1,170,345

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## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 6. Other income

	(Unaudited)	(Unaudited)	(Audited)
	6 months to	6 months to	Year ended
	30 June	30 June	31 December
	2024	2023	2023
	€	€	€
Interest income - receivable balances	267,730	662,944	119,237
Bad debts recovered	1,086,295	-	1,957,176
Others	368,691	15,892	178,710
	<b>1,722,716</b>	678,836	2,255,123

### 7. Profit/(Loss)/earnings per share

The basic (loss)/earnings per ordinary share is calculated by dividing the net (loss)/profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	(Unaudited)	(Unaudited)	(Audited)
	6 months to	6 months to	Year ended
	30 June	30 June	31 December
	2024	2023	2023
	€	€	€
(Loss)/earnings attributable to owners of parent €	109,811	(74,412)	10,409,093
Weighted average number of ordinary shares in issue	1,922,885,247	1,813,323,603	1,922,885,247
<b>Basic profit / (loss)/earnings per share (cents)</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.54</b>

The Company has no potential dilutive ordinary shares; the diluted profit/(loss)/earnings per share is the same as the basic profit/(loss)/earnings per share.

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 8. Taxation

#### Isle of Man

There is no taxation payable on the Company's or its Jersey subsidiaries' results as they are based in the Isle of Man and in Jersey respectively where the Corporate Income Tax rates for resident companies are 0% (2023: 0%). Additionally, neither the Isle of Man nor Jersey levies tax on capital gains.

Consequently, shareholder's resident outside of the Isle of Man and Jersey will not incur any withholding tax in those jurisdictions on any distributions made to them.

#### Bulgaria

Subsidiaries of the Company incorporated in Bulgaria are taxed in accordance with the applicable tax laws of Bulgaria. The Bulgarian corporate tax rate for the year was 10% (2023: 10%).

No deferred tax assets are recognised on trading losses in the subsidiary companies as there is significant uncertainty as to whether sufficient future profits will be available in order to utilise these losses.

A reconciliation of the tax charge for the year to the standard rate of corporation tax for the Isle of Man of 0% (2023: 0%) is shown below.

	<b>(Unaudited) 30 June 2024 €</b>	<b>(Audited) 31 December 2023 €</b>
<b>Profit before tax</b>	<b>111,619</b>	10,910,475

Profit on ordinary activities multiplied by the standard rate in the Isle of Man of 0% (2023: 0%)	-	-
Effect of different tax rates in different countries	-	30,935
Deferred tax liability movement	-	466,093
<b>Current charge for the year</b>	-	497,028
Bulgarian tax losses brought-forward at 10%	(347,840)	(183,943)
Tax losses utilised in the year	-	(163,897)
Bulgarian tax losses carried-forward at 10%	<b>(347,840)</b>	<b>(347,840)</b>
<b>Deferred tax liability</b>		
Opening deferred tax liability balance	<b>2,869,332</b>	2,407,965
Deferred tax liability on fair value uplift of investment property on Acquisition/(disposal) of a subsidiary	-	-
Bulgarian deferred tax liability charge	<b>4,341</b>	(4,726)
Deferred tax liability on fair value uplift of investment property	-	466,093
Closing deferred tax liability balance	<b>2,873,673</b>	2,869,332

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 9. Investment properties

	(Unaudited)	(Audited)
	30 June 2024	31 December 2023
	€	€
Beginning of year	47,517,500	47,517,500
Additions	5,318,900	5,318,900
Additions	5,484,400	5,484,400
Transfers	488,333	488,333
Fair value adjustment	79,399	79,399
<b>Total investment property</b>	<b>58,888,532</b>	58,888,532
Ivan Vazov 1 Building	12,710,332	12,710,332
Camp South Beach	16,820,000	16,820,000
Camp South Beach additional plots	5,725,000	5,725,000
Byala Land	11,040,000	11,040,000
Star Mill	7,274,300	7,274,300
Lazuren Bryag - new Acquisition	5,318,900	5,318,900
<b>Total investment property</b>	<b>58,888,532</b>	58,888,532

The Directors confirm that there are no material changes in the valuation of investments as of 30 June 2024.

The valuations of the other Group properties at 31 December 2023 were based on the most recent independent valuation received for each property. The valuations were performed by external accredited independent valuers with recognised professional qualifications and with recent experience in the location and category of the investment properties being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with the RICS "Red Book". In arriving at their estimates of market values, the valuers have

used their market knowledge and professional judgement, historical transactional comparable and discounted cash flow forecasts. The highest and best use of the investment properties is not considered to be different from its current use.

The cost of the investment properties comprises their purchase price and directly attributable expenditure. Directly attributable expenditure includes professional fees for legal services and stamp duty land tax.

The Ivan Vazov 1 Building, Byala Land properties, and CSB properties along with additional plots were all evaluated by Cushman & Wakefield Forton, an independent professional valuation specialist.

The valuation for the Ivan Vazov 1 Building was made as at 30 September 2023, and additional costs of €310,332 were incurred post-valuation. The subsidiary of the company has received the necessary permits from the relevant state bodies and institutions to carry out the reconstruction. This property is pledged as security to UniCredit Bulbank AD against the company's bank loans (note 15).

The Byala Land properties and the CSB properties with additional plots were valued as at 31 December 2023. The CSB properties are also pledged as security to Central Cooperative Bank against the company's investment loans and overdraft positions (note 15).

All valuations were based on expected rental income or cash flows, net of operating expenses, and capitalised using a discount rate reflecting the market yield from recent transactions of similar properties.

These valuations are based on income and market approach and were primarily include unobservable inputs: the estimated rental value, cashflows, the discount rate, and adherence to specific legal and regulatory requirements.

## **Notes to the Financial Statements for the period ended 30 June 2024 (continued)**

### **10. Intangible assets**

At the end of 2020, after participating in an open concession award procedure, the Group through Camping South Beach received the concession rights over the sea beach "Camping Gradina". During the active summer season of 2021, the beach was managed by CSB under the terms of a lease agreement. The concession agreement entered into force on 17 October 2020, and at the beginning of 2021 the handover of the sea beach by the grantor Ministry of Tourism to the concessionaire was carried out. The term of the contract is 20 years.

The concession contract of CSB grants the right to operate the sea beach, performing alone or through subcontractors providing visitors to the sea beach of the following services: beach services, including the provision of umbrellas and sunbeds, services in fast food restaurants, sports and entertainment services, water attraction services, health and rehabilitation services and other events, after prior agreement with the grantor. A condition for operation of the concession site is the implementation of mandatory activities, which include provision of water rescue activities, security of the adjacent water area, health and medical services for beach users, sanitary and hygienic maintenance of the beach, maintenance for use of the elements of the technical infrastructure, the temporary connections, the movable objects, the facilities and their safe functioning.

In 2020 the Group paid the first due concession fee, which provides the period from the date of entry into force of the concession agreement until the end of the same calendar year and the period from January 1 of the last calendar year in which the concession agreement is valid until the date upon expiration of the contract.

According to the financial model presented by the Company, which is accepted by the grantor and is an integral part of the concession agreement, for the concession period the Group will make additional investments related to the implementation of mandatory activities and investments to improve access to the beach. After the expiration of the concession contract, all constructed sites remain the property of the grantor. The activities related to the operation of the concession site are performed by the concessionaire at his risk and at his expense. The cost of the acquired intangible assets was €655,876 and no amortization expenses were recognised in 2020. The acquired intangible asset was amortized by € 17,264 (2023: €34,528).

Lazuren Bryag holds two concession contracts, with a carrying value of €1,284,126 as at the period-end.

The first concession contract was granted by the Ministry of Tourism in 2020 and grants the right to operate the sea beach "Varna - central" in the city of Varna. The concession contract is valid for a period of twenty years.

The second concession contract in addition, Lazuren Bryag was signed in 2022 and permits the company to rent the sea beach "Ribarski - West" and sea beach "Fisherman - East". The contract is valid for a period of five years.

The amortisation expense has been included with in property operating expenses in the Consolidated Statement of Comprehensive Income.

	<b>Period ended 30 June 2024 €</b>	Year ended 31 Dec 2023 €
Beginning of year	<b>1,882,912</b>	450,390
Reclassification	-	142,499
Lazuren Bryag - Acquisition (note 10)	-	1,338,024
Additions	<b>280,215</b>	-
Amortisation	<b>(57,688)</b>	(48,001)
<b>Total Intangible assets at year end</b>	<b>2,105,439</b>	1,882,912

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 11. Acquisition of a subsidiary

On 2 November 2023, the Company acquired 99.4% of the share capital of Littoral Invest EAD including all its assets and liabilities. The consideration for this acquisition was €4,501,000. Littoral Invest EAD own 100% of the share capital of Lazuren Bryag 91 EOOD.

The fair value of the net identifiable assets acquired totaled €7,993,925 (net of NCI € 95,864)

Since the acquisition Littoral Invest EAD and Lazuren Bryag EOOD have contributed €261,293 to group revenue and loss of €189,988 to group profit. If the acquisition had occurred on 1 January 2023, the contribution to group revenue would have been €3,523,130 and the contribution to group profit for the year would have been €575,758.

On 6 November 2023, the Company through its owned subsidiary, BSPF (Property 2) Limited, acquired 82.04% of the share capital of Grand Hotel Varna AD, including all its assets and liabilities. As part of

the same agreement, the Company through its owned subsidiary Littoral Invest EAD acquired a further 16.23% of the share capital of Grand Hotel Varna AD, bringing the total share capital held to 98.17%. Grand Hotel Varna AD owns 100% of the share capital of GHV Dolphins EAD, a company incorporated in Bulgaria. The consideration for this acquisition was €22,790,684.

The fair value of the net identifiable assets acquired totalled €29,511,642 (net of NCI €903,090)

Since the acquisition Grand Hotel Varna AD and GHV Dolphins EAD have contributed €15,409 to group revenue and profit of €300,674 to group profit. If the acquisition had occurred on 1 January 2023, the contribution to group revenue would have been €151,638 and the contribution to group profit for the year would have been €8,265,481.

The fair value of the identifiable assets and liabilities acquired were:

	<b>Pre- acquisition carrying value €</b>	<b>Fair value adjustments €</b>	<b>Recognised value on acquisition €</b>
Investment property (note 8)	2,204,051	3,114,849	5,318,900
Plant and equipment	4,033,799	15,982,931	20,016,730
NCI at acquisition	(998,954)	-	(998,954)
Intangible assets	1,615,787	(277,763)	1,338,024
Loan receivable	2,831,513	-	2,831,513
Short term investment	12,330,603	-	12,330,603
Trade and other receivables	1,253,231	-	1,253,231
Deferred tax asset	86,369	-	86,369
Cash and cash equivalents	733,937	-	733,937
Trade and other payables	(3,783,324)	-	(3,783,324)
Bank loans	(1,621,463)	-	(1,621,463)
<b>Total net identifiable assets</b>	<b>18,685,550</b>	<b>18,820,017</b>	<b>37,505,567</b>
<b>Purchase consideration transferred - cash</b>			<b>27,291,684</b>
<b>Bargain purchase on acquisition</b>			<b>(10,213,883)</b>

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 12. Trade and other receivables

	<b>(Unaudited) 30 June 2024</b>	<b>(Audited) 31 December 2023</b>

	€	€
Trade receivables*	1,686,379	2,421,954
Prepayments	97,091	231,130
	<b>1,783,470</b>	<b>2,653,084</b>

\*All amounts are due within one year. The expected credit losses (ECL) for this amount is nil.

### **13. Issued share capital**

<b>Authorised</b>	<b>(Unaudited) As at 30 June 2024</b>	<b>(Audited) As at 31 December 2023</b>
Founder shares of no par value	10	10
Founder shares of no par value	Unlimited	Unlimited
<b>Issued and fully paid</b>	<b>€</b>	<b>€</b>
2 Founders shares of no par value (2023: 2)	-	-
2,458,323,603 ordinary shares of no par value (2023: 2,458,323,603)	<b>81,019,442</b>	<b>81,019,442</b>

The Founders shares do not carry any rights to dividends or profits and on liquidation they will rank behind Shares for the return of the amount paid up on each of them. The shares carry the right to receive notice of and attend general meetings, but carry no right to vote thereat unless there are no Participating Shares in issue.

### **Capital management**

The Directors consider capital to be the net assets of the Group. The capital of the Company will be managed in accordance with the Investment Strategy documented on the Company's website.

### **14. Bank Loans**

	<b>(Unaudited) 30 June 2024</b>	<b>(Audited) 31 December 2023</b>
	€	€
Loan from UniCredit (a & c)	7,990,196	8,324,781
Loan from BACB (b)	3,681,721	3,648,013
Central Cooperative Bank (d)	8,184,570	8,595,630
	<b>19,856,487</b>	<b>20,568,424</b>
Long term bank loans	16,238,835	16,869,504
Current bank loans	3,617,652	3,698,920
<b>Reconciliation of bank loans</b>		
Beginning of year (gross loan)	20,568,424	19,956,478
Bank loan arrangement fees	9,887	(38,718)
Loan received	-	3,183,243
Interest charged	359,562	698,160
Principal repayments	(744,444)	(2,484,052)
Interest payments	(336,942)	(746,687)
<b>Total bank loans</b>	<b>19,856,487</b>	<b>20,568,424</b>



# Notes to the Financial Statements for the period ended 30 June 2024 (continued)

## 14. Bank Loans (continued)

In October 2017, BSPF Bulgaria EAD, a subsidiary of parent company entered into a secured debt funding of €7 million from UniCredit Bulbank AD ("UniCredit"), a leading Bulgarian commercial bank which was used to complete the acquisition of the Ivan Vazov 1 Building. The debt funding from UniCredit is secured by a commercial mortgage on the property valued at €12,710,332 (see note 8). The debt funding is also secured by a first rank pledge of all the receivables, claims, rights and interests, both current and future, of the company along with a first ranking registered pledge of the commercial enterprise of the company and a first ranking pledge of 100% of the shares of the capital of the company. The initial term of the debt funding was thirty-six months from date of execution of the loan documentation and the repayment shall be made as a one-off payment on the repayment deadline.

The company renegotiated the terms of the loan in November 2021, extending the repayment period until 30 November 2033 and changed the margin to the interest rate to 2%. The principal should be repaid in equal installments, with the first installment set from 23 December 2023. The interest on the loan is now the internal interest percentage by the bank plus 2.00% (2023: 2%).

The liabilities under this loan amount to €7,013 thousand, of which €468 thousand are short-term.

In November 2021, BSPF Bulgaria EAD entered into an agreement with Unicredit Bulbank AD ("UniCredit"), a leading Bulgarian commercial bank, which involved revised and extended lending terms for the construction of the Ivan Vazov 1 Building. The Company entered into a secured debt funding of up to BGN 4,498,409 (approximately €2.3 million) from UniCredit Bulbank AD ("UniCredit"), a leading Bulgarian commercial bank which was used to partly finance the construction costs for the planned renovation of the roof and overhaul of the administrative building known as the Ivan Vazov 1 Building. The secured debt funding is made up of an investment limit of up to €1.8 million and a revolving limit of up to €0.5 million. The debt funding from UniCredit is secured by a commercial mortgage on the property valued at €12,710,332 (see note 8). The debt funding is also secured by a second rank pledge of all the receivables, claims, rights and interests, both current and future, of the company along with a second ranking registered pledge of the commercial enterprise of the company and a second ranking pledge of 100% of the shares of the capital of the company. The utilization deadline of €1.5 million of the investment limit is no later than 30 November 2023 while the utilization deadline of the remaining €0.3 million is no later than 30 November 2024. There is a grace period on the repayment of the principal amount due until 30 November 2023. After this date the principal will be repaid in equal monthly instalments. Interest is also repayable monthly with no grace period agreed. The repayment period is up until 30 November 2033. The utilization deadline of €0.5 million of the revolving limit is no later than 30 November 2023. The repayment of the revolving limit is made within 6 months of each utilized amount and the repayment period is up until 30 May 2024.

The liabilities under this loan amount to €1,312 thousand, of which €187 thousand are short-term.

- b) In 2022, the BSPF Project 1 received financing from a commercial bank in the amount of €4,167,028. The financing was granted in connection with the acquisition of an investment in Star Mill EOOD. The loan is repayable by October 20, 2030 in instalments according to a repayment plan. The loan is charged a floating interest sum of LEONIA Plus and a risk allowance. The loan is secured by the following assets:
- Receivables of the BSPF Project 1 from Star Mill EOOD;
  - Bank deposit of the BSPF Project 1 of €102,258, which will be released after full payment to the creditor;
  - Mortgage of the real estate of Star Mill EOOD;
  - Current and future funds of the BSPF Project 1 and Star Mill EOOD on current accounts opened with the creditor bank,

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 14. Bank Loans (continued)

- c) Central Cooperative bank loan and overdraft

	(Unaudited)	(Audited)
	30 June 2024	31 December 2023
	€	€
Central Cooperative Bank overdraft (i)	664,166	662,768
Central Cooperative Bank overdraft (ii)	5,243,294	5,278,752
Central Cooperative Bank investment loan (ii)	1,145,486	1,155,108
Central Cooperative Bank loans (iv)	1,131,624	1,499,002
	<b>8,184,570</b>	8,595,630

- (i) On 24 June 2016, the company entered an overdraft credit agreement with the Central Cooperative Bank AD with a limit of €818,067. On 29 June 2018, the parties agreed that the Company will pay annual interest at 4% variable interest rate. On 12 March 2020, the agreed interest rate was renegotiated and reduced to 2.8%. In 2020, the terms of the contract were extended to 12 March 2020. As at 30 June 2024, the carrying amount was €664,166.
- (ii) On 28 December 2017, the company entered an overdraft credit agreement with the Central Cooperative Bank AD with a limit of €8,569,252. On 12 March 2020, the agreed interest rate was 2.8%. The overdraft usage period has a maturity date of 21 January 2028. As at 30 June 2024, the carrying amount was €5,243,294.

- (iii) On 28 December 2017, the company entered an investment loan agreement with the Central Cooperative Bank AD. The loan was for an amount of €2,024,205 and is due for repayment by 21 January 2028. On 12 March 2020, the agreed interest rate was renegotiated and reduced to 2.8%. As at 30 June 2024, the carrying amount was €1,145,486.

The above overdraft and loans positions are secured by the commercial property of South Beach (Gradina) Camp which includes all the tangible fixed assets of the property along with the mortgage on the land.

- (iv) This relates to two loans held by Lazuren Bryag 91 EOOD and provided by the Central Cooperative Bank. The loans are subject to a rate of 1-month Euribor plus 1.3%, however not less than 3.5% and no more than 3.85%. The second loan is subject to a rate of 2.8%. The loans will mature on 16 September 2024 and 12 September 2025 and the real estate owned by Lazuren Bryag 91 EOOD has been charged as security for the total loan amount.

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 15. Trade and other payables

Non-current trade and other payables can be presented as follows:

	(Unaudited)	(Audited)
	30 June 2024	31 December 2023
	€	€
Concession payable	1,734,953	1,999,494
Other payable	18,189	1,358
	<b>1,753,142</b>	<b>2,000,852</b>

The current trade and other payables can be presented as follows:

	(Unaudited)	(Audited)
	30 June 2024	31 December 2023
	€	€
Trade creditors	525,265	675,464
Concession payable	102,131	23,822
Other payables	530,324	898,296
Deferred income	443,266	253,399
	<b>1,600,986</b>	<b>1,850,981</b>
Tax payables	92,377	80,950

### 16. Related party transactions

In July 2017, the Company appointed Phoenix Capital Management JSC as its investment adviser with responsibility for advising on the investment of the Company's property portfolio. Phoenix Capital Holding JSC owns 79.99% of the Phoenix Capital Management JSC shares. Phoenix Capital Holding JSC, through its wholly owned subsidiary Mamferay, holds 18.30% (2023: 18.30%) of the issued share capital of the Company.

The total amount outstanding at year end to the shareholders totalled € 24,042,603 (2024: €23,307,833).

## Notes to the Financial Statements for the period ended 30 June 2024 (continued)

### 17. Net asset value per share

	(Unaudited)	(Unaudited)
	30 June	30 June
	2024	2023
	€	€
Net assets attributable to owners of the parent (€)	<b>49,618,395</b>	28,705,079
Number of ordinary shares outstanding	<b>2,458,323,603</b>	1,813,323,603
<b>Net Asset Value (cents)</b>	<b>2.02</b>	1.58