BLACK SEA PROPERTY PLC

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

Audited Results for the year ended 31 December 2024

The Board of Black Sea Property PLC is pleased to announce its audited results for year ended 31 December 2024.

Electronic copies of the annual report will be available at the Company's website www.blackseapropertyplc.com.

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

For further information, please visit www.blackseapropertyplc.com or contact the following:

BLACK SEA PROPERTY PLC simon.hudd@d3ainvestments.com

Simon Hudd, Chairman

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AQSE Corporate Adviser

Helena 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

Consolidated Annual Report
Year ended 31 December 2024

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Directors
Valentino Georglev (appointed 3 April 2024)
Todor Ivanov (appointed 3 April 2024)
Simon Hudd
Yordan Naydenov (resigned 3 April 2024)
Miroslav Georgiev (resigned 3 April 2024)
Ventsislava Altanova (resigned 3 April 2024)

Registered office
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Prospect Hill
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IM1 1EQ

Administrator
Crowe Trust Isle of Man Limited
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Registrar
Share Registrars Limited
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Property Investment Advisor
Phoenix Capital Management JSC
109-115 Todor Aleksandrov Blvd
Sofia
Bulgaria

Auditor of the Company and Group
Grant Thornton Limited
Exchange House
54 – 62 Athol Street
Douglas, Isle of Man
IM1 1JD

Chairman's Statement

Highlights

· Revenue increased by 128.6% to € 2,991,434 up from € 1,308,384 in 2023, driven by higher occupancy at Camping South Beach.

· Camping South Beach achieved strong seasonal occupancy with over 71% in July and 61% in August 2024, leading to a 19.5% increase in reservation revenues compared to 2023.

- An approximate increase of 5-10% occupancy for 2025 in Camping South Beach, due to domestic demand.
- The Nobu Hospitality agreement signed to develop two landmark properties into Nobu-branded hotels and restaurants, is now in the technical planning phase of development.

I am pleased to present the financial statements of Black Sea Property PLC ("Black Sea Property" or the "Company") for the year ended 31 December 2024.

The net asset value as at 31 December 2024 was € 52,556,450 or 2.10 cents per share (2023: € 50,511,892 or 2.01 cents per share).

The Company generated revenues from camping reservations of € 2,991,434 (2023: € 1,308,384). This resulted in earnings per share attributable to the parent of 0.08 cents (2023: 0.54 cents). Earnings per share (EPS) has decreased in the current year primarily due to the absence of any bargain purchase gains. In the prior year, EPS was elevated by one-off gains arising from the acquisition of subsidiaries. As no similar transactions occurred this year, the current EPS reflects the Group's underlying operational performance.

Investments

Camping South Beach EOOD ("CSB")

In 2024, CSB maintained its prime position as a destination for luxury camping holidays and beach houses. Whilst the military conflict in Ukraine continues to negatively affect tourism in many ways, including the reduction in Russian tourists visiting the Bulgarian Black Sea coast, CSB's performance was buoyed by strong domestic demand.

CSB achieved occupancy levels of over 71% in July and 61% in August 2024, which is a 19.5% increase in revenues from reservations in 2024 compared to 2023.

The fair value of the investment property in CSB at the year-end was €17,100,000 which represents an increase of € 280,000 above the value at the end of the previous year.

Outlook for CSB in 2025

The expectations for the tourist segment in 2025 are positive despite the challenging economic environment arising from the war in Ukraine.

Over the years, an insignificant part of the Company's revenues was generated by tourists from the countries affected by the conflict. The forecasts prepared by the management for the summer season 2025 do not include revenues from this segment.

The initial forecast by the management indicates an approximate increase of 5-10% in occupancy for 2025, based on current reservations and forecasts.

Chairman's Statement (Continued)

Star Mill

The Black Sea Star hotel complex which was acquired in 2022, and is owned by a BSP subsidiary, increased its market value in 2024 to EUR 8,210,710. The hotel complex is located in an excellent location on the Black Sea coast, behind CSB.

Ivan Vazov 1 Building and Grand Hotel Varna Dolphins ("GHV-Dolphins")

In April 2024 two of the Company's subsidiaries in Bulgaria (BSPF Bulgaria and GHV-Dolphins EAD) signed a license and management agreement with Nobu Hospitality LLC to transform two of the Company's existing properties into a Nobu Hotel and Restaurant in the heart of Sofia and on the Black Sea Coast. The two projects are now in a Technical phase.

Outlook

The Company operates in a challenging macroeconomic and geopolitical environment and is not able to assess the full impact of the war in Ukraine. All sectors of Bulgaria's economy are significantly affected by the consequences of the military conflict in Ukraine, namely rising inflation levels, raw materials price increases and market uncertainty. However, the Directors are taking cautious measures to manage the cash flow and cost base of the Company and are confident that the business is well equipped to withstand this near-term uncertainty.

Despite the tough environment, the Directors believe that in 2025 revenue from CSB will increase by over 10% compared to 2024, based on current reservations and forecasts. Traditionally, CSB relies mainly on domestic demand and an insignificant part of its revenues are generated by tourists from countries affected by the conflict in Ukraine.

The transformation of Ivan Vazov Building is planned to be successfully finalized in the next 2 to 3 years. The unique architecture and prime downtown location will position it as a leading hospitality destination in Sofia.

Signed on behalf of the Board by:

Simon Hudd
Chairman

27 June 2025

Directors' Report

As at 31 December 2024 the significant shareholders of Black Sea Property PLC (the "Company) were as follows:

Beneficial shareholder	Holding	Percentage
Neo London Capital PLC	491,126,806	19.98%
Elea Capital Holding JSC	669,000,000	27.21%
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%

The shareholder structure as at 31 December 2023 was as follows:

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%

Auditor

The Company's Auditor – Grant Thornton Limited, being eligible, has expressed their willingness to continue in office in accordance with the Isle of Man Companies Act 2006.

Directors' Interests

No current Director has an interest in the share capital of the Company.

Directors' Remuneration

Directors' remuneration comprises solely of the fee payments received by the Directors. No Directors received any benefits under long-term or short-term incentive schemes.

The maximum amount of the aggregate Directors' (other than those holding executive office with the Company or any subsidiary of the Company) ordinary remuneration permitted by Article 83.1 of the Company's Memorandum and Articles of Association is 100,000 pound sterling (112,970 euros) per annum, plus expenses.

Directors' Remuneration for the Directors of Parent company are:

	Fees Year ended 31 Dec 2024 €	Fees Payable As at 31 Dec 2024 €	Fees Year ended 31 Dec 2023 €	Fees payable As at 31 Dec 2023 €
Ventsislava Altanova	3,602	-	14,096	-
Miroslav Georgiev	3,544	-	14,096	-
Yordan Naydenov	3,544	-	14,042	-
Simon Hudd*	14,071	-	13,845	-
Todor Ivanov	10,849	-	-	-
Valentino Georgiev	10,961	-	-	-
	46,571	-	**56,079**	-

*Chairman and non-executive director of the parent company

Directors' Report (Continued)

Corporate Governance

The company is committed to applying the highest standards of corporate governance corresponding to its size.

While the Company is not required to comply with the provisions set out in the UK Corporate Governance code issued by the Financial Reporting Council or to comment on its compliance with the provisions of the Code, the Board is nevertheless accountable to the shareholders for the good corporate governance of the Company.

The Board consists of three Directors and holds at least four board meetings annually. Matters which would normally be referred to appointed committees, such as the Audit, Remuneration and Nomination Committees, are dealt with by the Board as a whole.

Going concern

As of the reporting date the group has reported an operating profit of EUR 1.58m (2023: loss of EUR 0.38m), net profit in the year of EUR 2.04m (2023: EUR 10.41m). The group's current liabilities exceed its current assets by EUR 13.2m.

In previous year, the group started renovating and developing its properties. The expectations of management are that after the completion of the renovation works, the investment properties will be recognized as a significant investment project, which is expected to generate income in the medium-term future and lead to stability in the financial position of the group. In addition, there are two signed license and management agreements with Nobu Hospitality during the year end, which will start two new projects - one in Varna and one in Sofia, which will attract customers and make profit for the group in the foreseeable future.

The major shareholders of the parent company have undertaken to provide the financial supports to the group to secure its functioning as a going concern and within its normal capacity for a period of at least 12 months from the date of signing the financial statements for the year ended 31 December 2024.

The Directors are therefore, satisfied that the group has sufficient resource available along with support from major shareholders who have sufficient liquid resource to provide financial support to the group. Given this the Directors have a reasonable expectation that the group will continue in operational existence in the foreseeable future, and for a period of at least 12 months from the date of signing these financial statements. Therefore, financial statements have been prepared on a going concern basis.

Directors' Report (Continued)

Post balance sheet events

On February 14, 2025, a contract was signed with GHV Dolphins EAD and the Ministry of Tourism for the lease of the "Saint Ilia" seaside beach for a period of 5 years. The agreed rent for 2025 is EUR 30,679. For each subsequent year, the rental amount will be indexed in accordance with the Methodology for Determining the Minimum Rental Price for Sea Beaches.

Simon Hudd
Chairman
27 June 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

The Directors are required to prepare Group financial statements for each financial year. The Directors have elected to prepare the Group financial statements in accordance with the UK-adopted International Accounting Standards ("UK adopted IASs") and applicable law.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period. In preparing each of the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted IASs;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Isle of Man Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board by:

Simon Hudd
Chairman

27 June 2025

Independent auditor's report to the members of Black Sea Property PLC

Opinion

We have audited the financial statements of Black Sea Property PLC ("Company") and its subsidiaries (the "Group"), which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year ended 31 December 2024, and the related notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted International Accounting Standards (UK-adopted IAS).

In our opinion, Group's financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the assets, liabilities and financial position of the Group as at 31 December 2024 and of the Group financial performance and consolidated cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Isle of Man, including the FRC's Ethical Standard, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the validity of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included;

- Evaluating management's future cash flow forecasts, the process by which they were prepared, and assessed the calculations are mathematically accurate;
- Challenging the underlying key assumptions such as expected cash outflow for property operating and other operating expenses; and
- Obtained the letter of support from major shareholders and assessed the capacity and willingness of stakeholders to provide the required financial support
- Assessing the adequacy of the disclosures with respect to the going concern assertion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, valuation of investment properties that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Valuation of investment properties

How we tailored the audit scope

Black Sea property Plc is an Isle of Man incorporated company and listed on Aquis Stock Exchange. The group is property investment group, which seeks to generate capital gains through the development, financing, and sale of property in Bulgaria. The group engages Phoenix Capital Management JSC as property investment advisor.

Our group audit was scoped by obtaining an understanding of the Group and its environment, including Group's system of internal control and assessing the risk of material misstatements in the financial statements. We also addressed the risk of management of management override of internal controls, including assessing whether there is evidence of bias by the directors that may have represented a risk of material misstatement.

We sent group audit instructions to certain number of the group components. The group audit instructions were sent for audit of complete financial information of 2 components and audit procedures of specific balances of 7 components. As group auditor, we retained overall responsibility for the audit of group financial statements. The components where audit of complete financial information performed accounted for 98% of total revenue, 13% of total assets and 17% of total liabilities before consolidation adjustments. The components where audit procedure on specific balances performed accounted for 2% of total revenue, 84% of total assets, 83% of total liabilities before consolidation adjustments.

Components represent companies across the Group considered for audit scoping purpose.

The directors control the affairs of the group and are responsible for the overall investment property policy, which is determined by them. The board has delegated certain responsibilities to Crowe Trust Isle of Man Limited and Crowe Bulgaria ("the Administrators"). The company engages the administrators to manage certain duties and responsibilities with regards to the management of the group and its component.

The group financial statements, which remain the responsibility of the directors, are prepared on their behalf by the administrator, Crowe Trust Isle of Man Limited.

In establishing the overall approach to our audit we assessed the risk of material misstatement at group level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the group's interaction with the administrator, and we assessed the control environment in place at the administrator.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the entity and its environment, the history of misstatements, the complexity of the Group and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group as €1,022,000 being 1% of the Group's Total Assets at 31 December 2024. We have applied this benchmark because the group is primarily an investment property group.

We have set Performance materiality for the group at €767,000 (75% of materiality) having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the entity and it's control environment, This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the Directors that we would report to them misstatements identified during our audit above triviality of €51,000 (5% of materiality), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the consolidated financial statements as a whole. This is not a complete list of all risks identified by our audit.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

Key audit matters (Continued)

Significant Matter	How the scope of our audit addressed the significant matter
Valuation of Investment property As detailed in note 9, the group owns investment properties with a fair value of €48.3 million at 31 December 2024. The determination of the fair value of the investment properties is considered to be a significant judgement as detailed in note 9 and we therefore considered this to be a significant audit risk and key audit matter. The group engages independent valuers to determine the fair value of the properties at the year end. The valuations consider the nature of the property, its location and any comparable property transactions. The valuations require the independent valuers to make significant professional judgements in relation to expected future cash flows, market capitalisation yields and appropriate input information provided by the management in relation to occupancy and rental values. Any inaccuracies in this input information or unreasonable judgements made in the valuations could result in a material misstatement in the group financial statements.	Our audit work included, but was not restricted to, the following: • We obtained an understanding of the processes in place in relation to valuation of investment properties and tested the design and implementation of relevant controls. • We assessed the competency, independence, qualifications and objectivity of the independent valuer to confirm that they are appropriately qualified to value the properties. • We reviewed the valuation reports to ensure that all valuations have been carried out in line with relevant professional standards and in accordance with the group's accounting policy. • We assessed and challenged the significant judgements used in the valuations to ensure they are reasonable. • We reviewed the appropriateness of the disclosures within the group's financial statements in relation to the valuation methodology, key valuation inputs and valuation uncertainty. • We recalculated the movement in fair value based off revaluation reports, and agreed the movement posting to the financial statements. We completed our planned audit procedures, with no exceptions noted.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Chairman's Statement and the Directors' Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and the Company'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 management either intends to liquidate the Group or the Company 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.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the 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 their opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Data Privacy Act, and the listing regulations of Aquis Stock Exchange and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Isle of Man Companies Act 2006 and the taxation law. The Audit Principal considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management and board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of board meetings and annual general meeting during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including valuation of investment property and expected credit losses;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- requested information from component auditors on instances of non-compliance with laws or regulations that could give rise to a material misstatement of the group financial statements.

Independent auditor's report to the members of Black Sea Property PLC (Continued)

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with the terms of engagement letter. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited
Douglas
Isle of Man

Date

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Note	**Year to 31 Dec 24 €**	Year to 31 Dec 23 €
Revenue	4)	**4,013,057**	1,629,379
Property operating expenses	4)	**(2,549,955)**	(1,260,397)
		1,463,102	368,982
Fair value gain on revaluation of investment properties	9)	**3,180,759**	79,399
Fair value gain on financial assets at fair value through profit and loss	29)	**257,806**	335,901
		3,438,565	415,300
Administration and other expenses	5)	**(2,116,186)**	(1,170,345)
Operating profit / (loss)		**2,785,481**	(386,063)
Other Income	6)	**1,777,744**	2,135,886
Bargain purchase	11)	**-**	10,213,883
Write off of loans		**(60,841)**	(2,025)
Interest payable and similar charges	6)	**(2,341,512)**	(1,170,443)
Interest receivable and similar income	6)	**266,944**	119,237
Profit before taxes		**2,427,816**	10,910,475
Taxation	7)	**(383,258)**	(497,028)
Profit and total comprehensive income		**2,044,558**	10,413,447
Profit and total comprehensive income attributable to the:			
- shareholders of the parent company		**2,038,912**	10,409,093
- non-controlling interest		**5,646**	4,354
Earnings per share			
Basic and Diluted earnings per share (cents)	20)	**0.08**	0.54

The results are derived from continuing operations during the year.

The notes on pages 19 to 46 are an integral part of these consolidated financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2025 and were signed on their behalf by:

Simon Hudd
Chairman

Valentino Georgiev
Director

Consolidated Statement of Financial Position as at 31 December 2024

	Note	2024	2023
Non-current assets		**€**	€
Investment properties	9)	**48,340,327**	58,888,532
Intangible assets	10)	**1,908,853**	1,882,912
Tangible assets	12)	**34,561,502**	20,018,830
Long term deposit	27)	**11,693**	102,258
Loan receivable	28)	**-**	2,754,689
Total non-current assets		**84,822,375**	83,647,221
Current assets			
Trade and other receivables	13)	**3,920,774**	2,653,084
Short term Investment	29)	**12,163,597**	12,330,603
Cash and cash equivalents	14)	**1,250,649**	2,559,356
Total current assets		**17,335,020**	17,543,043
Total assets		**102,157,395**	101,190,264
Equity and liabilities			
Issued share capital	18)	**81,019,442**	81,019,442
Retained earnings	19)	**(27,938,860)**	(29,977,772)
Foreign currency translation reserve	19)	**(1,533,086)**	(1,533,086)
Total equity, attributable to the shareholders of the parent company		**51,547,496**	49,508,584
Non-controlling interest	11)	**1,008,954**	1,003,308
Total equity		**52,556,450**	50,511,892
Liabilities			
Non-current liabilities			
Bank loans	16)	**14,217,236**	16,869,504
Trade and other payables	15)	**1,708,923**	2,000,852
Deferred tax liability	7)	**3,152,676**	2,869,332
Total non-current liabilities		**19,078,835**	21,739,688
Current liabilities			
Trade and other payables	15)	**2,428,819**	1,850,981
Tax liability		**13,925**	80,950
Bank loans	16)	**3,355,402**	3,698,920
Shareholder loan	26)	**24,723,964**	23,307,833
Total current liabilities		**30,522,110**	28,938,684
Total liabilities		**49,600,945**	50,678,372
Total equity and liabilities		**102,157,395**	101,190,264
Number of ordinary shares in issue	18)	**2,458,323,603**	2,458,323,603
NAV per ordinary share (cents)	20)	**2.10**	2.01

The notes on pages 19 to 46 are an integral part of these consolidated financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2025 and were signed on their behalf by:

Signature

Simon Hudd
Chairman

Signature

Valentino Georgiev
Director

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Retained earnings	Foreign currency translation reserve	Total equity attributable to the parent company	Non-controlling interests	Total
	€	€	€	€	€	€
At 1 January 2023	**70,699,442**	**(40,386,865)**	**(1,533,086)**	**28,779,491**	**-**	**28,779,491**
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	-	-	-	0	1,003,308	1,003,308
Total comprehensive income	0	10,409,093	0	10,409,093	1,003,308	11,412,401
At 31 December 2023	**81,019,442**	**(29,977,772)**	**(1,533,086)**	**49,508,584**	**1,003,308**	**50,511,892**
At 1 January 2024	**81,019,442**	**(29,977,772)**	**(1,533,086)**	**49,508,584**	**1,003,308**	**50,511,892**
Profit for the year	-	2,038,912	-	2,038,912	-	2,038,912
Non-controlling interest	-	-	-	-	5,646	5,646
Total comprehensive income	-	2,038,912	-	2,038,912	5,646	2,044,558
At 31 December 2024	**81,019,442**	**(27,938,860)**	**(1,533,086)**	**51,547,496**	**1,008,954**	**52,556,450**

The notes on pages 19 to 46 are an integral part of these consolidated financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on 27 June 2025 and were signed on their behalf by:

Simon Hudd
Chairman

Valentino Georgiev
Director

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Note	2024	2023
		€	€
Operating activities			
Profit before taxation		**2,427,816**	10,910,475
Fair value gain on revaluation of investment property	9)	**(3,180,759)**	(79,399)
Bargain Purchase on Acquisition	11)	**-**	(10,213,883)
Amortisation of intangible fixed assets	10)	**114,508**	48,001
Depreciation of property, plant and equipment	12)	**446,520**	27,519
Interest receivable	6)	**(266,944)**	(119,237)
Bad debt recovered	6)	**(827,269)**	(1,957,176)
Interest and similar charges payable	6)	**2,341,512**	1,170,443
Changes in working capital		**1,055,384**	213,257
(Increase)/Decrease in trade and other receivables		**(1,267,690)**	17,261,922
Increase/(Decrease) in trade and other payables		**569,253**	(650,010)
Cash used in operations		**356,947**	16,398,655
Tax paid		**(450,283)**	(496,504)
Cash flows used in operating activities		**(93,336)**	15,902,151
Investing activities			
Investment property additions		**-**	(5,484,400)
Tangible fixed assets additions		**(3,351,784)**	-
Proceeds from sale of tangible fixed assets		**2,091,556**	-
Acquisition of intangibles		**(140,450)**	(142,499)
Acquisition of Subsidiaries	11)	**-**	(27,291,684)
Bad debt recovered	6)	**827,269**	1,957,176
Interest received		**266,944**	119,237
Long term deposit paid		**90,565**	(102,258)
Cash held by the acquired subsidiary	11)	**-**	733,937
Short term investments	29)	**167,006**	(12,330,603)
Net cash (outflow) from investing activities		**(248,842)**	(42,541,094)
Financing activities			
Proceeds from issuing share capital		**-**	10,320,000
Loans repaid		**(241,096)**	(932,691)
Interest paid and other charges		**(2,341,512)**	(1,170,443)
Loans granted from shareholders		**1,416,131**	20,742,025
Net cash (outflow)/inflow from financing activities		**(1,464,213)**	28,958,891
Net (decrease) / increase in cash and cash equivalents	14)	**(1,308,707)**	2,319,947
Cash and cash equivalents at beginning of year		**2,559,356**	239,409
Cash and cash equivalents at end of year	14)	**1,250,649**	2,559,356

The notes on pages 19 to 45 are an integral part of these consolidated financial statements.
The financial statements were approved and authorised for issue by the Board of Directors on 27 June 2025 and were signed on their behalf by:

Simon Hudd
Chairman

Valentino Georgiev
Director

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1) General information

Black Sea Property PLC (the "Company") was originally incorporated in Jersey on 27 January 2005 and re-domiciled to the Isle of Man with effect from 20 July 2016 and continues under the Isle of Man Companies Act 2006 with registered number 013712V.

The Company seeks to generate capital gains through the development, financing and sale of property in Bulgaria, including the prime areas of Bulgaria's Black Sea coast, the ski resorts and the capital, Sofia. The financial statements represent the financial position and effects of the operations of the Company and its subsidiaries (collectively referred as the "Group").

Black Sea Property Plc is an entity listed on the Aquis stock exchange. Aquis is a primary and secondary market for equity and debt securities.

2) Summary of material accounting policies

a) Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

The consolidated financial statements have been prepared on a going concern basis under the historical-cost convention as modified by the revaluation of financial assets held at fair value through profit or loss and investment properties that have been measured at fair value.

Statement of compliance

The consolidated financial statements have been prepared in accordance with the UK-adopted International Accounting Standards ("IASs") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as applicable to an Isle of Man company under the Isle of Man Companies Act 2006.

Use of estimates and judgements

The preparation of financial statements in conformity with IASs requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors, which are believed to be reasonable under the circumstances, and are reviewed on an on-going basis. The Directors believe that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates. The most significant accounting estimate affecting the financial statements is the valuation of investment property and debtors (see note 3).

b) Standards and amendments which are first effective for the period beginning 1 January 2024

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

None of the above listed amendments have had a significant effect on the financial statements. All other standards or amendments to standards that have been issued by the UK endorsement board, and are effective from 1 January 2024, onwards are not applicable or material to the Group.

c) New standards, amendments and interpretations issued but not yet effective and not early adopted

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures) (effective 1 January 2026)
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
- Annual improvements to IFRS Accounting Standards (Volume 11) (effective 1 January 2026)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the group financial statements except for IFRS 18 which will enhance the presentation and disclosure of financial information to include the comparability and transparency particularly regarding the consolidated statement of comprehensive income. The Directors are still assessing the impact of IFRS18.

d) Basis of consolidation

The financial statements comprise the results of the Company and its subsidiaries as set out in note 17. Subsidiaries in which the Company has the ability to exercise control are fully consolidated. Control is defined as having exposure, or rights, to variable returns due to involvement in an investee and the ability to affect those returns.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. The amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by group.

e) Going concern

As of the reporting date the group has reported an operating profit of EUR 1.58m (2023: loss of EUR 0.38m), net profit in the year of EUR 2.04m (2023: 10.41m). The group's current liabilities exceed its current assets by EUR 13.2m.

The group is renovating and developing its properties. The expectations of the management are that after the completion of the renovation works, the investment properties will be recognized as a significant investment project, which is expected to generate income in the medium-term future and lead to stability in the financial position of the group. In addition, there are two signed license and management agreements with Nobu Hospitality, which will start two new projects - one in Varna and one in Sofia, which will attract customers and make profit for the group in the foreseeable future.

Included in the groups current liabilities are shareholders loans of EUR 24.7m (2023: EUR23.3m). Excluding the shareholders loans, the group has net current assets of EUR 11.6m.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

e) Going concern (Continued)

The major shareholders of the parent company have undertaken to provide the financial supports to the group to secure its functioning as a going concern and within its normal capacity for a period of at least 14 months from the date of signing the financial statements for the year ended 31 December 2024.

The Directors are therefore, satisfied that the group has sufficient resource available along with support from major shareholders who have sufficient liquid resource to provide financial support to the group. Given this the Directors have a reasonable expectation that the group will continue in operational existence in the foreseeable future, and for a period of at least 12 months from the date of signing these financial statements. Therefore, financial statements have been prepared on a going concern basis.

f) Functional and presentation currency

Since January 1, 1999, the exchange rate of the Bulgarian Lev (BGN) has been fixed to the Euro (EUR). The exchange rate is BGN 1.95583 / EUR.

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euros, which is the Parent Company's presentational currency. The functional currency of each entity within the Group is a key judgement of management and the Directors. This judgement prioritizes primary factors, such as the source of competitive forces and the denomination of sales prices and input costs, over secondary considerations such as the source of financing, in accordance with IAS21. These considerations indicate that the functional currency of the Bulgarian entities is Bulgarian Lev and the functional currency of the parent company and other subsidiaries are the Euro. Amounts are rounded to the nearest Euro unless otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Comprehensive Income. Non-monetary items carried at fair value, which are denominated in foreign currencies, are translated at the rates prevailing at the date when the fair value was determined, and the gain or loss is recognized in the Consolidated Statement of Comprehensive Income.

(iii) Foreign operations

The results and financial position of all the foreign entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated to Euro at exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of Other Comprehensive Income.

When a foreign operation is sold, such exchange differences are recognised in the Consolidated Statement of Comprehensive Income as part of the gain or loss on sale.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

g) Fair value measurement principles

The Group measures its investments in properties at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their mid quoted price or binding dealer price quotations, without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

The valuations of investment properties are performed by an external accredited independent valuer with recognised and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. The valuations are prepared in accordance with the RICS Valuation - Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation standards (the "RICS Red Book"), as set out by the International Valuation Standards Council ("IVSC"), taking into consideration the relevant IFRS 13 requirements. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables. Properties are valued annually.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

h) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate.

i) Leased assets

As a lessor the Group classifies its leases as either operating or finance leases. The Group assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group has currently not entered into any lease that is classified as a finance lease. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

j) Interest and other income

Interest and other income are recognised on a receivable basis.

k) Revenue

Revenue comprises of camping reservations fees, restaurant income, income from other tourist services, rentals, and other property income.

Revenue is measured by reference to the fair value of consideration received or receivable payment, taking, taking into account the amount of any trade discounts and volume rebates made by the group. The main services provided by the group include tourist service for accommodation in bungalows and caravans at Camping Gradina and rental of objects located on the territory of the Camping.

Revenue is recognised as the group satisfies performance obligation by transferring the services to its customers, as such the group recognise the revenue at over the period of time when the group has satisfied its performance obligation of providing services of renting the camp site.

Revenue related to a service transaction is recognized depending on the stage of completion of the transaction at the balance sheet date and when the outcome of the transaction can be reliably assessed. Revenue from rental (tourist service and rental of objects) is recognized on the basis of the straight-line method over the period of time. Where the reservation fees are billed to the customers in advance, the unearned element of the fees billed during the year is reported and carried forward as deferred income, in the Consolidated Statement of Financial Position.

l) Expenses

The Group's property operating expenses, administration fees, interest payable and similar charges and all other expenses are charged to the Consolidated Statement of Comprehensive Income and are accounted for on an accrual basis. Transaction costs directly attributable to the purchase of investment property are included within the cost of the property.

m) Loans payable at amortised cost

Loans payable are recognised when cash is received from lenders and are derecognised when the cash, and related interest, has been repaid. Loans payable are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash held at the bank, demand deposits and bank overdrafts. Bank overdrafts are shown within borrowings / loans in current liabilities.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Blocked cash and cash equivalents are funds on which the company can operate under certain conditions. Such assets are used by the Company as collateral for its obligations.

o) Trade and other receivables

Trade receivables are non-derivative financial assets and amounts due from customers for goods and services sold, with fixed or determinable payment terms that are not quoted in an active market. The carrying value of trade receivables approximates their fair values. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

p) Investment properties

Property that is held for rental yields or for capital appreciation or both is classified as investment property. Investment property comprises freehold land, freehold buildings, and land held under long term operating leases. Investment property is measured initially at its cost, including related transaction costs and subsequently revalued annually to fair value. Any gain / loss from change in the fair value or from sale of investment property is recognised immediately in the Consolidated Statement of Comprehensive Income within fair value 'gain / loss on revaluation of investment properties.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Investment properties are accounted for on completion of contract when ownership is recorded in the trade registry.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

q) Fixed assets investments

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. Investment in associates is initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Consolidated Statement of Comprehensive Income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

r) Tangible fixed assets - property, plant and equipment

Property, plant and equipment and land and buildings are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Property, plant and equipment and buildings are depreciated when available for use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Property 25 years on a straight-line basis.

Plant and equipment 3 - 6 years on a straight-line basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale

proceeds and the carrying value of the asset, and is credited or charged to Consolidated Statement of Comprehensive Income. Depreciation is included within 'Administration and other expenses' within the Consolidated Statement of Comprehensive Income.

s) Tangible fixed assets - assets under construction

Assets under construction are initially measured at cost and comprises actual cost relating to the construction. Assets under construction are not depreciated.

As of 31 December 2024, the assets in the tangible fixed assets include a property transferred from the Investment Properties category, which is undergoing renovation and finishing works to be adapted for its new intended use. Therefore, the property has not yet been put into use and is not being depreciated.

t) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax is payable on taxable profits for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current taxes include irrecoverable withholding tax on the interest receivable on loans from the Company to its Bulgarian subsidiaries.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be sufficient profits from which the future reversal of the temporary differences can be deducted.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

u) Trade and other payables

Trade and other payables are recognised at amortised cost and relate to amounts accrued in the normal course of business.

v) Share capital and reserves

Ordinary share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are deducted from the proceeds of issue and shown as a deduction to reserves.

Founder shares

Founder shares are classified as equity.

Foreign currency translation reserves

Comprise foreign currency translation differences arising from translation of financial statements of the Group's foreign entities' activities into Euro. The Bulgarian lev is pegged to the Euro in the ratio of 1 EUR = 1.95583 BGN.

Retained earnings

Retained earnings includes all the current and prior year retained profit / loss net of any dividends paid.

w) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. The bargain purchase is the amount by which the fair value of assets acquired and liabilities assumed exceeds purchase consideration and is recognised in Consolidated Statement of Comprehensive Income.

x) Disposal of businesses

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in Consolidated Statement of Comprehensive Income.

y) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

(i) Financial assets

Financial assets are classified at initial recognition. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Short term investments are classified at financial assets at fair value through profit and loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are solely payments of principal and

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

(i) Financial assets (continued)

interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at fair value through profit and loss are subsequent measured at fair value. Net gains and losses, including interest and dividend income, are recognized in profit or loss, except for derivatives designated as hedging instruments for which hedge accounting applies.

Financial assets at amortised cost are subsequently valued at amortized cost using the effective interest method.

Classification and measurement are based on both whether contractual cash flows are solely payments of principal and interest; and whether the debt instrument is held to collect those cash flows. In the case of the Company or Group, all financial assets meet these criteria and so are held at amortised cost.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses ("ECLs") – the ECL model.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate ("EIR").

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a '12-month ECL'). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a 'lifetime ECL').

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

It is the Group's policy to measure ECLs on such instruments on a 12-month basis.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement
Loans and borrowings and trade and other payables.

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss and OCI when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Comprehensive Income and other comprehensive income. This category generally applies to trade and other payables.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

(ii) Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Comprehensive Income and other comprehensive income.

z) Intangible assets

Intangible assets include the rights under a concession agreement of 20 and 5 years and also licenses and software.

Concession agreements are accounted for using the cost model. The cost comprises discounted cash flows of the future payment according to the concession agreements.

Software and other intangibles have a useful life of upto 5 years and are amortised on a straight line basis. Amortisation is included within 'Property operating cost' within the Consolidated Statement of Comprehensive Income.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income for the respective period.

Subsequent expenditure on an intangible asset after its purchase or its completion is expensed as incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured reliably and attributed to the asset. If these two conditions are met, the subsequent expenditure is added to the carrying amount of the intangible asset.

The remaining amortization period of the concession agreements held by Camp South Beach EOOD and Lazuren Bryag 91" EOOD is 16 years. The license acquired by GHV Dolphins has a useful life of 20 years as at year-end.

aa) Loan receivables

Loan receivables are non-derivative financial assets with fixed or determinable payments that are no quoted in an active market and are recognised in the balance sheet at amortised cost.

ab) Interest and borrowing costs

Interest expenses are reported on an accrual basis using the effective interest rate method.

Borrowing costs primarily comprise interest on the Group's borrowings. Borrowing costs directly attributable to the acquisition, construction of production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in the Consolidated Statement of comprehensive income within 'interest payable and similar charges.

ac) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3) Significant accounting judgements, estimates and assumptions (Continued)

A key judgement area for the Group is the valuation of investment properties. External independent valuers assessed the fair value of investment properties. The valuations are performed by a recognised valuer with a relevant professional qualification and recent experience in the location and category of the investment properties as described in note 2g. These valuations are based on income and market approach and primarily include unobservable inputs: the estimated rental value, cashflows, the discount rate, and adherence to specific legal and regulatory requirements. Details of investment properties held at fair value can be found in note 9.

The investment properties are valued annually. The Directors consider any relevant movements in property markets that may impact the carrying values of the property held between the date of the last valuation and the date of financial statements.

Expected Credit Losses (ECL) represents an estimate of potential losses that may arise from defaults over the expected life of a financial instrument. The calculation of ECL involves considerable uncertainty and requires management to make complex judgments about future economic conditions and credit behavior, such as the likelihood of borrowers defaulting and the resulting losses. As such, actual results could differ from these estimates.

4) Net operating income

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Camping reservations, hospitality services, restaurant income and tourist services	**2,991,434**	1,308,384
Rental and other property income	**1,021,623**	320,995
Property operating expenses	**(2,549,955)**	(1,260,397)
	1,463,102	368,982

Income during the year is primarily due to camping reservations and restaurant income from Camp South Beach EOOD and Lazuren Bryag 91 EOOD, rental and other property income earned by other subsidiaries of the group. All the revenue is recognised over time when the services is transferred and generated from subsidiaries in Bulgaria.

5) Administration and other expenses

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Directors' remuneration	**67,509**	117,568
Administration fees – Isle of Man	**147,599**	179,620
Legal and professional fees	**393,118**	627,941
Auditors' remuneration	**100,213**	55,937
Foreign currency expenses	**7,961**	9,136
Other administration and professional fees	**838,758**	170,850
Depreciation expense and amortization	**561,028**	9,293
	2,116,186	1,170,345

In 2024, key management personnel comprise the Board (2023: The Board). The parent company's Board of Directors' compensation comprised Directors' fees only during the year, the amount of which is summarized within the Directors' Report.

The average monthly number of persons (including directors) employed by the company during the year was: 3 (2023: 4). The average monthly number of persons (including directors) employed by the group during the year was 74 (2023: 74).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

6) Interest and other income receivable and payable

The following amounts have been included in the Consolidated Statement of Comprehensive Income line for the reporting periods presented:

Interest receivable and other income	**Year ended 31 Dec 2024 €**	Year ended 31 Dec 2023 €
Interest income – cash and deposit instruments	**266,944**	119,237
Bad debts recovered	**827,269**	1,957,176
Others	**950,475**	178,710
	2,044,688	2,255,123

Interest payable and similar charges	**Year ended 31 Dec 2024 €**	Year ended 31 Dec 2023 €
Interest expense on borrowings*	**411,927**	698,160
Other	**1,929,585**	472,283
	2,341,512	1,170,443

*The interest on borrowings relates mainly to the secured debt funding (note 16).

7) Taxation

Isle of Man

There is no taxation payable on the Parent Company's or its Jersey subsidiaries' results as they are based in the Isle of Man and in Jersey respectively where the tax rates are 0% (2023: 0%).

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%).

Tax losses can be carried forward and set off against future taxable profits. The company cannot reliably determine the amounts and realisation periods of future taxable profits due to uncertainty in the environment in which it operates. As a result, no deferred tax asset has been recognised on tax losses carried forward as at 31 December 2024 and as at 31 December 2023.

Losses for which no tax assets have been recognised total € 3,037,594 (2023: € 2,960,380).

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

7) Taxation (continued)

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Profit before tax	**2,427,816**	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	**65,182**	30,935
Deferred tax liability on fair value uplift of investment property	**318,076**	466,093
Current charge for the year	**383,258**	497,028
Bulgarian tax losses brought-forward at 10%	**(347,840)**	(183,943)
Tax losses added, utilised and lost in the year	**180,925**	(163,897)
Bulgarian tax losses carried-forward at 10%	**(166,914)**	(347,840)
Deferred tax liability		
Opening deferred tax liability balance	**2,869,332**	2,407,965
Deferred tax liability on fair value uplift of investment property on Acquisition/(disposal) of a subsidiary	**-**	-
Bulgarian deferred tax liability charge	**(34,732)**	(4,726)
Deferred tax movement on fair value uplift of investment property	**318,076**	466,093
Closing deferred tax liability balance	**3,152,676**	2,869,332

An analysis of the temporary differences is shown below.

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Receivables	**47,048**	55,152
Depreciation of fixed assets	**20,790**	8,682
Investments fair value movements	**34,811**	2,000
Other timing differences	**30,886**	41,686
Property fair value movements	**(3,286,210)**	(2,976,852)
Deferred tax liability	**(3,152,676)**	(2,869,332)

8) Leases

The Group leases out investment properties under operating leases consisting of certain properties (see Note 9).

The lease contracts are all non-cancellable for five years from the commencement of the lease.

Maturity analysis of future operating lease rentals are as follows:

	Within 1 year €	**1-2 years €**	**2-5 years €**	**After 5 years €**	**Total €**
31 December 2024	1,054,895	1,130,948	208,215	-	**2,394,058**
31 December 2023	906,660	1,276,311	52,000	-	2,234,971

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

9) Investment properties

Investment properties includes real estate properties in Bulgaria which we are owned to earn rentals and for capital appreciation.

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Fair value non-financial assets: Level 3		
Beginning of year	**58,888,532**	47,517,500
Additions – (note 11)	-	5,318,900
Additions	-	5,484,400
Transfers to tangible fixed assets – (note 12)	**(13,728,964)**	488,333
Fair value adjustment	**3,180,759**	79,399
At end of year	**48,340,327**	58,888,532
BSPF Bulgaria EAD (Ivan Vazov 1 Building)	-	12,710,332
Camp South Beach EOOD (CSB)	**17,100,000**	16,820,000
CSB - additional plots	**5,900,000**	5,725,000
BSPF Project 1 EAD (Byala Land)	**11,240,000**	11,040,000
Star Mill	**8,210,710**	7,274,300
Lazuren Bryag 91" EOOD – Acquisition (note 11)	**5,889,617**	5,318,900
Total investment property	**48,340,327**	58,888,532

Fair value determination:

The valuations of the other Group properties at 31 December 2024 and 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 Group's investment properties are measured at fair value based on a valuation performed by an independent external valuer. Due to limited market data and the property's development status, the residual method was used. The valuation is based on various unobservable inputs. This approach is classified as a Level 3 fair value measurement under IFRS 13.

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

In 2024, Ivan Vazov 1 Building was reconstructed in order to change its use. As a result and in accordance with the business development plans, the property has been transferred to tangible fixed assets.

The Byala Land properties and the CSB properties with additional plots were valued as at 31 December 2024. The CSB properties are also pledged as security to Central Cooperative Bank against the company's investment loans and overdraft positions (note 16).

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 primarily include unobservable inputs: the estimated rental value, cashflows, the discount rate, and adherence to specific legal and regulatory requirements.

Sensitivity Analysis

The fair value of the Group's investment properties has been determined on a market value basis, in accordance with the RICS Valuation – Global Standards (the "Red Book"). These valuations are sensitive to changes in capitalization rates.

Notes to the Consolidated Financial Statements (continued) For the year ended 31 December 2024

9) Investment properties (Continued)

If capitalization rates were 0.5% lower, the fair value would increase by approximately €2.7m. If capitalization rates were 0.5% higher, the fair value would decrease by approximately €2.4m.

These sensitivities are indicative only and assume all other variables remain constant.

As of 31 December 2024, the Directors' valuation determined the carrying value of both the Star Mill and Lazuren Bryag properties. Star Mill is secured against the company's bank loans with UniCredit Bulbank AD, while Lazuren Bryag is collateral for the company's investment loans and overdrafts with Central Cooperative Bank (note 16).

10) Intangible assets

Concessions:
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.

Lazuren Bryag holds two concession contracts, with a carrying value of €1,243,702 (2023: €1,324,551) as at the year 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. Guarantees have been issued in relation to the concession agreements (See note 22).

License:
As of December 31, 2024, GHV Dolphins has contractual obligations related to the acquisition of a trademark license, under which the licensee is required to operate a restaurant named "NOBU Varna" and maintain the property in accordance with the brand's standards.

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

10) Intangible assets (Continued)

Year ended 31 Dec 2024	**Concessions €**	**Licences €**	**Software €**	**Total €**
Cost				
Cost at the beginning of the year	2,269,149	-	11,182	**2,280,331**
Additions	-	140,450	-	**140,450**
Cost at the end of the year	**2,269,149**	**140,450**	**11,182**	**2,420,781**
Accumulated amortization				
Accumulated Amortization at the Beginning of the year	(387,426)	-	(9,994)	**(397,420)**
Amortization	(113,458)	-	(1,050)	**(114,508)**
Accumulated amortization at the end of year	**(500,884)**	**-**	**(11,044)**	**(511,928)**
Net book value at the end of Year 31 December 2024	**1,768,266**	**140,450**	**138**	**1,908,853**
Net book value at the end of Year 31 December 2023	1,881,723	-	1,188	1,882,911

Year ended 31 Dec 2023	Concessions €	Licences €	Software €	Total €
Cost				
Cost at the beginning of the year	788,626	-	11,182	799,808
Reclassification	142,499	-	-	142,499
Lazuren Bryag – Acquisition (note 11)	1,338,024	-	-	1,338,024
Cost at the end of the year	2,269,149	-	11,182	2,280,331
Accumulated amortization				
Accumulated Amortization at the Beginning of the year	(341,160)	-	(8,260)	(349,420)
Amortization	(46,266)	-	(1,734)	(48,000)
Accumulated amortization at the end of year	(387,426)	-	(9,994)	(397,420)
Net book value at the end of Year 31 December 2023	1,881,723	-	1,188	1,882,911
Net book value at the end of Year 31 December 2022	447,468	-	2,922	450,390

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

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)

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 totaled €29,511,642 (net of NCI €903,090)

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

	Pre- acquisition carrying value	Fair value adjustments	Recognised value on acquisition
	€	€	€
Investment property (note 9)	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)
Total net identifiable assets	**18,685,550**	**18,820,017**	**37,505,567**
Purchase consideration transferred – cash			**27,291,684**
Bargain purchase on acquisition			**(10,213,883)**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

12) Tangible fixed assets

Year ended 31 Dec 2024	**Plant and other equipment**	**Land and Buildings**	**Assets under construction**	**Total**
	€	**€**	**€**	**€**
Cost				
Cost at the beginning of the year	195,177	19,862,879	6,194	20,064,250
Additions during the year	131,895	2,720,583	499,306	3,351,784
Disposals during the year	(120,836)	(1,970,720)	-	(2,091,556)
Transfers out	-	(2,064,131)	2,064,131	-
Transfer from investment property	1,018,632	12,710,332	-	13,728,964
Cost at the end of the year	**1,224,868**	**31,258,943**	**2,569,631**	**35,053,442**
Accumulated depreciation				
Accumulated depreciation at the beginning of the year	45,420	-	-	45,420
Depreciation	562,310	5,046	-	567,356
Disposals	(120,836)	-	-	(120,836)
Accumulated depreciation at the end of year	**486,894**	**5,046**	**-**	**491,940**
Net book value at the end of year 31 December 2024	**737,974**	**31,253,896**	**2,569,631**	**34,561,501**
Net book value at the end of year 31 December 2023	149,757	19,862,879	6,194	20,018,830

a) In 2024, the BSPF Bulgaria EAD initiated active steps on a project to change the purpose of its existing administrative building, previously recognized as an investment property, into a hotel and restaurant. In accordance with IAS 40 Investment Property, if an entity owns and operates a hotel, the services provided to guests are considered a significant component of the overall arrangement. Therefore, an owner-operated hotel is regarded as an owner-occupied property, rather than an investment property.

Accordingly, the Group reclassified the real estate assets previously treated as investment property under IAS 40 to property, plant, and equipment (PPE) under IAS 16.

As of 31 December 2024, the BSPF Bulgaria EAD is in the process of obtaining the necessary permits to carry out the aforementioned changes so that the building complies with all requirements for its new designated use as determined by management. Therefore, the property—including land and building, as well as all subsequent expenditures incurred by the end of the year in connection with launching the new project—is presented in this report under the category "Assets under construction."

Part of the contractual arrangements related to this project involve the acquisition of a license, which will be recognized as an intangible asset upon completion of the project. The remaining costs will be recognized as property, plant, and equipment.

b) As of December 31, 2024, GHV – Dolphins EAD has contractual obligations related to the design, construction and reconstruction, as well as furnishing, in accordance with prepared plans and specifications, for the construction of a Hotel Complex on the territory of St. St. Constantine and Helena. The contracts for the investment project include the construction and modernization of buildings, activities for the installation of mechanical systems and built-in installations for the building that serve the Hotel, including but not limited to heating, ventilation, air conditioning, electrical and plumbing systems, elevators and escalators, as well as built-in laundry, refrigeration, and kitchen equipment, furniture, and complete construction and branding of the Hotel's brand.

The company has not pledged properties, machinery, or equipment as collateral for its liabilities.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

12) Tangible fixed assets (Continued)

Year ended 31 Dec 2023	**Plant and other equipment**	**Land and Buildings**	**Assets under construction**	**Total**
	€	**€**	**€**	**€**
Cost				
Cost at the beginning of the year	47,519	-	488,333	535,852
Additions from acquisition (note 11)	147,658	19,862,879	6,194	20,016,731
Transfers out	-	-	(488,333)	(488,333)
Cost at the end of the year	195,177	19,862,879	6,194	20,064,250
Accumulated depreciation				
Accumulated depreciation at the beginning of the year	17,900	-	-	17,900
Depreciation	27,520	-	-	27,520
Accumulated depreciation at the end of year	45,420	-	-	45,420
Net book value at the end of year 31 December 2023	149,757	19,862,879	6,194	20,018,830
Net book value at the end of year 31 December 2022	29,619	-	488,333	517,952

13) Trade and other receivables

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	€	€
Trade and other receivables	**3,894,433**	2,421,954
Prepayments	**26,341**	231,130
	3,920,774	2,653,084

Trade and other receivables are presented net of expected credit loss of €nil (2023: €827,264). There is reversal of expected credit loss amounting to €827,264 (2023: €1,957,176) recorded within other income.

14) Cash and cash equivalents

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	€	€
Cash at bank	**1,250,649**	2,559,356
	1,250,649	2,559,356

Cash and cash equivalents comprise cash on hand, cash held at the bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. €109,928 (€2023: €46,016) cash are restricted according to the bank loan agreement with UniCredit.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

15) Trade and other payables

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

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Concession payable	**1,693,209**	1,999,494
Other payables	**15,714**	1,358
	1,708,923	2,000,852

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

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Trade creditors	**423,971**	675,464
Concession payable	**102,737**	23,822
Other payables	**1,757,553**	898,296
Deferred income	**144,558**	253,399
	2,428,819	1,850,981

16) Bank loans

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Loan from UniCredit (a)	**7,668,835**	8,324,781
Loan from BACB (b)	**3,343,341**	3,648,013
Central Cooperative Bank (c)	**6,560,462**	8,595,630
	17,572,638	20,568,424
Long term bank loans	**14,217,236**	16,869,504
Current bank loans	**3,355,402**	3,698,920
Reconciliation of bank loans		
Beginning of year (gross loan)	**20,568,424**	19,956,478
Bank loan arrangement fees	**(8,998)**	(38,718)
Loan received / acquired	**11,740**	3,183,243
Interest charged	**709,663**	698,160
Principal repayments	**(2,959,722)**	(2,484,052)
Interest payments	**(748,469)**	(746,687)
Total bank loans – end of year	**17,572,638**	20,568,424

(a) 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 €13,548,212. 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 floating interest rate based on 3 month EURIBOR plus 2.00% (2023: 2%).

The liabilities under this loan amount to €6,546 thousand, of which €433 thousand are short-term.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

16) Bank loans (continued)

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 €13,548,212. 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 repayment of the revolving limit is made within 6 months of each utilized amount and the repayment period is up until 31 July 2032.

The liabilities under this loan amount to €1,123 thousand, of which €109 thousand are short-term.

(b) In 2022, the BSPF Project 1, a subsidiary of the parent company, received financing from a commercial bank in the amount of BGN 8,150,000 (approximately €4,167,028). The financing was granted in connection with the acquisition of an investment in Star Mill EOOD. The loan is repayable by 20 October 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.

(c) Central Cooperative bank loan and overdraft

	As at 31 Dec 2024 €	As at 31 Dec 2023 €
Central Cooperative Bank overdraft (i)	**664,449**	662,768
Central Cooperative Bank overdraft (ii)	**4,390,183**	5,278,752
Central Cooperative Bank investment loan (iii)	**959,195**	1,155,108
Central Cooperative Bank loans (iv)	**-**	1,499,002
	6,013,827	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 floating interest rate based on 3 months EURIBOR plus 4%. 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 24 June 2022. As at 31 December 2024, the carrying amount was €664,449.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

16) Bank loans (continued)

(ii) On 28 December 2017, the company entered an overdraft credit agreement with the Central Coorporative 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 31 December 2024 the carrying amount was €4,390,183.

(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 31 December 2024, the carrying amount was €959,195.

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.

17) Details of Group undertakings

The Group holds 20% or more of the nominal value of any class of share capital in the following investments:

Held directly:	**Share-holding**	**Nature of Business**	**Country of Incorporation**
BSPF (Property 2) Limited	100%	Investment Holding	Jersey
BSPF (Property 3) Limited	100%	Dormant	Jersey
BSPF (Property 4) Limited	100%	Dormant	Jersey
BSPF (Property 5) Limited	100%	Dormant	Jersey
BSPF (Property 6) Limited	100%	Dormant	Jersey
BSPF Project 1 EAD	100%	Investment Holding	Bulgaria
BSPF Super Borovetz EAD	100%	Financial Services	Bulgaria
BSPF Bulgaria EAD	100%	Property Investment	Bulgaria
European Convergence Development Company Plc (ECDC Plc)	29.85%	Investment Holding	Isle of Man
Littoral Invest AD	99.40%	Financial Services	Bulgaria
Held indirectly:			
Camping South Beach EOOD	100%	Tourism Services	Bulgaria
Star Mill EOOD	100%	Tourism Services	Bulgaria
Grand Hotel Varna AD	98.17%	Investment Holding	Bulgaria
GHV Dolphins EAD	98.17%	Tourism Services	Bulgaria
Lazuren Bryag 91 EOOD	99.40%	Hospitality and Tourism Services	Bulgaria

As at 31 December 2024, ECDC is at net liability position of €99,034 (2023: €47,252). In 2022, the Group stopped recognising its share of losses in ECDC plc because it has no further obligations arising from incurring these losses. In 2024, the group's proportionate share in the losses of ECDC amounting to €15,457 (2023: €13,970) cumulatively €40,665 (2023: €25,208).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

17) Details of Group undertakings (continued)

The group includes two subsidiaries, Grand Hotel Varna AD and GHV Dolphins EAD with material non-controlling interests (NCI) of 1.83%.

As at 31 December 2024, Grand Hotel Varna AD had, before intergroup eliminations, Revenue of €657, Net profit for the year of €186,340, Total assets of €16,039,178 and Net assets of €15,215,159. Total comprehensive income for the year attributable to non-controlling interest is 3,405 whereas amount of net assets attributable to non-controlling interest is €564,756.

As at 31 December 2024, GHV Dolphins EAD had, before intergroup eliminations, Revenue of €3,272, Net loss for the year of €102,688, Total assets of € 4,279,750 and Net assets of € 3,147,117. Total comprehensive loss for the year attributable to non-controlling interest is €1,876 whereas amount of net assets attributable to non-controlling interest is €345,357.

18) Issued share capital

Authorised	**As at 31 Dec 2024**	As at 31 Dec 2023
Founder shares of no par value	10	10
Ordinary shares of no par value	Unlimited	Unlimited
Issued and fully paid		
	€	**€**
2 Founders shares of no par value (2023: 2)	-	-
2,458,323,603 ordinary shares of no par value (2023: 2,458,323,603)	**81,019,442**	81,019,442

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 ordinary Shares in issue.

Capital management
The capital of the group will be managed in accordance with the Investment Strategy documented on the Parent Company's website. The group manages its capital to ensure its functioning as a going concern, while at the same time seeking to maximize returns for shareholders through optimization of the debt-to-equity ratio (return on invested capital). The purpose of the Management is to maintain the confidence of investors, creditors and the market and to guarantee the future development of the group.

19) Reserves

The following describes the nature and purpose of each reserve within equity:

Retained earnings - The retained earnings represent cumulative net profits and losses recognised in the Group's statement of comprehensive income.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units). The Bulgarian subsidiaries' functional currency is the Bulgarian Lev which is pegged to the Euro at 1 EUR = 1.95583 BGN, hence there is no movement of foreign currency translation reserve during the year.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

20) Profit and Net Asset Value per share

Profit per share

The basic profit per ordinary share is calculated by dividing the net profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Profit attributable to owners of parent (€)	**2,038,912**	10,409,093
Weighted average number of ordinary shares in issue	**2,458,323,603**	1,922,885,247
Basic profit per share (cents)	**0.08**	0.54

The Company has no dilutive potential ordinary shares; the diluted earnings per share is the same as the basic earnings per share.

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Net assets attributable to owners of the parent (€)	**51,547,496**	49,508,584
Number of ordinary shares issued	**2,458,323,603**	2,458,323,603
Net Asset Value per share (cents)	**2.10**	2.01

21) Segmental analysis

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organised into one main operating and reporting segment focusing on investment in the Bulgarian property market.

No additional disclosure is included in relation to segmental reporting as the Group's activities are limited to one operating and reporting segment.

22) Contingencies and commitments

In connection with the implementation of the Concession Agreement dated 17.09.2020, Camp South Beach EOOD, an indirect subsidiary of the Parent company has obligations to carry out the following current activities and commitments:

- Securing the concession site;
- Development of the infrastructure of the concession site;
- Organizing the use of the sea beach;
- Beach strip zoning;
- Water rescue activity;
- Medical insurance;
- Sanitary - hygienic maintenance of the sea beach;
- Beach services, sports and entertainment and commercial activities.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

22) Contingencies and commitments (continued)

According to the financial plan to the concession agreement, for the implementation of activities on the use of the sea beach, the Company has a commitment to implement an investment program that is distributed over the individual years of the concession agreement. In the first year of the agreement, the Company is committed to make investments and improvements at the amount of BGN 394,000 (€201,449), which include: construction of rescue posts and stations, construction of a medical and mobile medical station, provision of beach umbrellas, sunbeds, changing rooms, showers with cold water and other tools and facilities for the use of the beach; provision of a beach cleaning machine, construction of additional commercial areas, construction and provision of infrastructure related to improving access to the sea beach. Part of these investments were implemented together with the improvements that the Company made to the property in 2020. The rest of the assets acquired, and the improvements were made by both the Company and the tenants - subcontractors of sites in the camping. This opportunity is provided according to the terms of the agreement.

For 2024, the Company's commitment is to carry out investments and improvements at the amount of BGN 2,000 (€1,023), which were effectively implemented by placing wooden paths along the beach and waste bins.

For the duration of the concession agreement, the Company, its employees, tenants and authorized persons have an obligation to maintain the sea beach and the appurtenances without risk to the health and life of visitors to the site; to ensure the protection of the environment, through information signs and sufficient waste collection bins; not to carry out activities that are not compatible with the terms of the above-mentioned agreement or that are prohibited by law.

Camp South Beach EOOD complies with the provisions of the applicable legislation, including the Black Sea Coast Development Act; The Ordinance on water rescue activities and securing water areas; the Environmental Protection Act; the Biological Diversity Act, etc.

The Company is party to a Framework Agreement with CCB AD for bank guarantees related to a Concession Agreement, with a limit increased from BGN 250 thousand to BGN 400 thousand annually in favor of the Ministry of Tourism. As collateral, a special pledge was established on 7 bungalows in Camping Garden. The agreement is valid until January 31, 2029.

Littoral Invest AD has a framework agreement for issuing bank guarantees up to BGN 800 thousand (€409 thousand). As of 31 December 2024, guarantees totaling €169 thousand (2023: €152 thousand) have been issued in favor of the Ministry of Tourism in connection with concession and lease agreements for seaside beaches operated by a Group subsidiary. This includes five guarantees totaling BGN 331 thousand (€169 thousand) for the "Varna – Central" seaside resort.

As collateral for bank loans of Lazuren Bryag 91 EOOD and under an agreement concluded by Littoral invest AD, mortgages have been established on properties owned by Lazuren Bryag 91 EOOD. These include mortgages on buildings and investment properties under its loan agreements, as well as on investment properties under the parent company's bank guarantee framework agreement.

23) Directors' interests

The group directors are the only key management personnel. Total compensation paid to them during the year amounted to €67,509 (2023: €117,568).

24) Ultimate controlling party

The Directors consider that there is no controlling or ultimate controlling party of the Group.

25) Financial risk management objectives and policies

The Group's financial instruments comprise long term receivables, loan receivables, cash and cash equivalents, short term investments, trade and other receivables, bank loans, shareholders loan, and payables that arise directly from its operations.

The main risks the Group faces from its financial instruments are (i) market price risk (comprising currency risk, interest rate risk and other price risk), (ii) liquidity risk and (iii) credit risk.

The Board regularly considers risks applicable to the portfolio.

As a result of the short-term nature of the Group's financial instruments, the carrying values approximate to fair value.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

25) Financial risk management objectives and policies (continued)

i. Foreign Currency risk

The risk that the fair value or future cash flows of a financial instrument will vary due to changes in exchange rates. Most of the Group's transactions are carried out in EUR and Bulgarian LEV. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in Bulgarian LEV. The functional and presentational currency of the Group is EUR. The Group does not hedge this risk.

An analysis of the Group's financial assets and liabilities foreign currency exposure is detailed below:

As at 31 December 2024	**GBP €**	**EUR €**	**Bulgarian LEV €**	**Total €**
Long term deposit	-	-	11,693	11,693
Loan receivable	-	-	-	-
Trade and other receivables	-	78,419	3,760,446	3,838,865
Short term investment	-	-	12,163,597	12,163,597
Cash and cash equivalents	1,053	37,221	1,212,375	1,250,649
Trade and other payables	-	(139,721)	(3,853,463)	(3,993,184)
Shareholders loans	-	(24,723,964)	-	(24,723,964)
Bank loans	-	-	(17,572,638)	(17,572,638)
Net exposure	**1,053**	**(24,748,045)**	**(4,277,990)**	**(29,024,982)**

As at 31 December 2023	**GBP €**	**EUR €**	**Bulgarian LEV €**	**Total €**
Long term deposit	-	-	102,258	102,258
Loan receivable	-	-	2,754,689	2,754,689
Trade and other receivables	-	39,221	1,627,523	1,666,744
Short term investment	-	-	12,330,603	12,330,603
Cash and cash equivalents	57,463	90,178	2,411,175	2,559,356
Trade and other payables	-	(58,290)	(3,540,144)	(3,598,434)
Shareholders loans	-	(23,307,833)	-	(23,307,833)
Bank loans	-	-	(20,568,424)	(20,568,424)
Net exposure	**57,463**	**(23,236,724)**	**(4,881,780)**	**(28,061,041)**

<u>Foreign currency sensitivity</u>

The Bulgarian lev has been pegged to the Euro since its launch in 1999 at the rate of 1.95583 leva = 1 euro, hence effectively there is no foreign currency risk as long as the peg is in place.

If the EUR/GBP exchange rate as at 31 December 2024 was to strengthen or weaken by +/-1% it would result in a decrease or increase in the net assets of €42,769 (2023: a decrease or increase in net assets of €5,746).

ii. Other price risk

The risk that the fair value or future cash flows of a financial instrument will vary due to changes in market prices (other than those arising from interest rate risk or currency risk), regardless of whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Group is exposed to other price risk in respect of its short-term investments.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

iii. Interest rate risk

Interest rate movements may affect: (i) the fair value of the investments in fixed interest rate securities and (ii) the level of income receivable and expense payable on cash deposits and loans and borrowings. There are no fixed interest rate securities as at 31 December 2024 or 31 December 2023.

The interest rate profile of the Group's financial instruments is as follows:

As at 31 December 2024	Variable rate €	Fixed rate €	Non-interest bearing €	Total €
Long term deposit	-	-	11,693	11,693
Loan Receivable	-	-	-	-
Trade and other receivables	-	-	3,838,865	3,838,865
Short term investment	-	-	12,163,597	12,163,597
Cash and cash equivalents	-	-	1,250,649	1,250,649
Trade and other payables	-	-	(3,993,184)	(3,993,184)
Shareholder loan	-	(24,723,964)	-	(24,723,964)
Bank loans	(17,572,638)	-	-	(17,572,638)
	(17,572,638)	**(24,723,964)**	**13,271,620**	**(29,024,982)**
As at 31 December 2023				
Long term deposit	-	-	102,258	102,258
Loan Receivable	-	2,754,689	-	2,754,689
Trade and other receivables	-	-	1,666,744	1,666,744
Short term investment	-	-	12,330,603	12,330,603
Cash and cash equivalents	-	-	2,559,356	2,559,356
Trade and other payables	-	-	(3,598,434)	(3,598,434)
Shareholder loan	-	(23,307,833)	-	(23,307,833)
Bank loans	(20,568,424)	-	-	(20,568,424)
	(20,568,424)	**(20,553,144)**	**13,060,527**	**(28,061,041)**

<u>Interest rate sensitivity</u>

An increase or decrease of 100 basis points in interest rates during the year would have decreased or increased the net assets attributable to shareholders and changes in net assets attributable to shareholders by €422,966 (2023: €411,216).

iv. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables, short term investments, loan receivables and long-term deposits. The amount of credit risk is equal to the amounts stated in the statement of financial position for each of these assets. Cash balances are limited to high-credit-quality financial institutions.

The allowance for expected credit losses (ECLs) are as disclosed within note 13.

v. Liquidity risk

'Liquidity risk' is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy and the Boards approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions. The Group's main assets include investment properties, which are generally illiquid. As a result, the Group may not be able to liquidate some of its investments in due time to meet its liquidity requirements. The Group's liquidity is managed on a daily basis by the administrators of the Company and its subsidiaries in accordance with policies and procedures in place. The Group's overall liquidity risk is managed on a monthly basis by the board of the directors.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

v. Liquidity risk (continued)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to liquidity risk:

As at 31 December 2024	**<1 Year** €	**1-5 Years** €	**>5 Years** €	**Total** €
Trade and other payables	(2,428,819)	(915,126)	(793,798)	(4,137,742)
Shareholders loan	(24,723,964)	-	-	(24,723,964)
Bank loans and interest	(3,355,402)	(9,933,409)	(4,283,827)	(17,572,638)
	(30,508,185)	**(10,848,535)**	**(5,077,624)**	**(46,434,344)**

As at 31 December 2023	**<1 Year** €	**1-5 Years** €	**>5 Years** €	**Total** €
Trade and other payables	(1,850,981)	(2,000,852)	-	(3,851,833)
Shareholders loan	(23,307,833)	-	-	(23,307,833)
Bank loans and interest	(3,698,920)	(2,110,293)	(14,759,211)	(20,568,424)
	(28,857,734)	**(4,111,145)**	**(14,759,211)**	**(47,728,090)**

26) 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. Phoenix Capital Management JSC received fees of €160,704 (2023: €214,272). The amount outstanding as at year-end is €53,568 (2023: €nil).

The total amount outstanding at year end to the shareholders totaled €24,723,964 (2023: €23,307,833). The loans are unsecured and are interest bearing.

27) Long term deposit

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Long term deposit	**11,693**	102,258
	11,693	102,258

In connection with the bank loan (note 16) the company placed a deposit with the lending bank. The fixed term deposit serves as collateral for the loan and will be released after full payment of the bank loan, which is expected to be on 20 October 2033.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

28) Loan receivable

	Year ended 31 Dec 2024 €	Year ended 31 Dec 2023 €
Loan receivable	**-**	2,754,689
	-	2,754,689

The loan receivable was unsecured and interest was receivable at a fixed rate. The amount was fully repaid in 2024.

29) Short term investment

During the year, the group hold shares in mutual funds, with the fair value of the investments in funds being determined based on their redemption prices at the reporting date. The movement in short term investments during the year was as shown below.

Level 2	**Year ended 31 Dec 2024 €**	Year ended 31 Dec 2023 €
Balance at the beginning of the year	**12,330,603**	-
Acquired during the year	**4,826,625**	12,005,933
Sold during the year	**(5,235,151)**	-
Fair value gain during the year	**257,806**	335,901
Fair value expense on financial assets	**(16,286)**	(11,231)
Balance at the end of the year	**12,163,597**	12,330,603

30) Subsequent events

On February 14, 2025, a contract was signed with GHV Dolphins EAD and the Ministry of Tourism for the lease of the "Saint Ilia" seaside beach for a period of 5 years. The agreed rent for 2025 is EUR 30,679. For each subsequent year, the rental amount will be indexed in accordance with the Methodology for Determining the Minimum Rental Price for Sea Beaches.