



THE AZUR SELECTION S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2024

THE AZUR SELECTION S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months period ended 30 June 2024

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months period ended 30 June 2024

	Notes	1.01.2024- 30.06.2024	1.01.2023- 30.06.2023
Revenue	5	2.160.996	1.774.212
Other operating income		82.439	-
Purchases and consumables used (COS)		(205.117)	-63.671
Staff costs	7	(490.763)	-366.069
Depreciation and amortisation expense	11,12,13	(546.410)	-445.130
Administration and other expenses	6	(1.054.250)	-1.114.837
Loss on disposal of subsidiary	13		-4.788.708
Operating profit (loss)		(53.105)	-5.004.203
Finance costs	8	(315.124)	-104.769
Share of results of associates before tax	15	34.617	26.643
Profit (loss) before tax		(333.612)	-5.082.330
Tax	10	(119.592)	1.277.217
Net profit (loss) for the period		(453.203)	-3.805.113
Other comprehensive income			-
Total comprehensive income for the year		(453.203)	-3.805.113
Net profit (loss) for the period attributable to:			
Equity holders of the parent		(523.657)	-3.777.800
Non-controlling interests		70.454	-27.312
Net profit (loss) for the period		(453.203)	-3.805.113
Basic and diluted Earnings (losses) per share	9	(0,025)	(0,192)
Alternative performance measures	Note	1.01.2024- 30.06.2024	1.01.2023- 30.06.2023
EBITDA	4	527.923	(4.532.431)
Adjusted EBITDA		527.923	256.278

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30.06.2024	31.12.2023
ASSETS			
Non-current assets			
Property, plant and equipment	11	2.697.443	2.788.100
Right-of-use assets	12	14.902.552	15.339.820
Intangible assets	13	13.483.425	13.480.452
Investments in associates	10	1.253.731	1.219.114
Deferred tax assets	14	1.671.241	1.736.676
Guarantees given		422.743	370.741
		<u>34.431.135</u>	<u>34.934.903</u>
Current assets			
Trade and other receivables	16	5.971.283	5.934.903
Cash at bank and in hand	17	426.851	447.363
		<u>6.398.134</u>	<u>6.382.266</u>
Total assets		<u>40.829.269</u>	<u>41.317.170</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	20.958.855	20.958.855
Other reserves		1.549	1.549
Additional paid in capital		3.240.838	3.240.838
Accumulated losses		(11.913.132)	(11.389.474)
		<u>12.288.110</u>	<u>12.811.768</u>
Non-controlling interests		(47.584)	(118.038)
Total equity		<u>12.240.526</u>	<u>12.693.730</u>
Non-current liabilities			
Non current lease liabilities	19	17.133.016	17.454.376
Trade and other payables		181.763	180.432
Deferred tax liabilities	14	4.190.118	4.286.317
Provisions for other liabilities and charges	20	1.632.557	1.630.519
		<u>22.475.645</u>	<u>23.551.643</u>
Current liabilities			
Trade and other payables	21	4.354.601	4.184.905
Current lease liabilities	19	684.183	661.808
Current tax liabilities	10	412.506	225.084
		<u>6.113.099</u>	<u>5.071.797</u>
Total liabilities		<u>28.588.743</u>	<u>28.623.440</u>
Total equity and liabilities		<u>40.829.269</u>	<u>41.317.170</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months period ended 30 June 2024

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Statutory reserve	Accumulated losses	Total		
	€	€	€	€		
Balance at 1 January 2022	19.662.520	1.549	-2.404.102	17.259.967	33.696	17.293.663
Comprehensive income						
Net profit for the period	0	0	185.137	185.137	124.868	310.005
Total comprehensive income for the year	0	0	185.137	185.137	124.868	310.005
Balance at 30 June 2022	19.662.520	1.549	-2.218.966	17.445.103	158.564	17.603.667
Balance at 1 January 2023	19.662.520	1.549	-6.148.431	13.515.638	245.637	13.761.275
Comprehensive income						
Net profit for the period	0	0	-3.777.800	-3.777.800	-27.312	-3.805.113
Sale of subsidiary	0	0	1.201.695	1.201.695	0	1.201.695
Total comprehensive income for the year	0	0	-2.576.105	-2.576.105	-27.312	-2.603.418
Balance at 30 June 2023	19.662.520	1.549	-8.724.536	10.939.533	218.325	11.157.857

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT For the six months period ended 30 June 2024

	30 June 2024 €	30 June 2023 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(333.612)	(5.082.330)
Adjustments for:		
Depreciation of property, plant and equipment	546.410	445.130
Share of loss/(profit) from associates	(34.617)	(26.643)
Loss on disposal of subsidiary	-	4.788.708
Interest expense	315.124	104.769
Provision for the pension and other post-retirement obligations	1.551	-
	<u>494.856</u>	<u>229.635</u>
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(28.281)	(1.113.429)
(Decrease)/increase in trade and other payables	350.128	1.055.233
Cash generated from/(used in) operations	<u>816.703</u>	<u>171.439</u>
Tax (paid)/refunded	156.656	-
Net cash generated from/(used in) operating activities	<u>973.359</u>	<u>171.439</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(56.990)	(28.713)
Receipt from the disposal of subsidiary	(52.000)	1.373.331
Interest received		
Net cash generated from/(used in) investing activities	<u>(108.990)</u>	<u>1.344.618</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of obligations under finance leases	(569.758)	(470.918)
Interest paid	(315.124)	(34.927)
Net cash (used in)/generated from financing activities	<u>(884.882)</u>	<u>(575.723)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(20.512)</u>	<u>23.846</u>
Cash and cash equivalents at beginning of the period	447.363	76.571
Cash and cash equivalents at end of the period	<u>426.851</u>	<u>1.086.783</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - 30 June 2024

1. Incorporation and principal activities

The accompanying interim consolidated financial statements include the accounts of THE AZUR SELECTION SA (the "Company" or the "Group") and its subsidiaries. The Company has been incorporated in Cyprus on 20 February 2017, as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113, with registered address at Anexartias & Athinon, NORA COURT, 2nd floor, Limassol, 3040, Cyprus. On 31 May 2022, the Company's shareholders resolved the domiciliation of the Company in Greece and the transfer of the Company's headquarters from Cyprus to Greece. On 16 September 2022, the amendment of the Company's Articles of Association due to the redomicile in Greece were approved by the General Commercial Register Service of the Athens Chamber of Commerce & Industry (GEMI) and on the same date the Company was registered with the General Commercial Register of the Hellenic Republic, as a société anonyme under the registration number 164362401000.

THE AZUR SELECTION SA is incorporated in Greece with an indefinite corporate life, the address of its registered office is 19, Stratarchou Alexandrou Papagou Street, 16673 Voula, Athens, Greece and its web address is www.azurselection.com.

The Company's ordinary shares were listed on the Cyprus Stock Exchange on the Emerging Companies Market (E.C.M.) since 29 October 2020. On 27 May 2022, the Company decided to delist from the Cyprus Stock Exchange in the perspective of its listing on Euronext Access+Paris. On 20 September 2022, the Company's shareholders approved the listing of the Company's ordinary shares on Euronext Access+Paris. Since 22 November 2022, the Company is traded under the ticker MLAZR. The majority shareholder of the parent company holding 84% (as at 30 June 2024) is Mr George Arvanitakis.

Based on its articles of incorporation, the primary activities of the Company are to participate to the share capital of selected hotel groups located mainly in Greece and to act as lessor and operator. In addition, other activities include:

- Rendering of advisory services in relation to the organisation, administration and management of hotels and other touristic units
- Construction, repair and maintenance, administration, development and management of bars, restaurants, coffee shops, clubs, casinos and commercial shops.
- Acquisition, disposal, development, management, lease of real estate properties
- Retail sale of food, beverages, books, and touristic products
- Lease of beach umbrellas, sunbeds and chairs
- Lease of parking spaces, cars and vans
- Operation of hairdressing, sauna and spa facilities

The accompanying interim consolidated financial statements were approved for issuance by the Board of Directors on 27 September 2024.

2. Basis of preparation

Basis of preparation of the unaudited interim condensed consolidated financial statements

The interim condensed consolidated financial statements for the six month period ended 30 June 2024, have been prepared in accordance with International Accounting Standard 34 (IAS 34) – Interim Financial Reporting, and present the financial position, results of operations and cash flows of the Group on a going concern basis.

In determining the appropriate basis of preparation of the interim condensed consolidated financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. It is noted that since the activity of the Company is directly related to the activity of its subsidiaries, the assessment of the going concern principle of the Company is directly related to the going concern of the Group.

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The Directors, considering the balance sheet position of the Group and the information available at the date of signing of these interim condensed consolidated financial statements, expect that operations will continue to generate sufficient cash, be able to serve all liabilities as they fall due for a period of at least 12 months from the date of issuance of these interim condensed consolidated financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost convention, except for the following:

- financial instruments – measured at fair value
- defined benefit pension plans – plan assets measured at fair value

The consolidated financial statements are presented in euros (€) rounded to the nearest value, except when otherwise indicated.

These interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which can be found on the Group's website.

The interim condensed consolidated financial statements for the six-month period ended 30 June 2024 have been authorised for issue by the Board of Directors on 27 September 2024.

Accounting policies and use of estimates

The preparation of the interim condensed consolidated financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed where considered necessary. Estimates and judgements which are discussed in detail in the Group's annual financial statements for the year ended 31 December 2023, are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

The future financial performance of the Group is dependent upon the wider economic environment and factors that particularly affect the environment and therefore the performance of the Group include macroeconomic conditions, supply and demand of the touristic product and the value of the hoteling assets. In addition, the Group continuously monitors the latest government legislation in relation to environment, construction and hoteling related matters. In the six-month period ended 30 June 2024, no legislation has been passed that would impact the Group's operations.

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3. Adoption of new or revised standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS amendments which have been adopted by the Group as of 1 January 2023:

- **Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (applicable for annual periods beginning on or after 01/01/2024)**

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 Leases that add requirements for how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction in which, a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements regarding the accounting treatment of a sale and leaseback at the date the transaction takes place. However, the Standard did not specify how to measure the transaction after that date. The issued amendments add to the requirements of IFRS 16 regarding sale and leaseback, thus supporting the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Group will consider the impact of all of the above on its consolidated financial statements. The above has been adopted by the European Union with an effective date of 01/01/2024.

- **Amendments to IAS 1 "Classification of Liabilities as Current or Long-Term" (applicable for annual periods beginning on or after 01/01/2024)**

In January 2020, the IASB issued amendments to IAS 1 that affect the requirements for the presentation of liabilities. Specifically, the amendments clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: a) clarification that an entity's right to defer settlement should exist at the reporting date, b) clarification that the classification of the liability is not affected by management's intentions or expectations regarding the exercise of the right to defer settlement, c) explain how the borrowing conditions affect the classification, and d) clarify the requirements regarding the classification of liabilities of an entity that is to or may settle through the issue of own equity securities. In addition, in July 2020, the IASB issued an amendment to postpone by one year the effective date of the originally issued amendment to IAS 1, as a result of the spread of the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment aimed at improving the information companies provide about long-term debt commitments. IAS 1 requires a company to classify a loan as non-current only if the company can avoid settling the loan within 12 months after the reporting date. However, a company's ability to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that commitments to be met after the reporting date do not affect the classification of the loan as short-term or long-term at the reporting date. Instead, the amendments to the standard require a company to disclose information about these commitments in the notes to the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2024, with early adoption permitted. The Group will consider the impact of all of the above on its consolidated financial statements. The above has been adopted by the European Union with an effective date of 01/01/2024.

- **Amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments: Disclosures": Supplier Financing Arrangements (applicable for annual periods beginning on or after 01/01/2024)**

In May 2023, the International Accounting Standards Board (IASB) issued amendments ("Supplier Finance Arrangements"), which amended IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments: Disclosures". The IASB issued Supplier Financing Arrangements requiring an entity to provide additional disclosures about supplier financing arrangements. The amendments require additional disclosures that supplement the existing disclosures in these two standards. These

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disclosures are intended to help users of financial statements a) assess how vendor financing arrangements affect an entity's liabilities and cash flow, and b) understand the effect of vendor financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 are effective for the accounting period on or after 1 January 2024. The Group will consider the impact of all of the above on its consolidated Financial Statements, although they are not expected to have any.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any of the following standard, interpretation or amendment that have been issued but are not yet effective. In addition, the Group is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the interim condensed consolidated financial statements.

- **Amendments to IAS 21 "The Effects of Changes in Exchange Rates": Lack of Exchangeability (applicable for annual periods beginning on or after 01/01/2025)**

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates that require entities to provide more useful information in their financial statements when a currency cannot be exchanged in another currency. The amendments include the introduction of the definition of exchangeability of a currency, as well as the process by which an entity should assess that exchangeability. In addition, the amendments provide guidance on how an entity should calculate the spot rate in cases where the currency is not fungible and require additional disclosures in cases where an entity has calculated an exchange rate due to lack of fungibility. The amendments to IAS 21 are effective for the accounting period on or after 1 January 2025. The Group will consider the impact of all of the above on its consolidated Financial Statements.

- **IFRS 18 "Presentation and Disclosures in Financial Statements" (effective for annual periods beginning on or after 01/01/2027)**

In April 2024, IASB issued a new standard, IFRS 18, which replaces IAS 1 Presentation of Financial Statements. The purpose of the standard is to improve the way information is presented in an entity's financial statements, particularly in the income statement and the disclosures on the financial statements. In particular, the standard will improve the quality of financial reporting due to: a) the requirement of defined sub-items in the income statement, b) the requirement to disclose in a separate note to the financial statements the performance indicators defined by management (Management-defined Performance Measures), c) the new principles for aggregation/ disaggregation of information. The management of the Group is considering the impact of this amendment on the consolidated financial statements.

- **IFRS 19 "Subsidiaries without Public Liability: Disclosures" (effective for annual periods beginning on or after 01/01/2027)**

In May 2024, IASB issued a new standard, IFRS 19 Subsidiaries without Public Liability: Disclosures. The new standard allows qualifying entities to elect to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in other IFRSs. IFRS 19 operates in parallel with other IFRSs, as subsidiaries should apply the measurement, recognition and presentation requirements set out in other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the requirements of this standard while maintaining their usefulness to users. The amendments are effective for accounting periods beginning on or after 1 January 2027. Management of the Group is considering the impact of this amendment on the consolidated financial statements.

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- **IFRS 9 - Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 01/01/2026)**

In May 2024, IASB issued amendments to the classification and measurement requirements of IFRS 9 Financial Instruments and corresponding disclosures in IFRS 7 Financial Instruments: Disclosures. In particular, the new amendments clarify when a financial liability should be derecognised when it is settled by electronic payment. Additional guidance is also provided on the assessment of contractual cash flow characteristics for financial assets linked to ESG (environmental, social and corporate governance) criteria. In addition, the disclosure requirements for investments in equity securities designated at fair value through other comprehensive income were amended and disclosure requirements were added for financial instruments with contingent features not directly related to key risks and borrowing costs. The amendments are effective for accounting periods beginning on or after 1 January 2026. Management of the Group is considering the impact of this amendment on the consolidated financial statements.

4. Alternative Performance Measure (APM)

Under the implementation of ESMA Guidelines (05/10/2015|ESMA/2015/1415), the Group adopted as Alternative Performance Measure (APM) the Adjusted Earnings Before Taxes, Interest Depreciation and Amortization (Adjusted EBITDA). Alternative Performance Measures (APMs) are useful to the management and the investors as are used in the context of decision making for financial, operational and strategic planning as well as for the assessment of performance. APMs are taken into account combined with financial results which have been prepared according to IFRS and under no circumstances they replace them. Adjusted EBITDA is not a recognized measurement under IFRS.

Adjusted EBITDA removes one-time, irregular, and non-recurring items that distort EBITDA. Adjusted EBITDA represents Earnings before interest, taxes, depreciation, amortization, profit or loss from the disposal of subsidiaries and impairment. More specifically, the reconciliation of the Adjusted EBITDA to the financial statements of the Group for the respective periods is as follows:

EBITDA	1.01.2024- 30.06.2024	1.01.2023- 30.06.2023
Profit (loss) before tax	(333.612)	(5.082.330)
(+) Finance costs	315.124	104.769
(+) Depreciation and amortisation expense	546.410	445.130
Subtotal EBITDA	527.923	(4.532.431)
(+) Loss on disposal of subsidiary	-	4.788.708
Adjusted EBITDA	527.923	256.278

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5. Revenue

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

	30 June 2024	30 June 2023
	€	€
Rendering of services	1.624.044	1.246.770
Rental income	536.952	527.442
	<u>2.160.996</u>	<u>1.774.212</u>

Rendering of services represents the income received from the hotel activities, specifically from the hotel operations and the short-term rentals of hotel luxury apartments (suites).

Rental income consists of the rent receivable amounts from the sub-lease of the right-of-use assets (hotel units and tourism related properties).

6. Administration and other expenses

	30 June 2024	30 June 2023
	€	€
Rent -short term	45.820	21.000
Electricity	52.928	44.807
Water supply and cleaning	56.930	44.953
Insurance	10.216	7.825
Repairs and maintenance	94.289	4.928
Telephone and postage	10.097	2.862
Stationery and printing	5.339	12.659
Accounting fees	49.577	52.759
Legal and professional	17.867	50.913
Other professional fees	211.724	421.721
Fines	113.200	147.587
Travelling and accommodation	27.641	66.073
Advertising and marketing	22.136	5.000
Licences and taxes	-	19.000
Irrecoverable VAT & other taxes	34.744	16.072
Loss on disposal of subsidiary	-	4.788.708
Sundry expenses	301.742	196.678
	<u>1.054.250</u>	<u>5.903.545</u>

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7. Staff costs

	30 June 2024	30 June 2023
	€	€
Salaries	390.064	296.774
Social security costs	90.379	67.051
Other costs	10.320	2.244
	<u>490.763</u>	<u>366.069</u>

8. Finance costs

	30 June 2024	30 June 2023
	€	€
Interest expense on lease liabilities	270.772	69.842
Sundry finance expenses	44.352	34.927
	<u>315.124</u>	<u>104.769</u>

9. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. There is no diluted EPS as at 30 June 2024 and 2023.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	1.01.2024- 30.06.2024	1.01.2023- 30.06.2023
Profit (loss) for the year attributable to equity holders of the parent	<u>(523.657)</u>	<u>(3.777.800)</u>
Weighted average number of ordinary shares	<u>20.958.855</u>	<u>19.662.520</u>
EPS	(0,025)	(0,192)

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10.Tax

The corporate income tax rate in Greece for periods commencing after 1 January 2021, is 22%. Current income and deferred tax are analysed below:

	30 June 2024	30 June 2023
Current income tax:		
Current income tax charge	89.510	56.887
Deferred tax:		
Relating to originating and reversal of temporary differences	30.082	(1.334.104)
Total income tax (benefit) / expense	<u>119.592</u>	<u>(1.277.212)</u>

Reconciliation of deferred tax is presented below:

	Consolidated Statement of financial position		Consolidated Statement of profit or loss	
	30 June 2024	31 December 2023	30 June 2024	30 June 2023
Right of use assets	713.136	682.713	30.423	28.526
SLI Provision	(1.020)	(1.361)	(341)	-
Goodwill	(3.230.993)	(3.230.993)	-	(1.362.630)
Deferred tax expense (benefit)			<u>30.082</u>	<u>(1.334.104)</u>
Net deferred tax assets	<u>(2.518.877)</u>	<u>(2.549.641)</u>		
Deferred tax assets	1.671.241	1.736.676		
Deferred tax liabilities	<u>(4.190.118)</u>	<u>(4.286.317)</u>		
Deferred tax assets net	<u>(2.518.877)</u>	<u>(2.549.641)</u>		

Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities in the countries the companies operate in, examine the returns and the records of the taxpayer and a final assessment is issued.

Pending the tax examination of the related unaudited tax years, the Group, based upon previous years' tax examinations and past interpretations of the tax laws, believes that adequate provisions for probable future tax assessments have been made in the consolidated financial statements. Books and records of all the entities included in the consolidation have not been audited by the tax authorities since their incorporation. The management of the Group does not anticipate any additional liabilities, other than those recorded in the accompanying interim condensed consolidated financial statements.

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11. Property, plant and equipment

Property plant and Equipment is analysed as follows:

	Buildings	Furniture, fixtures and office equipment	Total
	€	€	€
Cost			
Balance at 1 January 2023	<u>1.760.286</u>	<u>934.414</u>	<u>2.694.700</u>
Additions	-	67.850	67.850
Acquisition of subsidiaries	993.575	225.925	1.219.500
Balance at 31 December 2023	<u>2.753.861</u>	<u>1.228.189</u>	<u>3.982.050</u>
Additions/Disposals	-	50.467	50.467
Balance at 30 June 2024	<u>2.753.861</u>	<u>1.278.656</u>	<u>4.032.517</u>
Depreciation			
Balance at 1 January 2023	<u>303.260</u>	<u>691.265</u>	<u>994.525</u>
Charge for the year	81.800	117.625	199.425
Balance at 31 December 2023	<u>385.060</u>	<u>808.890</u>	<u>1.193.950</u>
Charge for the period	65.324	75.801	141.125
Balance at 30 June 2024	<u>450.384</u>	<u>884.691</u>	<u>1.335.075</u>
Net book value			
Balance at 31 December 2023	<u>2.368.801</u>	<u>400.239</u>	<u>2.788.100</u>
Balance at 30 June 2024	<u>2.303.478</u>	<u>374.905</u>	<u>2.697.443</u>

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12. Right-of-use assets

The movement of the right of use assets is analysed below:

	Land and buildings
	€
Cost	
Balance at 1 January 2023	17.393.700
Additions	6.380.013
Disposals	(4.503.753)
Balance at 31 December 2023	19.269.960
Additions	-
Disposals	-
Balance at 30 June 2024	19.269.960
Depreciation	
Balance at 1 January 2023	3.478.865
Charge for the period	689.050
Disposals	(237.776)
Balance at 31 December 2023	3.930.139
Charge for the period	437.269
Disposals	-
Balance at 30 June 2024	4.367.408
Net book value	
Balance at 31 December 2023	15.339.820
Balance at 30 June 2024	14.902.552

The Group leases several assets including buildings and hotel apartments units. The average lease term is 21 years (2023: 24 years).

The lease agreements consist of the agreed rentals over the lease period, usually with the right for renewal.

The Right-of-use assets were recognized using the Discounted Cash flows Method. The discount rates were used in all periods presented is 3%.

There are no significant changes to the assumptions and estimates on future forecasts, disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

Depreciation expense on right-of-use assets has been recognised in the consolidated statement of profit and loss.

The lease liabilities are analysed in Note 18.

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13. Intangible assets

Intangible assets are analysed as follows:

	Software €	Goodwill €	Total €
Cost			
Balance at 1 January 2023	24.459	16.896.835	16.921.294
Additions	1.338	3.837.002	3.838.340
Disposals		(4.788.708)	(4.788.708)
Impairment loss		(2.483.042)	(2.483.042)
Balance at 31 December 2023	25.797	13.462.087	13.487.884
Additions/Disposals	6.523	-	6.523
Balance at 30 June 2024	32.320	13.462.087	13.494.407
Depreciation			
Balance at 1 January 2023	5.306	-	5.306
Charge for the year	2.125	-	2.125
Balance at 31 December 2023	7.431	-	7.431
Charge for the period	3.551	-	3.551
Balance at 30 June 2024	10.982	-	10.982
Net book amount			
Balance at 30 June 2024	21.338	13.462.087	13.483.425
Balance at 31 December 2023	18.366	13.462.087	13.480.452

Goodwill represents the premium paid to acquire the business of the Company's subsidiaries and associates and is measured at cost less any accumulated impairment losses.

The Group reassess annually the Goodwill paid for the acquisition of subsidiaries and associates. The initial goodwill estimate is based on the net present value of the future cash flows (NPV model) of the acquired assets. The sensitivity and achievability of the set expected cash flows are being evaluated on an annual basis.

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

In May 2023 the Group sold its subsidiary AS Resort IKE, to third parties for a consideration of € 1.373.331. Loss on the disposal amounting to € 4.788.708 recognized as the difference between the initial acquisition cost and the sale consideration has been recorded in the consolidated statement of profit or loss, for the year ended 31 December 2023.

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14. Investments in subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	30.06.2024 Holding %	31.12.2023 Holding %
A.S Resort IKE (Note 16)	Greece	Investment activities in the tourism sector	-	-
ARISTON Glyfada IKE	Greece	Investment activities in the tourism sector	100	100
Crystal Vouliagmeni IKE	Greece	Hotel management	80	80
ARVAN Hotel Constructions IKE	Greece	Construction Company	100	100
Housepeak Investments Limited	Cyprus	Investments in Properties (57% owner of A & K Anaptyxiaki IKE)	80	80
R&A Biene Propertia Investments Ltd	Cyprus	Investment activities in the tourism sector (100% owner of A Mykonos Hotels IKE)	58	58
Estoril Holdings Limited	Cyprus	Investment activities in the tourism sector (100% owner of B Mykonos Hotels IKE)	75	75
Azur Selection France SAS(*)	France	Investment and management activities	100	-

(*) On February 28, 2024, the Group established a new subsidiary in France with the main purpose to operate as holding and management company, for Group's activities abroad.

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15. Investments in associates

	30.06.2024	31.12.2023
	€	€
Balance at 1 January	1.219.114	1.363.964
Share of results of associates	34.617	-144.850
Balance at 30 June/31 December	<u>1.253.731</u>	<u>1.219.114</u>

The details of the investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2024 Holding %	2023 Holding %
MATSAR LTD	Cyprus	Investments activities in tourist sector (100% owner of Grisogono Investments IKE, a company established in Greece)	50	50

16. Trade and other receivables

	30.06.2024	31.12.2023
	€	€
Trade receivables	1.055.024	799.217
Shareholders' current accounts - debit balances	1.987.428	1.623.949
Amounts due from related parties	814.704	1.961.505
Deposits and prepayments	135.003	50.272
Advances to subcontractors	828.922	306.813
Other receivables	493.084	682.403
Accrued income	227.906	-
Refundable VAT	429.211	510.744
Trade and other receivables	<u>5.971.283</u>	<u>5.934.903</u>

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

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

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17. Cash at bank and in hand

	30.06.2024	31.12.2023
	€	€
Cash at bank and in hand	426.851	76.571
	<u>426.851</u>	<u>76.571</u>

The Group's sight and time deposits earn interest at floating rates based on daily bank deposits rates. Sight and time deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group.

There are no balances in foreign currency as at 30.06.2024 and 31.12.2023.

18. Share capital

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	20.958.855	20.958.855	20.958.855	20.958.855
Issued and fully paid				
Balance at 1 January	20.958.855	20.958.855	19.662.520	19.662.520
Addition in year/period	-	-	1.296.335	1.296.335
Balance at end of the year/period	<u>20.958.855</u>	<u>20.958.855</u>	<u>20.958.855</u>	<u>20.958.855</u>

At December 6, 2023, Company's BoD resolved a share capital increase amounting to €1.296.335 by issuing 1.296.335, ordinary shares at a share price of a nominal value €1 each plus €2,5 share premium per ordinary share, resulting to an additional paid in capital of € 3.240.838. The Share capital and the Additional paid in capital increase was made by contribution in kind of the associate companies "Azur Volos" and "Azur Meganisi".

19. Lease Liabilities

Lease liabilities

At 1st January 2023	14.853.622
Additions	6.991.207
Disposal of subsidiary	(3.228.240)
Interest expense	348.123
Lease payments	(848.529)
At 1st January 2024	<u>18.116.183</u>
Additions/ (Disposals)	-
Interest expense	270.772
Lease payments	(569.758)
At 30 June 2024	<u>17.817.199</u>

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All lease liabilities are denominated in Euro. The present value of lease liabilities consists of minimum lease payments minus future finance charges.

It is the Group's policy to lease properties and operate or sublease them as hotel units or in hospitality industry with average lease and sublease term 21 years and 9 years respectively. For year ended 30 June 2024, the average effective borrowing rate is 3.0%. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Future minimum lease payments are analysed as follows:

Maturity of lease liabilities	30.06.2024	31.12.2023
0-1 year	684.183	661.808
1-5 years	3.785.246	2.892.351
Over 5 years	13.347.771	14.562.024
	<u>17.817.199</u>	<u>18.116.183</u>

The fair values of lease liabilities approximate to their carrying amounts as presented above.

The Group's liabilities under finance leases are secured by the lessors' title to the leased assets.

20. Provisions for other liabilities and charges

The amounts included in the consolidated statement of financial position include the following:

	Pension and other post retirement obligations	Warranty on Rents receivable	Total
	€	€	€
Balance at 1 January 2023	9.365	1.477.341	1.486.706
Additions	-	150.000	150.000
Used	(6.187)	-	(6.187)
Balance at 31 December 2023	<u>3.178</u>	<u>1.627.341</u>	<u>1.630.519</u>
Used	-	2.038	2.038
Additions	-	-	-
Balance at 30 June 2024	<u>3.178</u>	<u>1.629.379</u>	<u>1.632.557</u>

The amounts included in the consolidated statement of financial position include the following:

	30.06.2024	31.12.2023
	€	€
Provisions to be used after more than twelve months	1.632.557	1.630.519

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21. Trade and other payables

Trade and other payables are analysed as follows:

	30.06.2024	31.12.2023
	€	€
Trade payables	961.451	369.092
Social insurance and other taxes	1.751.579	1.644.781
VAT	96.811	62.398
Accruals	34.063	33.661
Other creditors	-	7.040
Government subsidies	-	307.071
Payables to associates (Note 23.4)	1.510.698	1.760.861
	<u>4.354.601</u>	<u>4.184.904</u>

Government grants at 31.12.2023, relate to Government subsidies given to the Group's Greek subsidiaries for financial support purposes due to the adverse consequences caused by the pandemic COVID-19.

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

22. Operating Environment of the Group

Hospitality (tourism) industry is dependent on consumer confidence, highly sensitive to economic, but also social environment. In Greece, despite the inflation pressures, the industry has been growing fast and systematically in the last three years, in terms of both visitors and revenues. That increased Greek share in the global market, led to higher occupancy and stabilised business profitability. Prior year 2023 was a very good season for the Greek hospitality industry and the industry experts anticipate the same for 2024.

Two years after inflation began its rapid increase, investors, economists and governments remain divided over the future. Inflation in developed economies is either stable or declining. Inflationary pressures from the energy crisis in Europe, following Russia's invasion in Ukraine, tends to de-escalate however the geopolitical crisis in middle East maintains the uncertainty in the market. Supply chain disruptions caused by the war in Ukraine and in middle East key drivers of increasing inflation - have eased. Global supply chains have been distorted mainly due to the attacks on commercial vessels in the Gulf of Aden.

The aim of the Company's management is to adapt in this new economical environment, maintain positive cash flows mainly through the optimization of working capital management, as well as strict selection and evaluation of investment opportunities.

Regarding the labour market, the employment cost index is slowing down. For an economy where the demand for workers significantly outstrips the supply, we would expect to see wages and employment costs rise.

These economic conditions will affect the borrowing interest rates hence the ability of the Group to obtain new borrowings to finance new investments.

The Company's Management is unable to predict all developments which could have an impact on the Greek economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

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Based on the evaluation performed, the Group's management has concluded that no provisions or impairment charges are required. The management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.

23. Related party transactions

The following transactions were carried out with related parties:

23.1 Sales of goods and services

During the six-month period ended 30 June 2024, the Group did not provide services to any of the related parties.

23.2 Purchases of goods and services

During the six-month period ended 30 June 2024, Latin Beach - related party through ultimate common control - provided Professional Services to the Group amounting to €5.208.

The following balances exist with related parties:

23.3 Receivables from related parties

		30.06.2024	31.12.2023
	Nature of transactions	€	€
Grisogono Investments (Greece)	Services	335.052	31.800
Office A IKE	Finance	87.225	77.705
Azur Volos (Greece)	Finance/Services	-	-
Azur Meganisi (Greece)	Finance	-	1.475.473
Azur Skiathos (Greece)	Finance	1.499	256
George Arvanitakis Technical Manufacturing Company	Finance	3.060	2.995
Panamera Manufacturing Company	Finance	28.321	28.321
Kyrasta Stavroula	Finance	65.000	174.000
Latin Beach Athens (Greece)	Services	61.960	170.955
Revithis Ioannis	Finance	232.587	-
		814.704	1.961.505

The receivables from related parties were provided interest free, and there was no specified repayment date.

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23.4 Payables to related parties

		30.06.2024	31.12.2023
	Nature of transactions	€	€
Grisigono Investments (Greece)	Services	896.965	897.585
Lokland consulting Limited	Services	537.738	-
Office A IKE	Finance	18.550	51.050
Azur Volos (Greece)	Finance	-	-
Azur Meganisi (Greece)	Finance	-	-
Arvanitakis Management Company SARL	Trade	25.243	41.243
Latin Beach Athens (Greece)	Services	32.202	770.983
		1.510.698	1.760.861

The payables to related parties were provided interest free, and there was no specified repayment date.

23.5 Shareholders' current accounts - debit balances

	30.06.2024	31.12.2023
	€	€
Georgios Arvanitakis	1.987.428	1.623.949
	1.987.428	1.623.949

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

Management has assessed the recoverability of the amounts due/from the related parties and concluded that no provision for impairment is required.

23.6. Significant agreements with management

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

24. Contingent liabilities

The Group had no contingent liabilities as of 30 June 2024.

25. Commitments

The Group had no capital or other commitments as of 30 June 2024.

26. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.