

**VALUATION REPORT**  
**ACCORDING TO ARTICLE 17 OF LAW 4548/2018**  
**DETERMINATION OF THE VALUE OF CONTRIBUTION IN KIND**  
**TO THE CORPORATION**  
**“THE AZUR SELECTION S.A.”**

**NEO IRAKLIO, JANUARY 2025**

**To**

“THE AZUR SELECTION S.A.”

NEO IRAKLIO, 10/1/2025

**EVALUATION REPORT**  
**ACCORDING TO ARTICLE 17 OF LAW 4548/2018**  
**DETERMINATION OF THE VALUE OF CONTRIBUTION IN KIND**

**1. Mandate**

This report was prepared upon the request of the Board of Directors of the company "THE AZUR SELECTION S.A." (hereinafter referred to as the "Company"). Specifically, a valuation was conducted in accordance with Article 17, "Contributions in kind and valuation of such contributions," of Law 4548/2018, in view of the upcoming contribution of the assets described below for the purpose of covering an increase in the share capital of "THE AZUR SELECTION S.A.", by Mr. Georgios Arvanitakis, son of Panagiotis, resident of Voula, Attica, at 19 Stratarchou Alexandrou Papagou Street, holder of Identity Card No. AK 699198 issued by the Alimos Police Department on April 24, 2013, with Tax Identification Number 052088482, under the jurisdiction of the Athens D' Tax Office, and the company "XCG INVESTMENT SINGLE-MEMBER P.C." with GEMI Registration Number 168450003000.

The "contribution in kind" concerns the corporate shares representing 100% of the share capital of the company "LATIN BEACH ATHENS P.C.," with GEMI Registration Number 161189401000 and registered office in the Municipality of Voula. This will constitute the contribution in kind for covering the increase of the share capital of "THE AZUR SELECTION S.A.," and shares equivalent to the value of the contribution in kind will be allocated to Mr. Georgios Arvanitakis, son of Panagiotis, and the company "XCG INVESTMENT SINGLE-MEMBER P.C." Specifically:

- Shares representing **51% of the corporate capital** of "LATIN BEACH ATHENS P.C." will be allocated to Mr. Georgios Arvanitakis.
- Shares representing **49% of the corporate capital** of "LATIN BEACH ATHENS P.C." will be allocated to "XCG INVESTMENT SINGLE-MEMBER P.C."

The mandate was given pursuant to the procedures stipulated in Article 17, "Contributions in kind and valuation of such contributions," of Law 4548/2018.

**2. Purpose of the Assignment**

The purpose of this assignment is to estimate the value of the corporate shares representing 100% of the share capital of "LATIN BEACH ATHENS P.C." The valuation of the "contribution in kind" is carried out in the context of the contribution of 51% of the corporate capital of the said company by Mr. Georgios Arvanitakis and 49% by "XCG INVESTMENT SINGLE-MEMBER P.C.," for the purpose of covering the upcoming increase in the share capital of "THE AZUR SELECTION S.A."

### **3. Responsibility of the Company's Management**

The Company's management is responsible for complying with the obligations arising from Article 17, "Contributions in kind and valuation of such contributions," and Article 20, "Payment and certification of capital contributions," of Law 4548/2018, regarding the certification of the payment of share capital.

### **4. Responsibility of the Auditor**

Our responsibility is limited to issuing this report, based on the work performed, to obtain reasonable assurance regarding the valuation of the contribution "in kind," in accordance with the provisions of Article 17 of Law 4548/2018. Our work is strictly confined to the objects related to this specific mandate and was conducted in accordance with International Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information."

### **5. Absence of Disqualifications or Conflicts of Interest**

For us, the statutory auditors (Messers Konstantinos Niforopoulos and Theodoros Deligiannis) of the audit firm ORION CERTIFIED AUDITORS S.A., there are no disqualifications or conflicts of interest as stipulated in Paragraph 4, Article 17, of Law 4548/2018: *"Persons conducting the valuation as appraisers or specialized appraisers cannot be the individuals making the contribution in kind, members of the company's board of directors, persons maintaining business or other professional relationships with the company or the contributor, or relatives of these individuals up to the second degree or their spouses. Furthermore, for statutory auditors and the audit firms they belong to, there must be no impediments or incompatibilities that would preclude them from conducting a statutory audit, nor should they have undertaken the statutory audit of the company or its affiliated companies as defined in Article 32 of Law 4308/2014 in the last three years."*

### **6. Description of the Contributed Assets**

#### **Incorporation - Name**

The company "LATIN BEACH ATHENS P.C." with the trade name "LATIN BEACH ATHENS" was established in Greece on October 19, 2021, as a single-member private company.

#### **Registered Office**

The registered sit of the company is the Municipality of Voula.

#### **Duration**

The company's duration is set at 40 years, beginning with the registration and publication of its articles of association in the General Commercial Registry (GEMI) and ending on October 19, 2061.

#### **Purpose**

The purpose of the company, as stated in Article 3 of its Articles of Association, is:

- SERVICES FOR PROVIDING MEALS WITH FULL RESTAURANT SERVICE,
- SERVICES FOR PROVIDING MEALS AND BEVERAGES FROM SNACK BARS WITH SERVICE,
- SERVICES PROVIDED BY COFFEE BARS,
- RENTAL SERVICES FOR BEACH UMBRELLAS AND/OR SEATS (BEACH CHAIRS),
- SERVICES FOR ORGANIZING ENTERTAINMENT EVENTS (E.G., WEDDINGS AND SIMILAR EVENTS),
- RETAIL TRADE OF TOBACCO PRODUCTS. ..."

### **Share Capital**

The company's capital amounts to €101,000.00, divided into 10,100 corporate shares of nominal value €10.00 each.

### **Corporate Composition**

- Shareholder with 51% of the company: Georgios Arvanitakis, son of Panagiotis, resident of Voula, Attica.
- Shareholder with 49% of the company: "XCG INVESTMENT SINGLE-MEMBER P.C."

### **Management**

According to its Articles of Association, the company is managed by Ms. Xenia Gali, daughter of Raouf and Christina, resident of Pallini, Attica, and Mr. Panagiotis Vaxevanakis, resident of Voula, Attica, who jointly represent the company as co-managers.

### **7. Important Remarks**

- This Report is provided exclusively for the purpose mentioned above, in accordance with the provisions of paragraph and Article 17 of Law 4548/2018, and cannot be used for any other purpose. The Appraisers consent to the publication of this report based on Article 17 of Law 4548/2018.
- The Appraisers assume no responsibility or liability if any information or facts provided are proven to be inaccurate, incorrect, or if significant documents were withheld.
- The opinion expressed is based on the business, economic, and other market conditions prevailing at the date of this report. We are under no obligation to revise our opinion should conditions change at a later stage unless requested in writing by our client.
- No special events, other than those described in this Report, which might be significant for determining the value of the website being contributed, were considered during our study.
- Although this Report includes references to legal matters or matters concerning other activities, it does not substitute for the need for a legal audit, which might uncover potential risks.

### **8. Information Sources**

To complete our work, we utilized the following data:

- Financial statements and company records for the fiscal years 2022-2023.
- Interim financial statements for the period 01/01/2024–30/09/2024.
- The company's Business Plan for the years 2024–2035, provided by the management of LATIN BEACH ATHENS I.K.E. and THE AZUR SELECTION A.E. The business plan for the company under evaluation covers the period until the end of the lease and operational utilization period for the Voula Coast Area A.
- Corporate presentations and additional informational materials regarding the operations of LATIN BEACH ATHENS I.K.E.
- Data and information concerning comparable companies in the hospitality sector.
- Various pieces of information obtained from the management of THE AZUR SELECTION A.E.
- General macroeconomic data and financial indicators from websites and databases widely used for company valuation purposes, such as the following:

- Interest rate data provider: Investingcom
- Financial data database: Damodaran
- International Monetary Fund (IMF)

The valuation of the company's value was based on the above data as well as on information obtained from discussions with the management of THE AZUR SELECTION A.E. and is dated 30/09/2024.

## **9. Valuation of the Contributed Asset**

For the valuation of the company's value, internationally accepted valuation methods were applied. Subsequently, the appropriateness of each method was assessed, and the most suitable was implemented. To estimate 100% of the share capital of "LATIN BEACH ATHENS I.K.E.," the Discounted Free Cash Flows (DCF) method was used.

The DCF method, in this case, is the most appropriate valuation method for a company's share capital as it considers the company's historical and recent performance while also emphasizing its future ability to grow and deliver value to its shareholders. Although this method involves inherent complexities, it results in a range of market values for a company's total share capital based on the present value of the future cash flows the company is expected to generate.

The DCF method involves the following steps:

1. Calculation of future cash flows (free cash flows to the firm) for the business plan period (typically 3–5 years).
2. Estimation of the company's terminal value (i.e., the value of cash flows beyond the final year of the business plan).
3. Calculation of the appropriate discount rate (Weighted Average Cost of Capital - WACC).
4. Discounting the cash flows and terminal value to arrive at the company's value.
5. Subtraction of net debt to derive the company's equity value.
6. Addition of surplus assets and equity investments.
7. Estimation of working capital as of the transaction date.

It is evident that a prerequisite for using this method is the existence of reliable projections for a company's future cash flows, which will be discounted as of the valuation date using the appropriate discount rate (WACC).

These projections are based on the business plan of the company under valuation, which must cover at least three years or, ideally, five years to provide sufficient data for the application of the DCF method.

Based on the valuation method used and the specific characteristics of the company under consideration, the estimated value of the contributed corporate shares was calculated at €2,351,613 (two million three hundred fifty-one thousand six hundred thirteen Euros).

Based on the above, the contributors of the assessed corporate shares, to cover the share capital increase of "THE AZUR SELECTION A.E.," are entitled to receive shares with a total nominal value of €2,351,613 (two million three hundred fifty-one thousand six hundred thirteen Euros).

Specifically:

- Mr. Georgios Arvanitakis, son of Panagiotis, is entitled to shares with a total nominal value of €1,199,323 (one million one hundred ninety-nine thousand three hundred twenty-three Euros).

- The company "XCG INVESTMENT SINGLE-MEMBER I.K.E." is entitled to shares with a total nominal value of €1,152,290 (one million one hundred fifty-two thousand two hundred ninety Euros).

Neo Iraklio, 10/1/2025

**CERTIFIED AUDITORS**

**KONSTANTINOS NIFOROPOULOS**

**DELIGIANNIS THEODOROS**



CERTIFIED AUDITOR  
R.N. SOEL 16541



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