

**APHRODITE SPRINGS PUBLIC LIMITED**

**UNAUDITED INTERIM CONDENSED  
FINANCIAL STATEMENTS**

Period ended 30 June 2024

# **APHRODITE SPRINGS PUBLIC LIMITED**

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## **UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

Period ended 30 June 2024

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# APHRODITE SPRINGS PUBLIC LIMITED

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## BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

**Board of Directors**

George Misirlis  
Elias Neocleous  
Demetris Rotis  
Aristotelis Karytinis

**Company secretary**

P & D Secretarial Services Limited

**Independent auditors**

Ernst & Young Cyprus Limited  
Certified Public Accountants and Registered Auditors  
27 Spyrou Kyprianou Ave.,  
4003 Mesa Yitonia  
Limassol  
Cyprus

**Registered office**

10 Georgiou Gennadiou Street  
Office 303, 3rd Floor, Agathaggelos Court  
3041 Limassol  
Cyprus

**Bankers**

Bank of Cyprus Public Company Ltd

**Registration number**

HE174743

## **APHRODITE SPRINGS PUBLIC LIMITED**

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### **DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

In accordance with the relative legislation and the regulations of the Cyprus Stock Exchange we, the members of the Board of Directors and other officers responsible for drafting the unaudited interim condensed financial statements of Aphrodite Springs Public Limited (the "Company") for the period ended 30 June 2024, on the basis of our knowledge, declare that:

- i. The unaudited interim condensed financial statements of the Company have been prepared in accordance with the applicable International Financial Reporting Standards, as adopted by the European Union and the provisions of the Law,
- ii. The unaudited interim condensed financial statements of the Company provide a true and fair view of the assets and liabilities, the financial position and profit and loss of the Company,
- iii. The unaudited interim management report, provides a fair view of the developments and the performance as well as the financial position of the Company, together with a description of the main risks and uncertainties faced by the Company.

#### **Members of the Board of Directors:**

George Misirlis

Elias Neodeous

Demetris Rotis

Aristotelis Karytinis

#### **Responsible for preparation of Unaudited Interim Condensed Financial Statements**

Kyriakoula Paourou – Financial Reporting Manager



Limassol, 24 September 2024

# APHRODITE SPRINGS PUBLIC LIMITED

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## INTERIM MANAGEMENT REPORT

The Board of Directors of Aphrodite Springs Public Limited (the "Company") presents to the members its Interim management report and unaudited interim condensed financial statements of the Company for the six-month period ended 30 June 2024.

The unaudited interim condensed consolidated financial statements, which have been prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting", have not been audited by the external auditors of the Company.

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

The principal activities of the Company continue to be the development and operation of a golf course and real estate (including the separation of land into building plots) and related amenities.

### **Review of current position, future development and performance of the Company's business**

The Company is the owner of land near the village of Kouklia and within Aphrodite Hills, in Pafos. One of the main goals of the master plan is to create a contemporary designed, integrated leisure and residential community project that includes luxurious villas and apartments, a championship golf course, a golf club, spa and sports center and commercial and retail facilities, such as restaurants and shops. In addition, the Company is in the process of obtaining building permits for a) plot & road separations, and b) the clubhouse and maintenance building.

The net loss attributable to the shareholders for the first six months of 2024 amounted to €39.678 (30.06.2023: €56.453). On 30 June 2024 the total assets of the Company were €6.741.952 (31.12.2023: €6.761.055) and the net assets of the Company were €4.667.235 (31.12.2023: €4.706.913). The Company, at present, has no revenue since the project is under development and there is no other type of trading revenue. The expenses are mainly administrative. The Company ultimately relies on the continued support of the controlling shareholder to continue as a going concern and meet its obligations as they fall due (Note 4).

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 17 of the unaudited interim condensed financial statements.

### **Existence of branches**

The Company does not maintain any branches.

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

The Company is exposed to credit risk, liquidity risk and capital risk from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed in note 6.

### **Results**

The Company's results for the period are set out on page 5.

### **Dividends**

The Company did not have any distributable profits as at 30 June 2024, thus the Board of Directors cannot recommend the payment of a dividend.

### **Research and development activities**

The Company did not carry out any research and development activities during the period.

### **Share capital**

#### **Authorised capital**

There were no changes in the authorised share capital of the Company during the period under review.

#### **Issued capital**

On 22 February 2023, the Company received settlement for a total of 6 issued and allotted ordinary shares issued to Invel Real Estate Partners Three Limited. The shares were issued at a nominal value of €1,71 and premium of €1.632,29 each. The shareholders' contribution of €1.251 was capitalised through the above-mentioned share issue and the remaining €8.553 was received in cash (note 14).

# APHRODITE SPRINGS PUBLIC LIMITED

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## INTERIM MANAGEMENT REPORT *(continued)*

### **Corporate Governance Code**

The Board of Directors, as at the date of this report has decided not to adopt the Corporate Governance Code as it is not mandatory for companies listed on the Cyprus Stock Exchange (Emerging Companies Market). The main reason for the non-adoption is that the cost of possible implementation as per the provisions of the Corporate Governance Code would be disproportionate to the identified benefits from its implementation. The Board of Directors ensures adequate internal control and risk management procedures for the preparation of the periodic information required for listed companies.

### **Board of Directors**

The members of the Company's Board of Directors as at 30 June 2024 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period ended 30 June 2024.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office until their resignation or removal.

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

### **Operating Environment of the Company**

Any significant events that relate to the operating environment of the Company are described in note 17 to the unaudited interim condensed financial statements.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 23 to the unaudited interim condensed financial statements.

By order of the Board of Directors,



George Misirlis  
Director

Limassol, 24 September 2024

## APHRODITE SPRINGS PUBLIC LIMITED

### UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2024

		Six months period ended 30.06.2024 €	Six months period ended 30.06.2023 €
	Note		
Administration expenses	8	<u>(39.359)</u>	<u>(56.070)</u>
<b>Operating loss</b>		<b>(39.359)</b>	<b>(56.070)</b>
Finance expenses	9	<u>(319)</u>	<u>(383)</u>
<b>Loss before tax</b>		<b>(39.678)</b>	<b>(56.453)</b>
Tax	10	<u>-</u>	<u>-</u>
<b>Net loss for the period</b>		<b>(39.678)</b>	<b>(56.453)</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>		<b><u>(39.678)</u></b>	<b><u>(56.453)</u></b>
<b>Basic and diluted loss per share attributable to equity holders of the Company (€)</b>	22	<b><u>(1,70)</u></b>	<b><u>(2,43)</u></b>

The notes on pages 9 to 24 form an integral part of the unaudited interim condensed financial statements.

# APHRODITE SPRINGS PUBLIC LIMITED

## UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30.06.2024 €	Audited 31.12.2023 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>6.489.099</b>	6.489.099
Other receivables	12	<b>242.169</b>	236.374
<b>Total non-current assets</b>		<b>6.731.268</b>	6.725.473
<b>Current assets</b>			
Cash at bank	13	<b>10.684</b>	35.582
<b>Total current assets</b>		<b>10.684</b>	35.582
<b>Total assets</b>		<b>6.741.952</b>	6.761.055
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	<b>39.800</b>	39.800
Share premium	14	<b>7.730.951</b>	7.730.951
Accumulated losses		<b>(3.103.516)</b>	(3.063.838)
<b>Total equity</b>		<b>4.667.235</b>	4.706.913
<b>Current liabilities</b>			
Other payables and accruals	16	<b>2.015.937</b>	2.024.720
Payables to related parties	18.2	<b>58.780</b>	24.422
<b>Total current liabilities</b>		<b>2.074.717</b>	2.054.142
<b>Total equity and liabilities</b>		<b>6.741.952</b>	6.761.055

On 24 September 2024 the Board of Directors of Aphrodite Springs Public Limited authorised these unaudited interim condensed financial statements for issue.

  
George Misirlis  
Director

  
Demetris Rotis  
Director

The notes on pages 9 to 24 form an integral part of the unaudited interim condensed financial statements.



# APHRODITE SPRINGS PUBLIC LIMITED

## UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

Period ended 30 June 2024

	Note	Share capital €	Share premium €	Shareholders' contribution €	Accumulated losses €	Total €
<b>Balance at 1 January 2023</b>		<b>39.790</b>	<b>7.721.157</b>	<b>1.251</b>	<b>(2.970.644)</b>	<b>4.791.554</b>
<b>Comprehensive loss</b>						
Net loss for the period ended 30 June 2023/ Total comprehensive loss for the period ended 30 June 2023		-	-	-	(56.453)	(56.453)
<b>Transactions with owners</b>						
Issue of share capital	14	10	9.794	(1.251)	-	8.553
<b>Balance at 30 June 2023</b>		<b>39.800</b>	<b>7.730.951</b>	<b>-</b>	<b>(3.027.097)</b>	<b>4.743.654</b>
<b>Comprehensive loss</b>						
Net loss from 1 July 2023 to 31 December 2023/ Total comprehensive loss from 1 July 2023 to 31 December 2023		-	-	-	(36.741)	(36.741)
<b>Balance at 31 December 2023/ 1 January 2024</b>		<b>39.800</b>	<b>7.730.951</b>	<b>-</b>	<b>(3.063.838)</b>	<b>4.706.913</b>
<b>Comprehensive loss</b>						
Net loss for the period ended 30 June 2024/ Total comprehensive loss for the period ended 30 June 2024		-	-	-	(39.678)	(39.678)
<b>Balance at 30 June 2024</b>		<b>39.800</b>	<b>7.730.951</b>	<b>-</b>	<b>(3.103.516)</b>	<b>4.667.235</b>

Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 9 to 24 form an integral part of the unaudited interim condensed financial statements.

# APHRODITE SPRINGS PUBLIC LIMITED

## UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS

Period ended 30 June 2024

	Note	Six months period ended 30.06.2024 €	Six months period ended 30.06.2023 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<u>(39.678)</u>	<u>(56.453)</u>
		<b>(39.678)</b>	<b>(56.453)</b>
<b>Changes in working capital:</b>			
Increase in other receivables		<b>(5.795)</b>	(10.649)
Decrease in other payables and accruals		<b>(8.783)</b>	(1.800)
(Decrease)/increase in payables to related parties		<u><b>29.358</b></u>	<u>(60.073)</u>
<b>Cash used in operations</b>		<b>(24.898)</b>	<b>(128.975)</b>
Tax paid		<u>-</u>	<u>-</u>
<b>Net cash used in operating activities</b>		<u><b>(24.898)</b></u>	<u><b>(128.975)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital	14	<u>-</u>	<u>8.553</u>
<b>Net cash generated from financing activities</b>		<u>-</u>	<u>8.553</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(24.898)</b>	<b>(120.422)</b>
Cash and cash equivalents at beginning of the period		<u><b>35.582</b></u>	<u>192.817</u>
<b>Cash and cash equivalents at end of the period</b>	13	<u><b>10.684</b></u>	<u>72.395</u>

### Non-cash transactions:

For the non-cash transactions refer to Notes 14 and 15 of the unaudited interim condensed financial statements.

The notes on pages 9 to 24 form an integral part of the unaudited interim condensed financial statements.

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 1. Corporate information

#### Country of incorporation

Aphrodite Springs Public Limited (the "Company") was incorporated in Cyprus on 7 April 2006 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 13 December 2017, the company changed its legal form from a private limited liability company to that of a public company. Its registered office is at 10 Georgiou Gennadiou Street, Office 303, 3rd Floor, Agathaggelos Court, 3041 Limassol, Cyprus.

The Company's shares were successfully listed on the Cyprus Stock Exchange (Emerging Companies Market) on 23 July 2020.

#### Unaudited interim condensed financial statements

The unaudited interim condensed financial statements for the six months ended on 30 June 2023 and 2024 respectively, have not been audited by the external auditors of the Company.

#### Principal activities

The principal activities of the Company continue to be the development and operation of a golf course and real estate (including the separation of land into building plots) and related amenities.

### 2. Basis of preparation

The unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The unaudited interim condensed financial statements were authorised for issue by the Board of Directors on 24 September 2024.

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

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Summary of material accounting policies

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

#### Going concern basis

The Company incurred a net loss of €39.678 for the period ended 30 June 2024, and, as of that date the Company's current liabilities exceeded its current assets by €2.064.033. Furthermore, following the granting of the planning permit for the development of its golf and real estate project, the Company is due to make annual payments of €500.000 (Note 21) to the authorities and will continue to incur other expenses in the foreseeable future as the strategy for execution of this project develops and progresses. Notwithstanding the above, these unaudited interim condensed financial statements have been prepared on a going concern basis and the Board of Directors considers that no material uncertainty exists in relation to the Company's ability to continue as a going concern.

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 4. Summary of material accounting policies *(continued)*

#### Going concern basis *(continued)*

The following factors were considered when making this determination:

- The Company is depended upon the continuing financial support of its direct and major shareholder; Prodea Real Estate Investment Company S.A.; without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. Prodea Real Estate Investment Company S.A. has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due. The Company will rely on the financial support of its controlling shareholder to finance the expenses and any levy payments that the Company may decide to make.
- The estimated fair value of the land owned by the Company significantly exceeds the carrying value on the basis of external valuation obtained. This provides additional comfort as the fair value of the Company's assets exceed its liabilities (the land and golf development project under construction is currently accounted for at cost).

#### Functional and presentation currency

Items included in the Company's unaudited interim condensed financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The unaudited interim condensed financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the unaudited interim condensed financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 4. Summary of material accounting policies *(continued)*

#### **Property, plant and equipment**

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

Property, plant and equipment consists of land and golf buildings and infrastructure which are currently under construction. These are stated at historical cost. Cost comprises directly construction costs as well as other expenses related to the construction.

Properties in the course of construction for production, rental or administrative purposes, are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Land is not depreciated.

Depreciation is recognised in the statement of profit or loss on the straight line basis over the useful lives each part of an item of property, plant and equipment. Since the golf development project is still under construction and consequently the assets are not yet in use, there is no provision for depreciation.

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

The capitalisation of expenses is terminated once all necessary work relating to the construction of the fixed asset for its predetermined use is effectively completed.

#### **Impairment of non-financial assets**

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

#### **Financial assets**

##### **Financial assets - initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL).

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and 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 with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 4. Summary of material accounting policies *(continued)*

#### Financial assets *(continued)*

#### Financial assets - initial recognition and measurement *(continued)*

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows with financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

The Company holds only debt instruments at amortised cost.

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

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

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item. No credit loss allowance was recognised in the current or prior period.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL.

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

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

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

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 4. Summary of material accounting policies *(continued)*

#### **Financial assets - impairment - credit loss allowance for ECL *(continued)***

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

#### **Cash and cash equivalents**

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

#### **Financial liabilities - initial recognition and measurement categories**

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Financial liabilities of the Company comprise other payables and accruals and payables to related parties.

#### **Share capital**

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

#### **Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 5. New accounting pronouncements

#### Standards issued but not yet effective

Up to the date of approval of the unaudited interim condensed financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

##### (i) Issued by the IASB but not yet adopted by the European Union

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for annual period beginning on or after 1 January 2025)*
- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024) (effective for annual period beginning on or after 1 January 2026)*
- *IFRS 18 Presentation and Disclosure in Financial Statements. On April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements (effective for annual period beginning on or after 1 January 2027)*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024) (effective for annual period beginning on or after 1 January 2027)*
- *Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture postponing their effective date indefinitely*
- *Annual Improvements Volume 11 (issued on 18 July 2024) (effective for annual period beginning on or after 1 January 2026)*

### 6. Financial risk management

#### Financial risk factors

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

##### 6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash at bank.

##### (i) Risk management

Credit risk is managed on an individual basis. Management estimates ECL, in accordance with IFRS 9, by taking into account reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions, the conflict and related sanctions in Ukraine, Russia and/or Belarus and the conflict in Israel and Hamas and the widespread reduction in economic activity across the globe and cash flow difficulties experienced by their counterparties.



# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 6. Financial risk management (continued)

#### Financial risk factors (continued)

##### 6.1 Credit risk (continued)

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

The Company has only the following type of financial assets that is subject to the expected credit loss model:

- Cash at bank

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

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

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

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

#### Cash at bank

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 30 June 2024 and 31 December 2023:

Name of Counterparty	External credit rating	30.06.2024	Audited 31.12.2023
		€	€
Bank of Cyprus	Baa2	10.684	-
Bank of Cyprus	Ba2	-	35.582
<b>Total</b>		<b>10.684</b>	<b>35.582</b>

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls.

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

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

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 6. Financial risk management *(continued)*

#### 6.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

#### 30 June 2024

	Contractual cash flows	1-12 months	Total
	€	€	€
Other payables and accruals	2.015.937	2.015.937	2.015.937
Payables to related parties	<u>58.780</u>	<u>58.780</u>	<u>58.780</u>
	<u>2.074.717</u>	<u>2.074.717</u>	<u>2.074.717</u>

#### 31 December 2023

	Contractual cash flows	1-12 months	Total
	€	€	€
Other payables and accruals	2.024.720	2.024.720	2.024.720
Payables to related parties	<u>29.422</u>	<u>29.422</u>	<u>29.422</u>
	<u>2.054.142</u>	<u>2.054.142</u>	<u>2.054.142</u>

#### 6.3 Capital risk management

Capital includes equity shares, share premium, shareholders' contribution and accumulated losses.

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's overall strategy remains unchanged.

# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

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

The preparation of the Company's unaudited interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. 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 the future.

#### *Judgments*

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the unaudited interim condensed financial statements:

- **Going concern basis**

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 4.

- **Additions to property, plant and equipment (Note 11)**

The Company is progressively recognising the levies due for maintaining its golf planning permit in the property, plant and equipment additions as the development activity progresses. The total outstanding commitment as at 30 June 2024 is disclosed in Note 21.

### 8. Administration expenses

	<b>Six months period ended 30.06.2024</b>	Six months period ended 30.06.2023
	€	€
Auditor's remuneration- current period	<b>5.785</b>	8.990
Legal fees	-	1.500
Management and professional fees	<b>29.919</b>	42.460
Other expenses	<b>3.655</b>	3.120
<b>Total administrative expenses</b>	<b>39.359</b>	56.070

### 9. Finance expenses

	<b>Six months period ended 30.06.2024</b>	Six months period ended 30.06.2023
	€	€
Bank charges	<b>319</b>	383
<b>Finance expenses</b>	<b>319</b>	383

# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 10. Tax

	Six months period ended 30.06.2024 €	Six months period ended 30.06.2023 €
<b>Charge for the period</b>	-	-

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	Six months period ended 30.06.2024 €	Six months period ended 30.06.2023 €
Loss before tax	(39.678)	(56.453)
Tax calculated at the applicable tax rates	(4.960)	(7.057)
Tax effect of expenses not deductible for tax purposes	109	106
Tax effect of allowances and income not subject to tax	(70)	-
Tax effect of tax loss for the period	4.921	6.951
<b>Tax charge</b>	-	-

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the period, no tax liability arises on the Company. Under current legislation, as at 30 June 2024, the balance of tax losses which is available for offset against future taxable profits amounts to €567.659 (31.12.2023: €616.675) for which no deferred tax asset is recognised in the statement of financial position.

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Tax losses for which no deferred tax asset was recognised expire as follows:

Tax period/year	30.06.2024 €	Audited 31.12.2023 €	Expiry date
2019	-	88.484	2024
2020	228.582	228.582	2025
2021	139.763	139.763	2026
2022	73.178	73.178	2027
2023	86.768	86.768	2028
30 June 2024	39.368	-	2029
	<b>567.659</b>	<b>616.775</b>	

# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 11. Property, plant and equipment

	Land	Golf development project under construction	Total
	€	€	€
<b>Cost</b>			
Balance at 1 January 2023	2.468.896	3.520.203	5.989.099
Additions	-	500.000	500.000
<b>Balance at 31 December 2023/ 1 January 2024</b>	<b>2.468.896</b>	<b>4.020.203</b>	<b>6.489.099</b>
Additions	-	-	-
<b>Balance at 30 June 2024</b>	<b>2.468.896</b>	<b>4.020.203</b>	<b>6.489.099</b>
<b>Net book amount</b>			
<b>Balance at 30 June 2024</b>	<b>2.468.896</b>	<b>4.020.203</b>	<b>6.489.099</b>
Balance at 31 December 2023	2.468.896	4.020.203	6.489.099

The additions of €500.000 during 2023, relate to the sixth instalment of the levy due by the Company. Only the first two instalments have been settled and the remaining four instalments remained outstanding as at period end (Notes 16 and 21). No additions during the period end.

### 12. Other receivables

	30.06.2024	Audited 31.12.2023
	€	€
VAT refundable	242.059	234.154
Other receivables and prepayments	110	2.220
	<b>242.169</b>	236.374
Less non-current receivables	<b>(242.169)</b>	<b>(236.374)</b>
<b>Current portion</b>	<b>-</b>	<b>-</b>

VAT refundable is recognised on the basis that it will be offset with future output VAT, following the commencement of the Company's operations and for this reason is accounted for as a non-current asset.

# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 13. Cash at bank

Cash balances are analysed as follows:

	30.06.2024	Audited 31.12.2023
	€	€
Cash at bank	<u>10.684</u>	<u>35.582</u>
	<u>10.684</u>	<u>35.582</u>

All cash at bank is held and denominated in Euros.

For the purposes of the statement of cash flows, the cash and cash equivalents include cash at bank.

### Non-cash transactions

The principal non-cash transactions during the prior period were the issue of shares for exchange of the shareholders' contribution (Note 14).

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the unaudited interim condensed financial statements.

### 14. Share capital

	30.06.2024 Number of shares	30.06.2024 €	Audited 31.12.2023 Number of shares	Audited 31.12.2023 €
<b>Authorised</b>				
Ordinary shares of €1,71 each	<u>24.193</u>	<u>41.370</u>	<u>24.193</u>	<u>41.370</u>
<b>Issued and fully paid</b>				
Balance at 1 January	23.275	39.800	23.269	39.790
Issue of shares	-	-	6	10
<b>Balance at 31 December</b>	<u>23.275</u>	<u>39.800</u>	<u>23.275</u>	<u>39.800</u>

#### Authorised capital

There were no changes in the authorised share capital of the Company during the period under review.

#### Issued capital

On 27 December 2022, the Company received settlement for a total of 3.269 issued and allotted ordinary shares out of which 117 shares were issued to Invel Real Estate Partners Three Limited and 3.152 shares were issued to Prodea Real Estate Investment Company S.A. The shares were issued at a nominal value of €1,71 and premium of €1.632,29 each. The shareholders' contribution of €5.148.749 was capitalised through the above-mentioned share issue (Note 15) while the remaining €192.797 was received in cash.

On 22 February 2023, the Company received settlement for a total of 6 issued and allotted ordinary shares issued to Invel Real Estate Partners Three Limited. The shares were issued at a nominal value of €1,71 and premium of €1.632,29 each. The shareholders' contribution of €1.251 was capitalised through the above-mentioned share issue and the remaining of €8.553 was received in cash (Note 15).

# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 15. Other reserves

	Shareholders' contribution €	Total €
Balance at 1 January 2023	1.251	1.251
Share issue (Note 14)	(1.251)	(1.251)
<b>Balance at 31 December 2023/ 1 January 2024</b>	-	-
Share issue (Note 14)	-	-
<b>Balance at 30 June 2024</b>	-	-

The capital injection of a total €5.150.000 contributed and paid in cash by the two shareholders during 2021.

According to the agreement, the amount received is considered to be an advance payment for the issue and allotment of new shares to the aforementioned shareholders pro rata to their contribution shareholding.

During 2022, the Company has increased its authorised share capital and received settlement for issued shares to its shareholders in order to capitalise the contribution of €5.148.749 (Note 14).

On 22 February 2023, the Company received settlement for additional shares issued to one of its shareholders in order to capitalise the remaining contribution of €1.251 (Note 14).

### 16. Other payables and accruals

	30.06.2024 €	Audited 31.12.2023 €
Accruals	<b>2.015.937</b>	2.024.720
	<b>2.015.937</b>	2.024.720

The amount of €2.000.000 (2023: €2.000.000) included in accruals relates to the outstanding third, fourth, fifth and sixth annual instalments of the total levy due by the Company (Notes 11 and 21).

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

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 17. Operating Environment of the Company

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict, and Management's current expectations and estimates could differ from actual results.

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

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

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

On 7 October 2023 a conflict between Israel and Hamas started around the Gaza Strip. On that day, Palestinian military groups launched an attack on southern Israel, starting the most significant military escalation in the region. The conflict may have serious consequences on the global economy, which are currently difficult to estimate

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

The Company's Management has assessed:

- (1) The ability of the Company to continue as a going concern (Note 4).
- (2) That no material impairment allowances were identified over the Company's financial assets (cash at bank) and non-financial assets by considering the economic situation and outlook at the end of the reporting period.
- (3) That following the impact which the conflict in Ukraine, Russia and Belarus and the conflict between Israel and Hamas had on the Cyprus and global economy and, consequently, on the business plan of the Company, it is expected that the timeframe of the business plan will be moved forward as the investors' interest in the development of the integrated golf resort has not been as initially expected and the anticipated funding was not yet secured.

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



# APHRODITE SPRINGS PUBLIC LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 18. Related party transactions

The Company's immediate and ultimate controlling shareholder is Prodea Real Estate Investment Company SA, a company incorporated in Greece.

The ultimate parent entity prepares the consolidated financial statements of the largest group of companies of which the Company forms part as a subsidiary and are available at the website <https://prodea.gr/>.

The following balances and transactions were carried out with related parties:

#### 18.1 Purchases of services

		Six months period ended 30.06.2024 €	Six months period ended 30.06.2023 €
	<u>Nature of transactions</u>		
Aphrodite Hills Resort Limited (affiliated company)	Management fees	25.000	25.000
		<u>25.000</u>	<u>25.000</u>

#### 18.2 Payables to related parties

		30.06.2024 €	Audited 31.12.2023 €
<u>Name</u>	<u>Nature of transactions</u>		
Aphrodite Hills Resort Limited (affiliated company)	Management fees	58.780	29.422
		<u>58.780</u>	<u>29.422</u>

The above balances are interest free, unsecured and have no specified repayment date. On this basis, the balances are considered to be payable on demand and have therefore been classified as short-term.

### 20. Contingent liabilities

The Company had no significant contingent liabilities as at 30 June 2024 and 31 December 2023.

### 21. Commitments

#### Capital commitments

The Company obtained the necessary town planning permit for the golf development and plot separation. The planning permit was granted subject to certain conditions being met. Amongst other things, the Company must pay €5 million in 10 equal instalments, the first of which was settled during 2018 and the second of which was settled in July 2019. The aforementioned payments were made to the authorities by Aphrodite Hills Resort Limited on behalf of the Company. The third, fourth, fifth and sixth annual instalments for the total amount of €2.000.000, have been accrued and remained unpaid as at 30 June 2024 (Note 16) and hence, total outstanding commitment as at 30 June 2024 is €2.000.000 (2023: €2.000.000).

# APHRODITE SPRINGS PUBLIC LIMITED

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## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2024

### 21. Commitments *(continued)*

#### Capital commitments *(continued)*

The Company signed a contract with Cabel B. Robinsol S.L (golf course architects) for the design and overall supervision of the golf development project. The total value of the contract is €325.000 of which work amounting to €15.000 has been undertaken to date. As the permit has now been granted, the Board of Directors expects that the remaining work under this contract to be executed once investors and the necessary financing are secured.

The Company previously entered into an agreement with A.S.D Hyperstatic Engineering Desing for the design of infrastructure which is required to be submitted for the Building Permit for an amount of €70.000 plus applicable VAT. As at 30 June 2024, the Company has paid €50.000 of this amount.

### 22. Basic and diluted loss per share attributable to equity holders of the Company

The basic and diluted earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

	Six months period ended 30.06.2024	Six months period ended 30.06.2023
<b>Loss attributable to shareholders (€)</b>	<b><u>(39.678)</u></b>	<b><u>(56.453)</u></b>
Weighted average number of ordinary shares in issue during the period	<b><u>23.275</u></b>	<b><u>23.271</u></b>
<b>Basic and diluted loss per share attributable to equity holders of the Company (€)</b>	<b><u><u>(1.70)</u></u></b>	<b><u><u>(2.43)</u></u></b>

### 23. Events after the reporting period

Except from the matters mentioned in note 17, there were no other material events after the reporting period, which have a bearing on the understanding of the unaudited interim condensed financial statements.