

# **MAGEAN HOLDING PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS**

Period 01 January 2025 – 30 June 2025

# **MAGEAN HOLDING PLC**

## **CONSOLIDATED FINANCIAL STATEMENTS**

30 June 2025

### **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

George Mavromaras  
Panagiotis Tsaggaris  
Christos Filotheou

**Company Secretary:**

Panagiotis Tsaggaris

**Independent Auditors:**

Meritorius Audit Ltd  
Certified Public Accountants and Registered Auditors  
3A Theodorou Potamianou str.  
1st Floor, Office 101  
4155 Limassol

**Registered office:**

2 Riga Fereou  
Limassol Center, Block B, Off.401  
3095, Limassol, Cyprus

**Bankers:**

UBS Switzerland AG  
Alpha Bank Cyprus Ltd  
Optima Bank

**Registration number:**

HE185775

# MAGEAN HOLDING PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period 01 January 2025 – 30 June 2025

INCOME STATEMENT	Note	01/01/2025 - 30/06/2025	01/01/2024 - 30/06/2024
Revenue	7	7.644.145	6.433.166
Cost of Sales	8	5.545.878	4.728.567
<b>Gross profit</b>		<b>2.098.266</b>	<b>1.704.599</b>
Other operating income	9	5.496	51.869
		<b>2.103.762</b>	<b>1.756.468</b>
Selling and distribution expenses	10	1.190.787	954.009
Administration expenses	11	683.405	626.874
Income from valuation at fair value of assets		20.600	57.755
Other operating income		63.398	21.839
Other operating expenses		6.963	2.579
<b>Earnings / Loss before interest, taxes, depreciation and amortization</b>		<b>306.606</b>	<b>252.601</b>
Financial income	12	1.812	7.462
Financial expenses	12	302.292	391.616
<b>Earnings / Loss before taxes</b>		<b>6.126</b>	- <b>131.554</b>
Income tax	13	5.984	8.405
<b>Earnings / Loss after taxes</b>		<b>141</b>	- <b>139.958</b>
<b>Other comprehensive income</b>			
Actuarial profit / loss after deferred taxes		-	-
		<b>141</b>	- <b>139.958</b>

The notes on pages 06 to 38 form an integral part of these consolidated financial statements.

# MAGEAN HOLDING PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period 01 January 2025 – 30 June 2025

ASSETS	Notes	30/06/2025	31/12/2024
<b>Non-current assets</b>			
Property, Plant and Equipment	16	13.045.613	13.373.646
Right-of-use assets	17	243.910	175.354
Intangible assets	18	2.210	2.210
Other long-term assets		44.238	43.595
<b>Total</b>		<b>13.335.970</b>	<b>13.594.805</b>
<b>Current assets</b>			
Inventories	19	1.132.232	807.265
Trade and other receivables	20	4.713.075	3.506.286
Financial assets at fair value through profit or loss	21	1.223.723	1.440.033
Cash and cash equivalents	22	545.511	458.281
<b>Total</b>		<b>7.614.541</b>	<b>6.211.865</b>
<b>Total Assets</b>		<b>20.950.512</b>	<b>19.806.670</b>

  

LIABILITIES	Notes	30/06/2025	31/12/2024
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	23	1.019.155	1.019.155
Other reserves		554.102	554.102
Retained earnings		1.481.684	1.558.791
<b>Total</b>		<b>3.054.942</b>	<b>3.132.048</b>
Non-controlling interests		1.057.009	1.093.124
<b>Total equity</b>		<b>4.111.951</b>	<b>4.225.172</b>
<b>Long-term liabilities</b>			
Long-term loans	24	6.640.926	6.519.384
Long-term liabilities to financial leasing companies	25	1.090.674	1.253.648
Deferred tax liabilities / receivables & tax provisions	26	345.661	345.661
Provision for employee benefits	27	54.081	54.081
<b>Total Long-term liabilities</b>		<b>8.131.342</b>	<b>8.172.774</b>
<b>Current liabilities</b>			
Trade and other payables	28	4.459.303	3.526.891
Borrowings	24	3.958.063	3.531.574
Obligations under finance leases	25	269.000	268.210
Current tax liabilities		20.854	82.049
<b>Total Current liabilities</b>		<b>8.707.219</b>	<b>7.408.724</b>
<b>Total liabilities</b>		<b>16.838.561</b>	<b>15.581.498</b>
<b>Total equity and liabilities</b>		<b>20.950.512</b>	<b>19.806.670</b>

The notes on pages 06 to 38 form an integral part of these consolidated financial statements.

# MAGEAN HOLDING PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period 01 January 2025 – 30 June 2025

	Share Capital	Statutory reserve	Fair value reserve - land and buildings	Actuarial gain and losses	Retained earnings	Non-controlling interests	Equity
<b>Balance at 31 December 2023/ 1 January 2024</b>	<b>1.019.155</b>	<b>72.827</b>	<b>101.254</b>	<b>-172</b>	<b>2.168.332</b>	<b>853.406</b>	<b>4.214.802</b>
Net fair value reserve - land and buildings			376.084		192.140	376.084	944.308
Dividends					-620.355		-620.355
Actuarial loss for the year				4.109	-181.326	-136.366	-313.583
<b>Balance at 31 December 2024</b>	<b>1.019.155</b>	<b>72.827</b>	<b>477.338</b>	<b>3.937</b>	<b>1.558.791</b>	<b>1.093.124</b>	<b>4.225.172</b>
<b>Balance at 01 January 2025</b>	<b>1.019.155</b>	<b>72.827</b>	<b>477.338</b>	<b>3.937</b>	<b>1.558.791</b>	<b>1.093.124</b>	<b>4.225.172</b>
Tax differences for years 2021 - 2022					-36.177	-36.186	-72.363
Dividends					-41.000		-41.000
Actuarial gain for the year					71	71	141
<b>Balance at 30 June 2025</b>	<b>1.019.155</b>	<b>72.827</b>	<b>477.338</b>	<b>3.937</b>	<b>1.481.684</b>	<b>1.057.009</b>	<b>4.111.951</b>

The notes on pages 06 to 38 form an integral part of these consolidated financial statements.

# MAGEAN HOLDING PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 01 January 2025 – 30 June 2025

CONSOLIDATED STATEMENT OF CASH FLOWS	30/06/2025	30/06/2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Earnings before tax	141	( 131.554)
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	556.748	491.688
Fair value gains on financial assets at fair value through profit or loss	( 20.600)	57.755
Profit or loss from other operating activities	( 51.453)	( 12.008)
Unrealised exchange profit	-	( 98)
Interest income	( 1.812)	( 7.462)
Interest expense	302.295	384.255
<b>Changes in working capital:</b>		
(Increase)/decrease in inventories	( 324.967)	( 455.173)
(Increase)/decrease in trade and other receivables	( 855.123)	( 126.042)
(Increase)/ Decrease in trade and other payables	518.904	( 102.235)
<u>Less:</u>		
Interest paid	( 314.862)	( 411.130)
Tax refunded/(paid)	( 72.371)	( 8.405)
<b>Net cash generated from/(used in) operating activities (a)</b>	<b>( 263.099)</b>	<b>( 320.407)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	( 145.886)	( 149.885)
Payment for purchase of financial assets	( 130.304)	-
Proceeds from disposal of property, plant and equipment	383.125	429.661
Interest income	44.326	29.298
<b>Net cash used in investing activities (b)</b>	<b>151.260</b>	<b>309.073</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	3.447.319	3.776.261
Repayments of borrowings	( 2.994.783)	( 3.448.992)
Dividends paid	( 41.000)	-
Repayments of obligations under finance leases	( 212.468)	( 124.371)
<b>Net cash (used in)/generated from financing activities</b>	<b>199.069</b>	<b>202.898</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>87.230</b>	<b>191.563</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>458.281</b>	<b>1.435.430</b>
<b>Cash and cash equivalents at end of the year / period</b>	<b>545.511</b>	<b>1.626.993</b>

The notes on pages 06 to 38 form an integral part of these consolidated financial statements.

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

### **1. Incorporation and principal activities**

#### **Country of incorporation**

The Company Magean Holding Plc (the "Company") was incorporated in Cyprus on 18 October 2006 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 2 Riga Fereou, Limassol Center, Block B, Off.401, 3095, Limassol, Cyprus.

#### **Principal activities**

The principle activities of the Group are the import, purchase, sale, trading and distribution of all kinds of bakery and confectionery products and the creation of a network of retail stores of the above products in Greece and abroad.

### **2. Basis of preparation**

These consolidated 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. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

During the current year the Group 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 2025. This adoption did not have a material effect on the accounting policies of the Group.

### **4. Material accounting policies**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

#### **Basis of consolidation**

The consolidated financial statements of the Group include the financial statements of the parent company Magean Holdings Plc and its subsidiary Bakehellas A.B.E.E.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

#### **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Revenue

##### Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices ) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

##### Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

- **Sale of goods**

Sales of goods are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised goods to the customer, which is usually when the goods are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the goods.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Revenue recognition (continued)

- **Rendering of services**

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2024 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. When financial assets at fair value through other comprehensive income are sold or impaired, the accumulated fair value adjustments are transferred to retained earnings.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Financing component**

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Revenue recognition (continued)

- **Contract assets and contract liabilities**

In case the services rendered by the Group as of the reporting date exceed the payments made by the customer as of that date and the Group does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Group assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9. If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Group recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

- **Costs to obtain or fulfil contracts with customers**

The Group recognises the incremental costs incurred by the Group to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable, and record the in "Other assets" in consolidated statement of financial position. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in consolidated statement of profit or loss and other comprehensive income. Additionally the asset is assessed for impairment and any impairment loss is recognised in "cost of sales" in consolidated statement of profit or loss and other comprehensive income.

The Group recognise the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognised is one year or less.

#### Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Tax

Income tax expense represents the sum of the tax currently payable and deferred 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.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Tax (continued)

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 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.

#### Dividends

Interim dividends are recognised in equity in the year in which they are approved by the Company's Directors. Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Company's shareholders.

#### Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used are as follows:

	%
Buildings	4
Machinery - Technical installations and other mechanical equipment	10-15
Motor Vehicles leasing	10-20
Furniture, fixtures and office equipment	20
Main Production Line Machinery	5

No depreciation is provided on land.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

### **4. Material accounting policies (continued)**

#### **Property, plant and equipment (continued)**

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

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

#### **Deferred income from government grants**

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

#### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Leases (continued)

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

The lease liabilities are presented in 'loans and borrowings' in the consolidated statement of financial position.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

#### 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 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Classification (continued)

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**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 consolidated statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.



# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Measurement (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

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

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group 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 consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Financial assets (continued)

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

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

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group 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.

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 Group 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 5, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group 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 Group's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, Credit risk section for a description of how the Group determines low credit risk financial assets.

##### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

##### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

##### Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 4. Material accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in borrowings in current liabilities. 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.

#### Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

#### Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 5, Credit risk section.

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

### **4. Material accounting policies (continued)**

#### **Financial assets (continued)**

##### **Classification as trade receivables (continued)**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

#### **Financial guarantee contracts**

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 "Financial Instruments", and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with customers".

#### **Financial liabilities - measurement categories**

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **Borrowings**

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### **Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

### **4. Material accounting policies (continued)**

#### **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

#### **Prepayments**

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

#### **Share capital**

Ordinary shares are classified as equity.

#### **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### **Non-current liabilities**

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### **Comparatives**

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

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 5. Financial risk management

#### Financial risk factors

The Group continuously monitors developments with the aim of limiting as much as possible the possible negative effects, which may arise from various events such as market price risk, interest rate risk, credit risk, liquidity risk, currency risk, competition risk, risk of demand decline, operational risk, risk of stock depreciation, stock insurance, reputational loss risk and other risks. The policy that the Group applies to manage the risks, in order to control them, is explained below:

#### 5.1 Market price risk

Market price risk is the risk that the value of financial instruments fluctuates due to changes in market prices. Financial assets available for sale and financial assets valued at fair value through the Group's results are subject to market price risk due to uncertainty about future investment prices. The Group manages market price risk through diversification of the investment portfolio.

#### 5.2 Interest rate risk

Interest rate risk is the risk where the value of financial instruments fluctuates due to changes in market interest rates. The income and cash flow from the Group's operations are substantially independent of changes in market interest rates, as long as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-short-term borrowings. Borrowing at variable rates exposes the Group to interest rate risk related to cash flows. Borrowing at fixed rates exposes the Group to interest rate risk to fair value. The Company's Management monitors fluctuations in interest rates on an ongoing basis and acts accordingly.

#### 5.3 Credit risk

The Management implements credit control procedures with the aim of minimizing bad debts and maintaining high liquidity. The Group's policy is to work with reliable customers. Each new customer is tested on an individual basis for their creditworthiness. Credit limits are set for each customer and specific terms of sales and receipts are applied, which are reviewed at regular intervals and depending on the circumstances. The Management of the Group considers that at the end of the year 2023 there is no substantial credit risk that is not covered by a provision for a bad debt, while it is noted that for those receivables whose collection has been delayed beyond the usual commercial terms of the transaction due to the current conditions prevailing mainly in the Greek market, the Management has taken all measures to collect them.

##### *(i) Impairment of financial assets*

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- cash and cash equivalents

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

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 5. Financial risk management (continued)

#### 5.3 Credit risk (continued)

##### *(i) Impairment of financial assets (continued)*

- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group 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 Group 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 Group 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 and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### *Significant increase in credit risk*

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

##### *Low credit risk*

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 5. Financial risk management (continued)

#### 5.3 Credit risk (continued)

##### *(i) Impairment of financial assets (continued)*

###### *Default*

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

###### *Write-off*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

#### **Trade receivables and contract assets**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

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

The Group assesses, on a group 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.

Bank deposits held with banks with investment grade rating are considered as low credit risk.



# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 5. Financial risk management (continued)

#### 5.3 Credit risk (continued)

*(i) Impairment of financial assets (continued)*

#### Cash and cash equivalents (continued)

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group 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 year that are subject to enforcement activity.

#### 5.4 Liquidity risk

The Group maintains satisfactory cash resources, while maintaining approved credit limits from credit institutions to further safeguard against liquidity risk. The Group enjoys high reliability both towards the Banks and its suppliers, due to its long and dynamic course in the Cypriot and Greek market.

#### 5.5 Currency risk

Exchange rate risk is the risk that the value of financial instruments fluctuates due to changes in exchange rates. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are in a currency other than the operating currency of the Group. The Group is exposed to foreign exchange risk arising from transactions in various currencies mainly United States Dollars and British Pounds. The Group's Management monitors exchange rate fluctuations on an ongoing basis and acts accordingly.

#### 5.6 Risk of competition

The food industry, in which the company operates, is a field of intense competition from both large domestic players and very small or even local competitors. Possible variations in provisions related to this sector in combination with the long economic recession that the country is going through and the continuous contraction of consumer incomes create conditions of intense competition with an impact on the sales cycle of the company. Given that the Group plays a leading role in the frozen and precooked bakery products sub-sector in Greece, it continues to hold a distinct market share in these products.

#### 5.7 Operational risk

Operational risk is the risk arising from the weakness of the Group's technology and control systems as well as the risk arising from human mistake and natural disasters. The Group's systems are controlled, maintained and upgraded on a continuous basis. The Group takes all necessary measures to minimize the risk and possible damages due to loss of stock due to poor maintenance / storage or technological or other change. In addition, the Group takes all necessary measures to minimize the risk and potential damages due to loss of stock due to natural disasters or similar related causes and the Company has insured the full value of its stocks.

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

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

#### **5.8 Risk of decrease in demand**

The prolonged recession in Greece and the constant readjustments of the economic data, contribute to the maintenance of an uncertain economic environment. The Company remains stable for the time being despite the general climate of economic recession and at the same time tries to maintain the "elasticity" of its expenses.

#### **5.9 Reputation risk**

The risk of loss of reputation arising from the negative publicity relating to The Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

#### **5.10 Capital risk management**

The Group manages its capital in order to ensure that it continues to operate its business and at the same time has the maximum possible return for shareholders through the optimal ratio of equity and debt. The Group's overall strategy has not changed since last year.

#### **5.11 Other risks**

The general economic environment prevailing in Cyprus and internationally may affect the Group's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Group.

#### **Fair value estimation**

The fair values of the Group's financial assets and liabilities are approximately the same as the amounts presented in the consolidated statement of financial position.

### **6. Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 6. Critical accounting estimates and judgments (continued)

#### *Judgments*

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Calculation of loss allowance**

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Provision for obsolete and slow-moving inventory**

The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

The amount of provision is recognised in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### *Critical judgements in applying the Group's accounting policies*

- **Impairment of loans receivable**

The Group periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 6. Critical accounting estimates and judgments (continued)

- **Retirement benefits**

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on plan assets, future salary increases, mortality rates and future pension increases where necessary. The Group sets these assumptions based on market expectations at the reporting date using best-estimates for each parameter covering the period over which obligations are to be settled. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Vessel life and impairment**

The carrying value of the Group's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

The carrying value of the Group's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The Group records impairment losses only when events occur that cause the Group to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of vessel held and used by the Group is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognised if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

In developing estimates of future cash flows, the Group must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although Management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

- **Provisions**

The amount recognised for provisions is estimated based on Board of Directors' past experience and its future expectations. However, the actual outcome may vary from the amount recognised.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 7. Revenue

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Sales of products	7.622.040	6.351.539
Rendering of services	22.105	81.628
	<b>7.644.145</b>	<b>6.433.166</b>

### 8. Cost of sales

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Raw materials and consumables used	3.763.733	3.123.740
Staff costs	829.129	790.853
Services received	496.296	368.157
Depreciation	424.054	389.477
Sundry expenses	32.667	56.341
	<b>5.545.878</b>	<b>4.728.567</b>

### 9. Other operating income

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Sundry operating income	5.496	30.339
Damage compensation	0	16.671
Government grants	0	4.859
	<b>5.496</b>	<b>51.869</b>

### 10. Selling and distribution expenses

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Staff costs	279.076	226.957
Other professional fees	106.951	104.093
Services received from third parties	55.616	40.983
Sundry expenses	732.044	563.910
Depreciation	17.100	18.066
	<b>1.190.787</b>	<b>954.009</b>

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 11. Administration expenses

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Staff costs	216.930	170.174
Other professional fees	66.887	216.644
Services received from third parties	75.726	64.233
Various taxes	10.806	14.971
Sundry expenses	196.910	72.593
Depreciation	116.148	88.259
	<b>683.405</b>	<b>626.874</b>

### 12. Finance income/(costs)

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Interest income	1.812	7.364
Exchange profit	0	98
<b>Finance income</b>	<b>1.812</b>	<b>7.462</b>
Interest expense	-282.864	-360.122
Sundry finance expenses	-19.428	-31.495
<b>Finance costs</b>	<b>-302.292</b>	<b>-391.616</b>
<b>Net finance costs</b>	<b>-300.480</b>	<b>-384.155</b>

### 13. Tax

	1/1/2025 - 30/6/2025	1/1/2024 - 30/6/2024
	€	€
Corporation tax	5.984	8.405
	<b>5.984</b>	<b>8.405</b>

# **MAGEAN HOLDING PLC**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the period 01 January 2025 – 30 June 2025

### **14. Tax (continued)**

The corporate tax rate in Greece is 22%.

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%.

### **15. Dividends**

On 2 December 2024 the Board of Directors approved the payment of an interim dividend of €620,355 (2023: €NIL).

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 16. Property, plant and equipment

	Land and buildings	Property under renovation	Yacht	Plant and machinery	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€	€	€	€	€
<b>Cost or valuation</b>							
<b>Balance at 1 January 2024</b>	<b>8.546.045</b>	<b>429.660</b>	-	<b>7.518.253</b>	<b>115.837</b>	<b>1.103.307</b>	<b>17.713.102</b>
Additions	68.697	849.462	150.000	232.271	69.084	56.448	1.425.962
Disposals	-	-401.804	-	-	-115.837	-	-517.641
Adjustment on revaluation	1.599.815	-	-	-	-	-	1.599.815
Other adjustments	-825.01	-	-	825.01	-	-	-
<b>Balance at 31 December 2024 / 1 January 2025</b>	<b><u>9.389.547</u></b>	<b><u>877.318</u></b>	<b><u>150.000</u></b>	<b><u>8.575.534</u></b>	<b><u>69.084</u></b>	<b><u>1.159.755</u></b>	<b><u>20.221.238</u></b>
Additions	14.704	0	0	49.630	56.739	26.840	147.914
Disposals	0	0	0	0	0	0	0
Adjustment on revaluation	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0
<b>Balance at 30 June 2025</b>	<b><u>9.404.251</u></b>	<b><u>877.318</u></b>	<b><u>150.000</u></b>	<b><u>8.625.164</u></b>	<b><u>125.823</u></b>	<b><u>1.186.595</u></b>	<b><u>20.369.152</u></b>
<b>Depreciation</b>							
<b>Balance at 1 January 2024</b>	<b>1.395.248</b>	-	-	<b>3.543.371</b>	<b>31.176</b>	<b>564.541</b>	<b>5.534.336</b>
Charge for the year	240.609	-	10.000	662.155	-8.659	86.077	990.182
Adjustment on revaluation	388.946	-	-	-	-	-	388.946
Other adjustments	-32.936	-	-	-32.936	-	-	-65.872
<b>Balance at 31 December 2024 / 1 January 2025</b>	<b><u>1.991.867</u></b>	<b><u>0</u></b>	<b><u>10.000</u></b>	<b><u>4.172.590</u></b>	<b><u>22.517</u></b>	<b><u>650.618</u></b>	<b><u>6.847.592</u></b>
Charge for the year	118.414	0	0	284.915	11.086	61.532	475.947
Adjustment on revaluation	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0
<b>Balance at 30 June 2025</b>	<b><u>2.110.281</u></b>	<b><u>0</u></b>	<b><u>10.000</u></b>	<b><u>4.457.505</u></b>	<b><u>33.603</u></b>	<b><u>712.150</u></b>	<b><u>7.323.539</u></b>
<b>Net book amount</b>							
<b>Balance at 31 December 2024</b>	<b><u>7.397.680</u></b>	<b><u>877.318</u></b>	<b><u>140.000</u></b>	<b><u>4.402.944</u></b>	<b><u>46.567</u></b>	<b><u>509.137</u></b>	<b><u>13.373.646</u></b>
<b>Balance at 30 June 2025</b>	<b><u>7.293.970</u></b>	<b><u>877.318</u></b>	<b><u>140.000</u></b>	<b><u>4.167.659</u></b>	<b><u>92.220</u></b>	<b><u>474.446</u></b>	<b><u>13.045.612</u></b>



# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 17. Right-of-use assets

	<b>Motor vehicles</b>
	€
<b>Cost</b>	
<b>1 January 2024</b>	<b>352.870</b>
Additions	49.120
Adjustment to right-of-use asset	<u>-98.202</u>
<b>Balance at 31 December 2024 / 1 January 2025</b>	<b><u>303.788</u></b>
Additions	151.384
Adjustment to right-of-use asset	<u>-71.993</u>
<b>Balance at 30 June 2025</b>	<b><u>383.178</u></b>
<b>Depreciation</b>	
<b>Balance at 1 January 2024</b>	<b>145.750</b>
Charge for the year	73.944
Adjustment to right-of-use asset	-91.260
Period reductions	=
<b>Balance at 31 December 2024 / 1 January 2025</b>	<b><u>128.434</u></b>
Charge for the year	44.301
Adjustment to right-of-use asset	<u>-1</u>
Period reductions	<u>-33.466</u>
<b>Balance at 30 June 2025</b>	<b><u>139.269</u></b>
<b>Net book amount</b>	
<b>Balance at 31 December 2024</b>	<b><u>175.354</u></b>
<b>Balance at 30 June 2025</b>	<b><u>243.910</u></b>

### 18. Intangible assets

Intangible fixed assets include the trademark "MYCAKE". The value of the trademark includes its acquisition cost, reduced by the amount of accumulated amortization and any impairment losses.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 19. Inventories

	30.06.2025	31.12.2024
	€	€
Raw materials	415.207	211.665
Finished and semi-finished products	717.025	595.600
Balance at 31 December 2024 / 30 June 2025	1.132.232	807.265

### 20. Trade and other receivables

	30.06.2025	31.12.2024
	€	€
Trade receivables	4.657.313	3.417.936
Less: credit loss on trade receivables	-40.772	-40.772
Trade receivables - net	4.616.541	3.377.164
Deposits and prepayments	57.339	118.803
Loans receivable	25.464	22.961
Other receivables	13.732	30.953
	4.713.075	3.549.881
Less non-current receivables	0	-43.595
Current portion	4.713.075	3.506.286

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.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the consolidated financial statements.

### 21. Financial assets at fair value through profit or loss

	30.06.2025	31.12.2024
	€	€
Balance at 1 January	1.440.033	1.910.077
Additions	130.304	320.606
Disposals	-367.214	-892.856
Change in fair value	20.600	102.206
Balance at 31 December 2024 / 30 June 2025	1.223.723	1.440.033

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 21. Financial assets at fair value through profit or loss (continued)

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

### 22. Cash and cash equivalents

Cash balances are analysed as follows:

	30.06.2025	31.12.2024
	€	€
Cash in hand	6.032	7.404
Cash at bank	539.479	450.877
	<u>545.511</u>	<u>458.281</u>

### 23. Share capital

	30.06.2025 Number of shares	30.06.2025 €	31.12.2024 Number of shares	31.12.2024 €
<b>Authorised</b>				
Ordinary shares of €1.15 each	886.222	1.019.155	886.222	1.019.155
<b>Issued and fully paid</b>				
Balance at 1 January	886.222	1.019.155	886.222	1.019.155
Balance at 31 December / 30 June	886.222	1.019.155	886.222	1.019.155

### 24. Borrowings

	30.06.2025	31.12.2024
	€	€
<b>Current borrowings</b>		
Bank overdrafts	7.656	4.274
Bank loans	3.318.807	2.895.700
Debenture loan-current part	631.600	631.600
	<u>3.958.063</u>	<u>3.531.574</u>
<b>Non-current borrowings</b>		
Bank loans	1.904.126	1.466.784
Debenture loan	4.736.800	5.052.600
	<u>6.640.926</u>	<u>6.519.384</u>
<b>Total</b>	<b>10.598.989</b>	<b>10.050.958</b>

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 24. Borrowings (continued)

The loans have been granted by Greek banks and are denominated in Euros. The amounts that are payable within one year of the balance sheet date are classified as short-term, while amounts payable at a later stage are classified as long-term.

On 19/03/2020, the Group received from NBG a loan worth €500.000 with a duration of 5 years (after 5 years its repayment will begin), guaranteed by the European Investment Fund. On 30/06/2025 the long-term loan balance amounts to €515.226,40.

On 21/12/2021, the Group received from ALPHA BANK an amortised loan of €1.000.000, with a maturity of 51 months and guaranteed by the Greek Business Guarantee Fund Covid-19. The loan will be repaid in 17 equal quarterly instalments with a final repayment year in 2026. On 30/06/2025 the long-term balance of the loan amounts to €0,00, while the short-term part of it amounts to €176.470,58.

On 08/03/2023 the Group amended the terms of loan received from ALPHA BANK in amount of €600.000 by extending the repayment date by 48 months and consequently the principal amount is provided for a period of 108 months (by 31/05/2027). On 30/06/2025 the long-term loan balance amounts to €400.000, while the short-term part of it amounts to €4.780,54.

By decision of the Extraordinary General Meeting of 08/11/2023, a bond loan worth €6.000.000 was issued to ALPHA BANK, with a maturity of 10 years. The bond was issued with the purpose of covering existing loan with Alpha Bank and for financing the Company's operations. In addition to the usual terms regarding statements, guarantees, positive and negative obligations, the company's obligation is to maintain the net bank lending ratio of less than 6 (six) and the ratio of earnings before tax, interest, depreciation to debit interest plus installments of Long-Term Loans to be maintained greater than 1.10 (1 point 10). The first margin check will be performed based to the financial statements of the Company for the year ended 31/12/2024. The long-term part of the bond loan on 30/06/2025 amounts to €4.736.800, while the short-term part amounts to €631.600.

On 08/03/2023, the company received from ALPHA BANK an amortized loan of € 315.000, set for 40 months in order to build a 484,16KW photovoltaic park to produce electric energy. The loan will be repaid in 12 three-month instalments of the same amount, and the last year of repayment is set to 2026. On 30/06/2025, the long-term outstanding balance of the loan amounts to €36.060, while the short-term outstanding balance is €105.000.

On 03/12/2024, the company received from ALPHA BANK an amortized loan, set for 40 months in order to cover part of the expenses of an investment plan to expand the buildings and the machinery. The loan will be repaid in 12 three-month instalments of the same amount, and the last year of repayment is set to 2027. On 30/06/2025, the long-term outstanding balance of the loan amounts to € 164.837, while the short-term outstanding balance is €137.148.

On 16/08/2022, the Group received a loan from the subsidiary's related company named GFSC BV in amount of €194.930 with a duration On 30/06/2025 the long-term balance of the loan amounts to €194.930.

In order to secure the loans, the following has been granted to ALPHA BANK:

B. First mortgage of €7,200,000 on the new factory.

In order to secure the loans, the following has been granted to PIRAEUS Bank:

A. Financial program guarantees amounting to €250,000 have been provided.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 25. Obligations under finance leases

	30.06.2025	31.12.2024
	€	€
Not later than 1 year	269.000	268.210
Later than 1 year and not later than 5 years	1.090.674	1.253.648
	<u>1.359.674</u>	<u>1.521.858</u>

### 26. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 14). The applicable corporation tax rate in the case of tax losses is 12,5%.

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 27. Provisions for other liabilities and charges

Estimates of the Group's defined benefit liabilities under IAS 19 were calculated by an independent actuarial firm.

	Pension and other post retirement obligations €
Balance at 1 January 2025	54.081
Charged/(credited) to profit or loss	0
<b>Balance at 31 December 2024 / 1 January 2025</b>	<b>54.081</b>
<b>Balance at 30 June 2025</b>	<b>54.081</b>

The main actuarial assumptions used for accounting purposes are:

Annual salary growth: 2.40%

Discount rate: 2.93%

Inflation: 2.00%

### 28. Trade and other payables

	30.06.2025	31.12.2024
	€	€
Trade payables	2.996.891	1.920.191
VAT	68.081	49.910
Shareholders' current accounts - credit balances	0	389.901
Accruals	187.991	6.715
Other creditors	1.206.340	1.160.174
	<b>4.459.303</b>	<b>3.526.891</b>

# MAGEAN HOLDING PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 01 January 2025 – 30 June 2025

### 29. Related party transactions

The following transactions were carried out with related parties:

#### 29.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	30.06.2025	2024
	€	€
Key management personnel	<u>150.291</u>	<u>260.906</u>
	<u>150.291</u>	<u>260.906</u>

#### 29.2 Shareholders' current accounts - credit balances (Note 28)

	30.06.2025	2024
	€	€
Credit balances of shareholders' current accounts	<u>274.401</u>	<u>389.901</u>
	<u>274.401</u>	<u>389.901</u>

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

### 30. Significant agreements with management

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

### 31. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2025.

### 32. Commitments

Mortgages have been granted to banks for the granting of loans and bond loans as mentioned in Note 23.

The Group had no other capital or other commitments as of 30 June 2025.

### 33. 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.