



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAY ENDED
DECEMBER 31, 2024**

Consolidated financial statements

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Consolidated financial statements

Consolidated statements of net income and comprehensive income

In euros	Note	December 2024	December 2023 Restated
Turnover	6.1	67 084 906	71 315 757
Consumed purchases and other external services	6.2	(49 980 617)	(51 946 324)
Personal costs and charges	6.3	(13 984 484)	(13 215 912)
Amortizations, impairment and provisions	6.4	(1 338 876)	(9 839 255)
Current revenues		1 530 860	1 091 400
Current expenses		(3 020 920)	(1 577 008)
Current operating income		290 869	(4 171 342)
Change in value of investment properties		1 129 904	1 971 512
Income from the disposals of assets		(15 315)	(147 588)
Scope effects		-	73 354
Other non-recurring revenues and expenses		(52 956)	11 944 180
Goodwill impairment		(10 751 031)	(510 044)
Share of net income (loss) of equity-accounted entities		(745 788)	(399 848)
Income from operating activities	6.5	(10 144 317)	8 760 224
Cost of net debt		(6 323 548)	(5 643 863)
Other financial income and expenses		1 698 346	(2 290 175)
Financial income (Loss)	6.6	(4 625 202)	(7 934 038)
Profit before tax		(14 769 519)	826 186
Tax expenses	5.18	(2 177 964)	(356 049)
Consolidated net income		(16 947 483)	470 137
Of which			
Attributable to the Group		(14 664 829)	1 294 425
Attributable to non-controlling interests		(2 282 654)	(824 288)
Average number of non diluted shares		8 807 035	8 807 035
Non diluted net income, Group share per share		(1,67)	0,15
Average number of diluted shares		8 807 035	8 807 035
Diluted net income, Group share per share		(1,67)	0,15

In euros	December 2024			December 2023		
	Total	of which Group share	of which non controlling interests	Total	of which Group share	of which non controlling interests
Consolidated net income	(16 947 483)	(14 664 829)	(2 282 654)	470 137	1 294 425	(824 288)
Translation gains and losses	(35 434 430)	(34 744 832)	(689 598)	(27 149 206)	(26 662 553)	(486 653)
Tax on translation gains and losses	-	0	0	0	0	0
Total reclassifiable items	(35 434 430)	(34 744 832)	(689 598)	(27 149 206)	(26 662 553)	(486 653)
Actuarial gains and losses	(12 471)	(12 212)	(259)	(23 623)	(18 724)	(4 899)
Tax on actuarial gains and losses	0	0	0	0	0	0
Total non-reclassifiable items	(12 471)	(12 212)	(259)	(23 623)	(18 724)	(4 899)
Other comprehensive items	(35 446 901)	(34 757 044)	(689 857)	(27 172 829)	(26 681 277)	(491 552)
Total Comprehensive income (loss)	(52 394 384)	(49 421 873)	(2 972 511)	(26 702 692)	(25 386 852)	(1 315 840)

Consolidated Statements of financial position

In euros	Note	December 2024	December 2023 Restated
Non-current assets			
Goodwill	5.1	104 595 133	129 891 374
Intangible assets	5.2	6 461 508	6 679 340
Tangible assets	5.3	119 118 722	149 051 783
Investments properties at fair value	5.4	44 510 686	40 557 677
Rights of use	5.20	1 505 309	961 208
Investments in associates	5.5	0	0
Equity instruments	5.6	1 024 119	1 011 218
Other non-current assets	5.7	2 479 376	1 850 817
Deferred tax assets	5.19	4 583 598	6 999 859
Total on-current assets		284 278 451	337 003 276
Current assets			
Inventories	5.8	57 911 758	36 803 890
Trade receivables	5.9	10 491 301	9 748 521
Other current assets	5.10	4 711 190	4 086 907
Cash and cash equivalents	5.11	10 251 675	22 039 520
Total current assets		83 365 924	72 678 839
Assets classified as held for sale	5.4	-	2 335 000
Total assets		367 644 375	412 017 114
Capital and additional paid in capital		361 088 435	361 088 435
Retained earnings		(79 768 296)	(80 725 504)
Translation reserves		(98 091 455)	(63 346 630)
Consolidated net income		(14 664 829)	1 294 424
Shareholders' equity, Group share		168 563 855	218 310 725
Non-controlling interests		28 846 398	31 878 900
Total shareholder's equity	5.12	197 410 253	250 189 625
Non-current liabilities			
Provisions	5.13	2 072 902	1 698 070
Pensions obligations	5.14	590 934	568 430
Long-term borrowings	5.15	68 557 859	72 044 803
Lease liabilities	5.20	1 104 285	728 079
Contracts liabilities	5.18	8 420 135	8 365 968
Other liabilities	5.16	5 345 071	4 506 068
Deferred tax liabilities	5.19	18 696 443	25 311 226
Total non-current liabilities		104 787 629	113 222 644
Current liabilities			
Short-term borrowings	5.15	26 934 157	24 045 153
Lease liabilities	5.20	441 774	306 294
Trade payables	5.16	13 072 480	12 904 842
Contracts liabilities	5.18	11 629 295	1 235 642
Other liabilities	5.17	13 368 787	10 112 913
Total current liabilities		65 446 493	48 604 844
Total shareholder's equity and liabilities		367 644 375	412 017 113

Statements of changes in consolidated shareholders' equity

In euros	Number of Shares	Share capital	Additional paid in capital	Consolidated reserves and net income	Translation adjustments	Shareholders' equity, Group share	Non controlling interests	Total
Equity at December 2022	361 088 435	361 088 435		(77 409 771)	(37 074 526)	246 604 138	31 225 007	277 829 145
Net income				5 691 259	-	5 691 259	(824 288)	4 866 971
Other comprehensive income				(18 724)	(26 662 553)	(26 681 277)	(491 552)	(27 172 829)
Comprehensive income				5 672 535	(26 662 553)	(20 990 018)	(1 315 840)	(22 305 858)
Dividends distributed in cash	-	-		-	-	-	-	-
Capital increase	(352 281 400)	-		-	-	-	-	-
Transactions between shareholders & Business	-	-		-	-	-	1 755 495	1 755 495
Other changes	-	-		(270 479)	390 449	119 970	214 238	334 208
Equity at December 2023 published	8 807 035	361 088 435		(72 007 715)	(63 346 630)	225 734 090	31 878 900	257 612 990
Spread of Sunny Properties Turnover: Income statement				(4 396 834)		(4 396 834)		(4 396 834)
Spread of Sunny Properties Turnover: Consolidated reserves				(3 026 531)		(3 026 531)		(3 026 531)
Equity at December 2023 Restated	8 807 035	361 088 435	-	(79 431 080)	(63 346 630)	218 310 725	31 878 900	250 189 625
Net income	-	-		(14 664 829)	-	(14 664 829)	(2 282 654)	(16 947 483)
Other comprehensive income	-	-		(12 212)	(34 744 832)	(34 757 044)	(689 857)	(35 446 901)
Comprehensive income				(14 677 041)	(34 744 832)	(49 421 873)	(2 972 511)	(52 394 384)
Dividends distributed in cash	-	-		-	-	-	-	-
Capital increase/decrease	-	(36 108 843)	36 108 843	-	-	-	-	-
Transactions between shareholders & Business	-	-		-	-	-	100 817	100 817
Other changes	-	-		(325 004)	7	(324 997)	(160 808)	(485 805)
Equity at December 2024	8 807 035	324 979 592	36 108 843	(94 433 125)	(98 091 455)	168 563 855	28 846 398	197 410 253

Consolidated statements of cash flows

In euros	December 2024	December 2023 Restated
Net income	(16 947 483)	470 137
Share in net income (loss) of associates	745 788	399 848
Amortizations, impairment and provisions	16 579 125	5 428 907
Elimination of capital gains and losses on assets disposals	362 160	(134 629)
Change in value of investment properties	(1 142 808)	(1 976 302)
Other items with no cash effect	-	-
Income tax expense	2 177 964	356 048
Interest expense on borrowings and lease liabilities	6 408 534	5 917 533
Cash flows from operations before financial income/(expense) and income tax	8 183 280	10 461 542
Income tax (received) paid	(581 244)	(1 298 137)
Change in working capital requirements	(8 384 725)	4 363 794
Cash flows from operating activities	(782 689)	13 527 199
Investments in tangible and intangible assets	(3 852 852)	(4 534 025)
Acquisitions of investment properties	(570 375)	(473 588)
Takeover of subsidiaries net of cash and cash equivalents acquired	-	277 498
Acquisitions of interests in associates and joint ventures	-	153 171
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold	-	(22 081)
Disposals of assets	-	155 859
Change in loans and other financial receivables	(539 028)	(1 281 512)
Cash flows from investing activities	(4 962 255)	(5 724 677)
New loans and borrowings	23 796 215	10 076 632
New lease liabilities	727 686	909 507
Repayment of loans and borrowings	(21 610 318)	(6 776 770)
Repayment of lease liabilities	(197 204)	(255 357)
Interests paid on loans, borrowings and lease liabilities	(7 166 255)	(5 296 014)
Other financing flows	-	-
Cash flows from financing activities	(4 449 876)	(1 342 002)
Total cash flows for the period	(10 194 820)	6 460 520
Opening cash and cash equivalents	22 039 520	15 857 543
Closing cash and cash equivalents	10 251 675	22 039 520
Impact of changes in exchange rates and other	(1 593 025)	(278 543)

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1 Accounting principles and methods

1.1 Preatoni Group presentation

PREATONI Group has been registered with the Paris Register of Companies since July 13, 2022, with an effective date of July 1, 2022, as a société anonyme (public limited company) domiciled in Paris. It is the parent company of the PREATONI Group. The company's registered office is at 7, avenue Victor Hugo, 75116 Paris. The company is a financial holding company.

The Group activity is mainly located:

- In Egypt and Italy, operating its own hotels and resorts, and
- In the Baltic States and Dubai, developing real estate.

On February 12, 2025, PREATONI Group shares were admitted to trading on the Euronext Access+ Paris market

PREATONI Group's consolidated financial statements for the year ended December 31, 2024, were approved by the Board on May 26, 2025.

1.2 Accounting basis

1.2.1 Accounting standards

The consolidated financial statements at December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union and applicable at that date. These standards are available on the website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

1.2.2 Going concern basis

The consolidated financial statements have been prepared on the going concern basis. This choice is based on an annual review of the financial situation of each of the Group's entities for a period of at least twelve months from the closing date.

This review focuses on:

- The financial situation (present and short-term) of each entity,
- The risks that might affect its business, including:
 - Geopolitical risk,
 - Risks related to business and competition,
 - Climate risk.

The decision tree leading to this assessment can be summarized as follows. It is based on an entity-by-entity approach due to the lack of interdependence between operating companies.

- When no entity presents a situation that compromises its viability or that of the group, no threat to going concern is considered.
- When one entity presents a proven risk, we examine the solutions available within the group to support and turn around the entity in difficulty and, if necessary, take the necessary measures to avoid compromising the overall financial health of the Group. The accounting effects resulting from this analysis will be then recorded in the financial statements.
- If the situation is sufficiently deteriorated to have serious consequences for the financial health of the Group in its entirety, we accordingly assess the going concern risk for all or part of the group and the resulting accounting effect of this assessment.

At the end of the 2024 financial year, the group considers that none of the group's entities presents a financial situation which compromises its own situation or that of the Group.

1.2.3 Changes in accounting standards

■ Standards, amendments and interpretations applied for annual periods beginning on January 1, 2024

The Group has applied the following amendments, adopted by the European Union and applicable to financial years beginning on or after January 1, 2024:

- Amendments to IFRS 16 - Leases (Obligation under a sale and leaseback transaction), adopted on November 20, 2023.
- Amendments to IAS 1 - Presentation of Financial Statements, (Classification of liabilities as current or non-current and Classification of borrowings with covenants as current or non-current), adopted on December 19, 2023.
- Amendments to IAS 7 - Cash Flow Statements and IFRS 7 - Financial Instruments: Disclosures: Vendor Financing Arrangements, adopted on May 15, 2023.

These amendments had no material impact on the Group's consolidated financial statements.

■ Standards, amendments and interpretations applicable after January 1, 2024

The following texts have been adopted by the European Union as of December 31, 2024, but have not been applied early by the Group:

- Amendments to IAS 21: The effects of changes in foreign exchange rates: no convertibility.

The following texts have been published by the International Accounting Standards Board ("IASB"), but have not yet been adopted by the European Union:

- IFRS 18 Presentation of financial statements and disclosures
- IFRS 19 Subsidiaries without Public Liability - Disclosures

Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments.

The process of determining the potential impact of these texts on the consolidated financial statements is underway, but no significant impact is expected.

1.3 Application of IAS 8 for error correction

In accordance with the provisions of IAS 8, the following error corrections were recorded on the financial statements at December 31, 2023:

■ Spreading revenues from Time-share sales in Egypt

SICOT owns the land and buildings on the Sharm el Sheikh site, and is the bare owner of a time-share park, the usufruct of which has been assigned to Sunny Properties. DOMINA Srl markets the time-share units on the Sharm el Sheikh site as an agent.

In Egypt, the time-share is sold in the form of a right to usufruct for a period of one or more weeks essentially over a period of 5 or 30 years. At the end of the contractual period, the property is returned as is. The customer has the right to use the property as soon as a deposit of 30% of the contract value has been paid. The remaining 70% is paid over a maximum of 18 months. The average selling price for 5-year contracts is around 5,000 euros, and for 30-year contracts around 11,000 euros.

The clients must inform the resort operator annually, with six months' notice, of their intention to use the period. They then undertake to pay the resort operator an amount corresponding to the hotel services contractually provided.

Until then, Sunny Properties recognized the turnover in full when the contract was signed and the 30% deposit paid

Under IFRS 15, revenue is recognized upon delivery of the promised goods or services to customers. In Sunny Properties' case, the timeshare contract is treated as a contract for the provision of hotel services, with obligations being fulfilled over its entire term.

As a result, sales have been adjusted to recognize 1/5 of 5-year contracts and 1/30 of 30-year contracts as annual income.

on account of the absence of adequate information prior to the Group constitution, the adjustment relates to contracts signed on or after July 1, 2022. It has been applied retrospectively to shareholders' equity at December 31, 2023 for an amount of -7,423,365 euros, including -3,026,531 euros for the second half of 2022.

The impact of the adjustment on the financial statements at December 31, 2023 is as follows:

- In the consolidated statement of financial position

In euros	December 2023 published	Spread of Sunny Properties Turnover	December 2023 restated
Total non-current assets	337 003 276	-	337 003 276
Current assets			0
Inventories	36 803 890	-	36 803 890
Trade receivables	12 048 597	(2 300 076)	9 748 521
Other current assets	4 086 907	-	4 086 907
Cash and cash equivalents	22 039 520	-	22 039 520
Total current assets	74 978 914	(2 300 076)	72 678 838
Assets classified as held for sale	2 335 000	-	2 335 000
Total assets	414 317 190	(2 300 076)	412 017 114
Capital	361 088 435	-	361 088 435
Retained earnings	(77 698 973)	(3 026 531)	(80 725 504)
Translation reserves	(63 346 630)	-	(63 346 630)
Consolidated net income	5 691 258	(4 396 834)	1 294 424
Shareholders' equity, Group share	225 734 090	(7 423 365)	218 310 725
Non-controlling interests	31 878 900	-	31 878 900
Total shareholder's equity	257 612 990	(7 423 365)	250 189 625
Non-current liabilities			0
Provisions	1 698 070	-	1 698 070
Pensions obligations	568 430	-	568 430
Long-term borrowings	72 044 803	-	72 044 803
Lease liabilities	728 079	-	728 079
Contracts liabilities	3 657 132	4 708 836	8 365 968
Other liabilities	4 506 068	-	4 506 068
Deferred tax liabilities	25 311 226	-	25 311 226
Total non-current liabilities	108 513 808	4 708 836	113 222 644
Current liabilities			
Short-term borrowings	24 045 153	-	24 045 153
Lease liabilities	306 294	-	306 294
Trade payables	12 904 842	-	12 904 842
Contracts liabilities	821 189	414 453	1 235 642
Other liabilities	10 112 914	-	10 112 913
Total current liabilities	48 190 392	414 453	48 604 844
Total shareholder's equity and liabilities	414 317 190	(2 300 076)	412 017 114

- In the consolidated statement of net income

In euros	December 2023 published	Spread of Sunny Properties Turnover	December 2023 restated
Turnover	76 060 725	(4 744 968)	71 315 757
Consumed purchases and other external services	(51 946 324)	-	(51 946 324)
Personal costs and charges	(13 215 912)	-	(13 215 912)
Amortizations, impairment and provisions	(10 550 708)	711 453	(9 839 255)
Current revenues	1 091 400	-	1 091 400
Current expenses	(1 213 689)	(363 319)	(1 577 008)
Current operating income	225 492	(4 396 834)	(4 171 342)
Change in value of investment properties	1 971 512	-	1 971 512
Income from the disposals of assets	(147 588)	-	(147 588)
Scope effects	73 354	-	73 354
Other non-recurring revenues and expenses	11 944 180	-	11 944 180
Goodwill impairment	(510 044)	-	(510 044)
Share of net income (loss) of equity-accounted entities	(399 848)	-	(399 848)
Income from operating activities	13 157 058	(4 396 834)	8 760 224
Cost of net debt	(5 643 863)	-	(5 643 863)
Other financial income and expenses	(2 290 175)	-	(2 290 175)
Financial income (Loss)	(7 934 038)	-	(7 934 038)
Profit before tax	5 223 020	(4 396 834)	826 186
Tax expenses	(356 049)	-	(356 049)
Consolidated net income	4 866 971	(4 396 834)	470 137
Of which			
Attributable to the Group	5 691 259	(4 396 834)	1 294 425
Attributable to non-controlling interests	(824 288)	-	(824 288)

1.4 Measurement basis for the preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, except for investment property, which is measured at fair value.

1.5 Use of estimates and judgment

In accordance with the IFRS conceptual framework, the preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements.

Estimates are based on historical experience and other factors. Estimates are revised periodically, and the effects of any changes are reflected in the consolidated financial statements for the year in which the change occurs. Final outcomes could differ from those estimates.

The main items concerned are as follows:

- Pension commitments

The valuation of pension commitments is based on actuarial calculations. The Group considers that the assumptions used are appropriate and justified, and that any change in assumptions would not have a material impact.

- Measurement of the fair value of assets and liabilities

The main assumptions and estimates used to determine the fair value of assets and liabilities include the expected market outlook required to measure future cash flows, and the discount rates to be applied. The values used reflect management's best estimates.

- Deferred tax assets

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that future taxable profit will be available to the Group against which the tax loss carry-forwards can be utilized. The likelihood of future taxable profits is estimated taking into account the existence of temporary taxable differences from the same tax entity and is passed on to the same deadlines towards the tax authority as well as the estimates of future taxable profits.

- Inventory valuation

Inventories are periodically assessed and written down if their net realizable value is lower than their book value. Net realizable values are determined on the basis of assumptions made by management based on experience and historical observations.

In addition to relying on estimates, the Group's management may make judgments to determine the appropriate accounting treatment for certain activities and transactions, particularly when the IFRS standards and interpretations in force do not precisely address the accounting issues concerned.

1.6 Accounting methods

1.6.1 Foreign currency translation methods (IAS 21)

▪ Presentation currency of the consolidated financial statements

The consolidated financial statements are presented in euros (€), which is PREATONI Group's functional and presentation currency.

▪ Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates. In most cases, the functional currency corresponds to the local currency. However, for some entities, a functional currency other than the local currency may be used, provided it better reflects the currency of the entity's main transactions and economic environment.

▪ Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency at the exchange rate prevailing on the transaction date. At each reporting date :

- Monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the income statement for the period to which they relate;
- Non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical exchange rate prevailing at the transaction date.

▪ **Translation of the financial statements of consolidated companies with a functional currency other than the euro**

The statement of financial position is translated into euros at the year-end exchange rate. Income and cash flow statements are translated at average exchange rates. Differences arising from the translation of the financial statements of these consolidated companies are recorded under "Translation adjustments" within "Other comprehensive income".

The exchange rates of non-euro zone currencies used to prepare the consolidated financial statements are as follows:

Currency		2024		2023	
		Average rate	Closing rate	Average rate	Closing rate
CHF	Swiss franc	1,049388	1,062877	1,028594	1,075634
EGP	Egyptian pound	0,020381	0,018931	0,030140	0,029152
AED	UAE Dirham	0,251566	0,262087	0,251563	0,246301

Further information on the evolution of the Egyptian pound is given in note 2.

2 Highlights of the period

▪ Capital reduction

On July 11, 2024, the PREATONI Group Management Board carried out the capital reduction approved at the Extraordinary General Meeting of December 6, 2022. Following this reduction, the company's share capital stood at 324,979,592 euros, divided into 8,807,035 shares with a par value of 36.9 euros. A share premium of 36,108,843.50 euros was recorded to offset the above-mentioned capital reduction.

▪ Changes in the scope of consolidation

In March 2024, Svalbork sold all its shares in Nuda Proprieta to Pro Kapital Grupp. The Group's percentage interest in Nuda will fall from 67.5% in 2023 to 33.49% in 2024. The loss of interest is treated as an exchange of interests with non-controlling interests. The full consolidation method remains unchanged. The Group retains control of Nuda Proprieta and its subsidiary Preatoni II. Indeed, PREATONI Group controls Pro Kapital Grupp, which controls Nuda Proprieta and its subsidiary Preatoni II.

▪ Financing transactions

In July 2024, PREATONI Group issued a non-convertible bond for 900,000 euros, with a 10% coupon and a 4-year maturity.

▪ Evolution of the Egyptian pound

In March 2024, the Central Bank of Egypt reduced the exchange rate of the Egyptian pound against the US dollar in line with IMF requests. This was the fourth devaluation since the creation of the PREATONI group in 2022.

Despite this decision, rates remained close to the \$50 mark throughout the year, even exceeding it in December 2024.

The Egyptian pound/euro exchange rate, which stood at 33 euros before the March devaluation, rose sharply over the last 3 quarters of 2024. Over fiscal 2024, the average exchange rate between the euro and the Egyptian pound was 1 euro for 49.043 EGP.

3 Scope of consolidation

ACCOUNTING PRINCIPLES

The consolidated financial statements include all controlled entities and investments in associates and joint ventures.

Controlled entities

The financial statements of entities over which the Group exercises exclusive control, directly or indirectly, are consolidated using the full consolidation method. Control is assessed by reference to the Group's exposure to the entity's returns and its ability to influence those returns, by virtue of the power exercised over the entity.

The Preatoni Group controls an entity if it meets the following three cumulative conditions:

1. It has power over this entity, i.e. it holds substantive rights that give it the practical ability to direct its key activities.
2. It is exposed to or entitled to variable cash flows associated with its interest in the entity;
3. He has the ability to exercise his power over the entity, to optimize the cash flows from which he benefits.

Control is presumed to exist when PREATONI Group directly or indirectly holds more than half of the company's voting rights.

A subsidiary is consolidated in the Group's financial statements from the date on which the Group takes control, and ceases to be consolidated on the date on which the Group loses control of the entity.

All intra-group balances, income and expenses, as well as unrealized gains or losses arising from internal transactions between controlled entities, are eliminated in full.

Investments in associates and joint ventures

The equity method is used to consolidate associates and joint ventures.

An associate is an entity over which the Group exercises significant influence, i.e. the power to participate in decisions relating to the entity's financial and operating policies, without controlling or jointly controlling these policies.

A joint venture is a partnership in which the parties exercising joint control have rights over its net assets. Joint control refers to the contractually agreed sharing of control over an entity, which exists only where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

The results, assets and liabilities of investments in associates and joint ventures are included in the Group's consolidated financial statements using the equity method.

When a Group entity enters into a transaction with a Group joint venture or associate, the profits and losses arising from the transaction with the joint venture or associate are recognized in the Group's consolidated financial statements only to the extent of the interests held by third parties in the joint venture or associate.

The Group's consolidation includes 41 companies as of December 31, 2024.

AS Pro Kapital Grupp has been listed on Nasdaq Tallinn (Baltic Main List segment) since November 23, 2012.

AS Pro Kapital Grupp is fully consolidated with 49.62% control.

PREATONI Group - with its subsidiary Svalbork - is the majority shareholder and holds substantive rights that give it the effective ability to manage key activities that significantly affect AS Pro Kapital Grupp's profitability.

Changes in the scope of consolidation during the 2024 financial year were as follows:

- Nuda Proprieta and its subsidiary Preatoni II: both entities were sold by Svalbork to AS Pro Kapital Grupp. AS Pro Kapital Grupp is controlled by the Group, its subsidiary Nuda, also controlled by the Group, remains fully consolidated at 33.49% at December 31, 2024, compared with 67.50% at December 31, 2023.
- OÜ Pro Kapital Engineering: created in May 2024, it will manage real estate projects in the residential and non-residential sectors.

The entities included in the scope of consolidation are listed below:

Entity	Country	December 2024			December 2023		
		% interest	% control	Consolidation method ^(a)	% interest	% control	Consolidation method ^(a)
Preatori Group	France	100,00%	100,00%	Holding	100,00%	100,00%	Holding
Prea Swiss Holding SA	Switzerland	100,00%	100,00%	FC	100,00%	100,00%	FC
Preatoni Real Estate DMCC	Dubai	29,00%	29,00%	EM	50,00%	50,00%	EM
Suny Properties UAE	United Arab Emirates	100,00%	100,00%	FC	100,00%	100,00%	FC
Domina International SA	Switzerland	100,00%	100,00%	FC	100,00%	100,00%	FC
Domina Vacanze Holding	Estonia	67,99%	67,99%	FC	67,99%	67,99%	FC
Svalbork	Estonia	100,00%	100,00%	FC	100,00%	100,00%	FC
Sinai Co. For touristic development	Egypt	96,72%	96,72%	FC	96,72%	96,72%	FC
Mayra misr	Egypt	100,00%	100,00%	FC	100,00%	100,00%	FC
Domina Health and Beauty	Egypt	90,00%	90,00%	FC	90,00%	90,00%	FC
Sheikh Coast Diving	Egypt	96,80%	96,80%	FC	96,80%	96,80%	FC
Nile Company for Hotels & Resorts Management	Egypt	96,00%	96,00%	FC	96,00%	96,00%	FC
Domina International Management srl	Italy	100,00%	100,00%	FC	100,00%	100,00%	FC
Unopuntotre Srl	Italy	51,00%	51,00%	FC	51,00%	51,00%	FC
Domina VIP TRAVEL Srl	Italy	100,00%	100,00%	FC	100,00%	100,00%	FC
Domina SRL	Italy	100,00%	100,00%	FC	100,00%	100,00%	FC
PK Sicily Spa	Italy	67,99%	100,00%	FC	67,99%	100,00%	FC
Immobiliare Novate	Italy	67,06%	98,64%	FC	67,02%	98,57%	FC
A.F.I American Financial Investment Limited	Liechtenstein	100,00%	100,00%	FC	100,00%	100,00%	FC
Zenith Holding AG	Liechtenstein	100,00%	100,00%	FC	100,00%	100,00%	FC
AS Pro Kapital Grupp	Estonia	49,62%	49,62%	FC	49,62%	49,62%	FC
Pro Kapital Eesti AS	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
Pro kapital Vilnius Real Estate UAB	Lithuania	49,62%	100,00%	FC	49,62%	100,00%	FC
Pro Kapital Latvia JSC	Latvia	49,62%	100,00%	FC	49,62%	100,00%	FC
Pro Kapital Germany Holdings OÜ	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
Pro Kapital Germany GMBH	Germany	49,62%	100,00%	FC	49,62%	100,00%	FC
OÜ PKE Treasury (ex OU Ilmarise Kvartal)	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
AS Tondi Kvartal	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
Pro Halduse OÜ	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
OÜ Kalaranna Kvartal	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
OÜ Marsi Elu	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
OÜ Kindrali Majad (OÜ Dunde Arendus)	Estonia	49,62%	100,00%	FC	49,62%	100,00%	FC
Oü Pro Kapital Engineering	Estonia	49,62%	100,00%	FC -	-	-	-
Preatoni Nuda proprietä Srl	Italy	33,49%	67,50%	FC	67,50%	67,50%	FC
Preatoni Intermediazioni Immobiliari Srl	Italy	33,49%	100,00%	FC	67,50%	100,00%	FC
PK Invest UAB	Lithuania	49,62%	100,00%	FC	49,62%	100,00%	FC
In Vitam UAB	Lithuania	49,62%	100,00%	FC	49,62%	100,00%	FC
Kliversala SIA	Latvia	49,62%	100,00%	FC	49,62%	100,00%	FC
Talina Nekustamie Ipasumi SIA	Latvia	49,62%	100,00%	FC	49,62%	100,00%	FC
Nekustamo Ipasumu sabiedriba Zvaigznes Centrs SIA	Latvia	49,62%	100,00%	FC	49,62%	100,00%	FC
PK Hotel Management Services GMBH	Germany	49,62%	100,00%	FC	49,62%	100,00%	FC

(a) FC : full consolidation
EQ: Equity method

4 Segments information

ACCOUNTING POLICIES (IFRS 8)

IFRS 8 requires disclosure of information on operating segments.

For management purposes, the Group is organized into operating segments. These segments are as follows: Real estate development, Hotels & Tourism including time-share and Holdings.

The Group also presents analyses by geographical area: Italy, Baltic States, Egypt, Dubai, Others

Each entity is allocated to its country of origin and to an operating segment; the information is presented according to this allocation, with the following two exceptions:

- Financial liabilities are reallocated to the operating segment and country benefiting from the financing;
- Sunny Properties, the entity responsible for the Sharm el Sheik Time-share business, is attached to Egypt.

The following information is presented by operating segment and geographical area: income statement, EBITDA, fixed assets, cash and financial liabilities.

■ Statement of net income and EBITDA

Operating segments

In Euros	December 2024				December 2023 Restated			
	Real Estate	Hospitality & Tourism	Holding	Total	Real Estate	Hospitality & Tourism	Holding	Total
Turnover	18 135 592	48 949 314	-	67 084 906	23 718 975	47 596 782	-	71 315 757
Consumed purchases and other external	(12 248 864)	(37 986 980)	255 227	(49 980 617)	(17 571 086)	(33 576 475)	(798 763)	(51 946 324)
Personal costs and charges	(5 225 193)	(8 756 406)	(2 885)	(13 984 484)	(4 634 770)	(8 579 153)	(1 989)	(13 215 912)
Amortizations, impairment and provisions	(618 247)	(443 653)	(276 976)	(1 338 876)	(437 823)	(9 067 723)	(333 709)	(9 839 255)
Current revenues	84 236	1 425 472	21 152	1 530 860	14 665	1 074 672	2 063	1 091 400
Current expenses	(22 923)	(2 978 247)	(19 750)	(3 020 920)	(23 242)	(1 552 379)	(1 387)	(1 577 008)
Current operating income	104 601	209 500	(23 232)	290 869	1 066 719	(4 104 275)	(1 133 785)	(4 171 341)
Fair value investment properties	1 129 904	-	-	1 129 904	1 971 512	-	-	1 971 512
Gains and losses on disposals of assets	(13 164)	(2 151)	-	(15 315)	(151 811)	4 223	-	(147 588)
Scope effects	-	-	-	-	-	73 354	-	73 354
Other non-recurring	(20 082)	(26 124)	(6 750)	(52 956)	(73 224)	11 985 724	31 680	11 944 180
Goodwill impairment	(10 510 070)	(240 961)	0	(10 751 031)	-	(510 044)	0	(510 044)
Result from entities in equity method	(745 788)	-	-	(745 788)	(346 371)	(53 477)	-	(399 848)
Result from operational activities	(10 054 599)	(59 736)	(29 982)	(10 144 317)	2 466 825	7 395 505	(1 102 105)	8 760 225
Cost of net financial debt	(4 296 499)	(1 828 944)	(198 105)	(6 323 548)	(3 660 297)	(1 937 402)	(46 164)	(5 643 863)
Other financial expenses & revenues	(34 354)	2 054 213	(321 513)	1 698 346	(42 357)	(1 762 613)	(485 205)	(2 290 175)
Financial result	(4 330 853)	225 269	(519 618)	(4 625 202)	(3 702 654)	(3 700 015)	(531 369)	(7 934 038)
Result before tax	(14 385 452)	165 533	(549 600)	(14 769 519)	(1 235 829)	3 695 490	(1 633 474)	826 187
Income tax expense	(88 617)	(1 984 097)	(105 250)	(2 177 964)	(14 807)	(214 539)	(126 703)	(356 049)
Net result	(14 474 069)	(1 818 564)	(654 850)	(16 947 483)	(1 250 636)	3 480 951	(1 760 177)	470 138
EBITDA	1 073 718	624 878	246 994	1 945 590	2 904 648	16 973 271	(768 396)	19 109 523

Geographical areas

In Euros	December 2024					December 2023 restated				
	Italy	Baltic countries	Egypt	Other	Total	Italy	Baltic countries	Egypt	Other	Total
Turnover	21 089 528	18 135 592	27 763 583	96 203	67 084 906	22 855 601	22 986 810	25 284 721	188 625	71 315 757
Consumed purchases and other external services	(17 035 850)	(12 309 014)	(21 452 368)	816 615	(49 980 617)	(17 734 297)	(17 005 343)	(17 203 321)	(3 363)	(51 946 324)
Personal costs and charges	(3 133 687)	(5 225 193)	(5 038 171)	(587 433)	(13 984 484)	(2 858 483)	(4 605 466)	(5 167 733)	(584 231)	(13 215 912)
Amortizations, impairment and provisions	(1 205 923)	(618 247)	729 049	(243 755)	(1 338 876)	(2 783 783)	(403 489)	(6 320 648)	(331 335)	(9 839 255)
Current revenues	1 330 445	105 388	90 760	4 267	1 530 860	430 981	14 526	645 179	714	1 091 400
Current expenses	(537 853)	(23 400)	(2 441 048)	(18 619)	(3 020 920)	(110 544)	(23 461)	(1 414 671)	(28 332)	(1 577 008)
Current operating income	506 660	65 126	(348 195)	67 278	290 869	(200 525)	963 577	(4 176 473)	(757 922)	(4 171 342)
Fair value investment properties	-	1 129 904	-	-	1 129 904	-	1 971 512	-	-	1 971 512
Gains and losses on disposals of assets	(2 151)	(13 164)	-	-	(15 315)	2 588	-	(151 811)	1 635	(147 588)
Scope effects	-	-	-	-	-	-	73 354	-	-	73 354
Other non-recurring revenues and expenses	(26 124)	(26 832)	-	-	(52 956)	6 622	(73 224)	11 965 651	45 131	11 944 180
Goodwill impairment	(34 072)	-	(206 889)	(10 510 070)	(10 751 031)	(51 108)	-	(458 936)	-	(510 044)
Result from entities in equity method	-	-	-	(745 788)	(745 788)	(53 477)	-	-	(346 371)	(399 848)
Result from operational activities	444 313	1 155 034	(555 084)	(11 188 580)	(10 144 317)	(295 900)	2 935 219	7 178 431	(1 057 528)	8 760 224
Cost of net financial debt	(1 854 899)	(4 314 794)	32 180	(186 035)	(6 323 548)	(1 861 226)	(3 659 686)	(85 745)	(37 207)	(5 643 863)
Other financial expenses & revenues	(32 589)	(87 394)	2 102 263	(283 934)	1 698 346	1 312	(146 666)	(1 753 746)	(391 074)	(2 290 174)
Financial result	(1 887 488)	(4 402 188)	2 134 443	(469 969)	(4 625 202)	(1 859 914)	(3 806 352)	(1 839 491)	(428 281)	(7 934 038)
Result before tax	(1 443 175)	(3 247 154)	1 579 359	(11 658 549)	(14 769 519)	(2 155 813)	(871 133)	5 338 940	(1 485 809)	826 186
Income tax expense	(841 042)	(88 617)	(1 046 829)	(201 476)	(2 177 964)	(253 138)	(2 000)	(19 670)	(81 241)	(356 049)
Net result	(2 284 217)	(3 335 771)	532 530	(11 860 025)	(16 947 483)	(2 408 951)	(873 133)	5 319 270	(1 567 050)	470 137
EBITDA	1 684 308	1 773 281	(1 077 244)	(434 755)	1 945 590	2 538 991	3 338 708	13 958	(726 193)	19 109 523

■ Non-current assets

Operating segments

In Euros	December 2024				December 2023			
	Real Estate	Hospitality & Tourism	Holding	Total	Real Estate	Hospitality & Tourism	Holding	Total
Goodwill	69 134 591	35 460 543	-	104 595 133	69 134 591	60 756 783	-	129 891 374
Intangible assets	98 277	5 933 070	430 161	6 461 508	160 914	6 010 835	507 591	6 679 340
Tangible assets	7 594 744	111 490 188	33 790	119 118 722	7 780 178	141 215 282	56 322	149 051 783
Investments properties at fair value	44 210 000	300 686	-	44 510 686	40 360 788	196 889	-	40 557 677
Rights of use	513 397	599 787	392 125	1 505 309	364 546	148 497	448 165	961 208

Geographical areas

In Euros	December 2024					December 2023				
	Italy	Baltic countries	Egypt	Other	Total	Italy	Baltic countries	Egypt	Other	Total
Goodwill	9 173 200	69 071 888	26 287 342	62 702	104 595 133	9 207 272	69 071 888	40 776 581	10 835 633	129 891 374
Intangible assets	126 221	98 277	2 078 397	4 158 613	6 461 508	213 673	96 298	2 092 845	4 276 524	6 679 340
Tangible assets	58 566 021	7 594 744	52 924 167	33 790	119 118 722	60 102 482	7 763 341	81 148 003	37 956	149 051 783
Investments properties at fair value	-	44 210 000	300 686	-	44 510 686	-	40 360 788	196 889	-	40 557 677
Rights of use	599 787	513 397	-	392 125	1 505 309	148 497	364 546	-	448 165	961 208

■ Cash and cash equivalents

Operating segments

In Euros	December 2024				December 2023			
	Real Estate	Hospitality & Tourism	Holding	Total	Real Estate	Hospitality & Tourism	Holding	Total
Banking deposit accounts	4 329 782	5 330 415	286 470	9 946 667	17 343 854	4 213 065	95 697	21 652 616
Cash on hand	13 990	290 729	289	305 008	21 237	358 925	6 742	386 904
Total	4 343 772	5 621 144	286 759	10 251 675	17 365 091	4 571 990	102 439	22 039 520

Geographical areas

In Euros	December 2024					December 2023				
	Italy	Baltic countries	Egypt	Other	Total	Italy	Baltic countries	Egypt	Other	Total
Banking and postal deposit accounts	3 259 824	4 329 841	1 872 324	484 678	9 946 667	2 823 799	17 055 083	1 530 737	242 996	21 652 615
Cash on hand	11 447	13 990	279 502	69	305 008	29 269	20 065	337 456	115	386 905
Total	3 271 271			484 747	10 251 675	2 853 068			243 111	22 039 520

Financial liabilities

Operating segments

Bonds issues	30 155 264	9 777 628	953 096	40 885 988	39 245 812	9 276 828	-	48 522 640
borrowing from credit institutions.	17 827 547	23 973 914	6 883	41 808 344	4 754 253	25 584 272	9 562	30 348 087
Other Loans and similar debts	631 065	8 568 309	3 598 309	12 797 683	642 040	13 524 070	3 053 118	17 219 228
Financial debts	48 613 876	42 319 851	4 558 288	95 492 015	44 642 105	48 385 170	3 062 680	96 089 955
Lease liabilities	532 387	611 813	401 859	1 546 059	423 152	159 523	451 698	1 034 373
Total	49 146 263	42 931 664	4 960 147	97 038 074	45 065 257	48 544 693	3 514 378	97 124 328
non current	26 730 583	39 197 900	3 733 661	69 662 144	33 636 980	35 962 497	3 173 405	72 772 882
current	22 415 680	3 733 764	1 226 487	27 375 931	11 428 277	12 582 197	340 973	24 351 447

Geographical areas

In euros	December 2024					December 2023				
	Italy	Baltic countries	Egypt	Other	Total	Italy	Baltic countries	Egypt	Other	Total
Bonds issues	9 777 628	30 155 264	-	953 096	40 885 988	9 276 828	39 245 812	-	-	48 522 640
borrowing from credit institutions.	23 960 258	17 827 547	13 656	6 883	41 808 344	25 572 710	4 380 325	385 491	9 561	30 348 087
Other Loans and similar debts	2 692 930	3 495 179	26 715	6 582 860	12 797 684	9 898 969	950 513	311 683	6 058 064	17 219 229
Financial debts	36 430 816	51 477 990	40 371	7 542 839	95 492 016	44 748 507	44 576 650	697 174	6 067 625	96 089 956
Lease liabilities	611 813	532 387	-	401 859	1 546 059	159 523	423 152	-	451 698	1 034 373
Total	37 042 629	52 010 377	40 371	7 944 698	97 038 075	44 908 030	44 999 802	697 174	6 519 323	97 124 329
non courant	35 217 277	26 730 583	26 715	7 687 568	69 662 143	32 320 324	33 554 716	679 143	6 218 699	72 772 882
courant	1 825 352	25 279 794	13 656	257 128	27 375 930	12 587 706	11 445 086	18 031	300 624	24 351 447

5 Notes to the consolidated statements of financial position

5.1 Goodwills

ACCOUNTING PRINCIPLES (IFRS 3 and IAS 36)

Business combinations are accounted for using the purchase method as defined in IFRS 3 (revised).

Under this method, the identifiable assets acquired and liabilities and contingent liabilities assumed must be recognized at their fair value at the acquisition date.

Goodwill represents the difference between (1) the consideration transferred and the amount of any non-controlling interest in the acquired company, and (2) the fair value of identifiable assets, liabilities and contingent liabilities acquired. Where this results in a negative difference (negative goodwill), it is recognized immediately in the income statement.

The Group applies the partial *goodwill* method.

For each business combination, the amount of any non-controlling interests in the acquired company (minority interests) may initially be measured either on the basis of their fair value, or on the basis of their proportionate share of revalued net assets.

The Group may adjust the values initially assigned in the initial and provisional accounting of a business combination within 12 months of the acquisition date.

Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs.

In accordance with IAS 36, the Group performs impairment tests whenever there is an indication that goodwill may be impaired, and at least once a year. The annual test is mandatory for assets with indefinite useful lives and goodwill only.

Goodwill is tested at the level of Cash-Generating Units (CGUs), which are homogeneous entities generating cash flows that are largely independent of the cash flows generated by other CGUs.

PREATONI Group's CGUs are :

- Hotel business: "the hotel", which may be run by a single entity (Domina Milano Fiera at Novate, Zagarella Domina Sicily at PK Sicily) or several entities (Sharm El Sheikh at Nile and Sicot).
- Real estate development: the Pro Kapital group.

These valuations are based on the discounted cash flow (DCF) method.

The method consists of three stages:

- Stage 1: estimation of cash flows likely to be generated in the future by operations. These cash flows are estimated on the basis of business plans drawn up in each country where the Group has management activities, on its own behalf.
- Stage 2: discounting of cash flow forecasts, together with the estimated value of activities at the end of the forecast period (terminal value) at an appropriate rate.
- Stage 3: obtain a value for the entity equal to the value of the business, plus any gain resulting from the difference between the effective tax payable on sale via a disposal of shares and the deferred tax recognized in the balance sheet under IAS 12

Impairment testing consists of comparing the net book value with the recoverable value, as explained above, and recognizing an impairment loss in the income statement when the net book value of the assets tested exceeds the recoverable value.

In the event of impairment of a CGU to which goodwill is allocated, the impairment loss is recognized:

- First, by reducing the carrying amount of goodwill allocated to the CGU; then
- Where appropriate, by reducing the carrying amount of the CGU's other assets.

Impairment losses recognized on goodwill are definitive and cannot be reversed.

■ Movements in the carrying amount of goodwill

In euros	Gross amount	Accumulated impairment	Carrying Amount
Autres	(9 694 873)	9 694 873	-
December 2023	187 815 400	(57 924 026)	129 891 374
Changes in scope of consolidation	-	-	-
Impairment loss	-	(10 751 031)	(10 751 031)
Translation adjustments	(19 453 903)	4 908 693	(14 545 210)
Other	-	-	-
December 2024	168 361 497	(63 766 364)	104 595 133

Apart from a depreciation (see below), the change in this item reflects the devaluation of the Egyptian pound over the period.

■ Presentation by geographical areas and operating segments

En euros	December 2024			December 2023		
	Real Estate	Hospitality & Tourism	Total	Real Estate	Hospitality & Tourism	Total
Egypt resort	-	15 441 432	15 441 432	-	23 778 715	23 778 715
Egypt time share	-	-	0	-	-	0
Italy	-	5 711 174	5 711 174	-	5 711 174	5 711 174
Baltic countries	69 071 888	-	69 071 888	69 071 888	-	69 071 888
Dubai	-	-	0	10 772 930	-	10 772 930
Other	62 703	-	62 703	62 703	-	62 703
Goodwill on operating companies	69 134 591	21 152 606	90 287 197	79 907 521	29 489 889	109 397 410
Egypt	-	10 845 909	10 845 909	-	16 997 866	16 997 866
Italy	-	3 462 026	3 462 026	-	3 496 098	3 496 098
Goodwills from deferred taxes	0	14 307 935	14 307 935	0	20 493 964	20 493 964
Total	69 134 591	35 460 542	104 595 133	79 907 521	49 983 853	129 891 374

■ Goodwill impairment

Following impairment tests, an impairment loss value of 10,510,070 euros was recorded on the goodwill characterized by the know-how linked to the management of unclaimed real estate projects.

5.2 Intangible fixed assets

ACCOUNTING PRINCIPLES (IAS 38)

Intangible assets are non-monetary assets with no physical substance. They must be identifiable (i.e. separable from the acquired entity or resulting from legal or contractual rights), controlled by the company as a result of past events, and give rise to future economic benefits.

IAS 38 states that intangible assets should only be amortized if they have a finite useful life. Intangible assets with no finite useful life are not amortized but are tested for impairment annually (IAS 36), or whenever there is an indication that they may be impaired.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives.

The useful life of the Domina brand is indefinite; an impairment test is carried out annually, comparing the net book value with the royalty income received.

Usufruct rights relate to the Time-share park acquired by Sunny Properties, with a useful life of 75 years. The annual amortization rate is 1.2%.

Other intangible assets include licenses, software and websites. These assets are amortized over 3 to 5 years.

Amortization of intangible assets is included in "Amortization, depreciation and provisions" in recurring operating income.

In euros	Trademarks	Commercial goodwill	Other intangible assets	Total
Gross amount				
December 2023	4 467 939	2 290 812	2 101 454	8 860 205
Changes in scope of consolidation	0	0	0	-
Acquisitions	0	6 047	222 224	228 271
Disposals	0	0	(92 574)	(92 574)
Translation adjustments	(48 770)	0	(5 105)	(53 875)
Reclassifications	0	0	(124 487)	(124 487)
Other	0	0	0	-
December 2024	4 419 169	2 296 859	2 101 512	8 817 540
Accumulated depreciation and impairment				
December 2023	(699 007)	(197 967)	(1 283 891)	(2 180 865)
Changes in scope of consolidation	0	0	0	-
Depreciation and impairment	0	(30 625)	(364 327)	(394 952)
Disposals	0	0	11 599	11 599
Translation adjustments	7 525	0	1 842	9 367
Reclassifications	64 538	0	134 281	198 819
Other	0	0	0	-
December 2024	(626 944)	(228 592)	(1 500 496)	(2 356 032)
Carrying Amount				
December 2023	3 768 932	2 092 845	817 563	6 679 340
December 2024	3 792 225	2 068 267	601 016	6 461 508

5.3 Tangibles assets

ACCOUNTING PRINCIPLES (IAS 16)

Tangibles assets are initially measured at acquisition or production cost.

Subsequent to initial recognition, tangibles assets, with the exception of land, are depreciated on a straight-line basis over the following average useful lives:

- Buildings 33 to 50 years
- Infrastructure 8 to 10 years
- Fixtures and fittings 5 to 8 years

Office furniture and transport vehicles are depreciated over 5 to 8 years.

Where there is an indication of impairment at the year-end, an impairment test is performed and, if necessary, the carrying amount of the property is written down to its recoverable amount.

In euros	Lands	Buildings	Plant, equipment and machinery	Other fixtures, furniture, transport, office equipment	Tangible fixed assets in progress	Total
Gross amount						
December 2023	66 445 931	104 158 232	15 446 877	11 182 512	785 617	198 019 169
Changes in scope of consolidation	0	0	0	0	0	0
Goodwill allocation	0	0	0	0	0	0
Acquisitions	0	495 832	373 277	1 346 855	395 388	2 611 352
Disposals	0	(681 519)	0	0	0	(681 519)
Changes in fair value posted to income statement	0	0	0	0	0	0
Changes in fair value posted to equity as other comprehensive income	0	0	0	0	0	0
Translation adjustments	(18 926 631)	(7 299 502)	(3 469 406)	(1 799 115)	(272 156)	(31 766 810)
Reclassifications	0	454 335	(408 550)	(329 390)	0	(283 605)
Other	0	0	0	0	(13 165)	(13 165)
December 2024	47 519 300	97 127 378	11 942 198	10 400 862	895 684	167 885 422
Accumulated depreciation and impairment						
December 2023		(30 851 195)	(10 356 990)	(7 311 973)	(447 228)	(48 967 386)
Changes in scope of consolidation		0	0	0	0	-
Depreciation and impairment		(2 724 720)	(824 553)	(790 343)	0	(4 339 616)
Disposals		396 060	275	0	0	396 335
Changes in fair value		0	0	0	0	-
Translation adjustments		1 449 877	788 068	909 614	156 807	3 304 366
Reclassifications		2 440 831	248 775	(1 826 378)	0	863 228
Other		(23 627)	0	0	0	(23 627)
December 2024	0	(29 312 774)	(10 144 425)	(9 019 080)	(290 421)	(48 766 700)
Carrying Amount						
December 2023	66 445 931	73 307 037	5 089 887	3 870 539	338 389	149 051 783
December 2024	47 519 300	67 814 604	1 797 773	1 381 782	605 263	119 118 722

Asset acquisitions in Egypt amounted to 1,915,657 euros. These were mainly renewal investments.

5.4 Investment property at fair value

ACCOUNTING PRINCIPLES (IAS 40)

Investment properties are real estate assets held to earn rental income and/or for capital appreciation.

Investment property also includes land and buildings held on a longer-term basis for future use as investment or other property.

When acquired, investment properties are recorded on the balance sheet at acquisition cost, including costs and transfer taxes.

After this initial recognition, investment property is recognized at fair value, determined in accordance with the valuation rules set out in IFRS 13:

- Based on prices quoted on an active market (level 1);
- Based on internal valuation techniques using standard mathematical calculation methods incorporating observable market data (forward prices, yield curves, etc.), the valuations derived from these models are adjusted to take account of a reasonable change in the Group's or counterparty's credit risk (level 2);
- Using internal valuation techniques incorporating parameters estimated by the Group in the absence of observable data (level 3).

The fair values of investment properties have been classified in level 3: they are determined annually by independent appraisers, either by direct comparison with transactions carried out on equivalent assets in kind and location, or by the discounted cash flow method.

Changes in the fair value of investment properties are recognized in "Income from operating activities".

When the future use of the building changes, it is reclassified in the appropriate asset item and follows the accounting rules of the item to which it is reclassified.

The Group's investment properties consist of land held for the construction of real estate projects intended for sale. When a project, or part of a project, enters an active development phase with a view to being marketed, the building or share concerned is reclassified under inventories.

The Group considers that a project has entered the active development phase when one or more of the following events occur:

- Signature of a reservation agreement with the customer(s);
- Application to the local municipality for a building permit;
- Signing of a development loan agreement;
- Signature of a construction contract.

In euros	December 2024	December 2023
Balance opening	40 557 677	45 574 900
Changes in scope of consolidation	-	-
Acquisitions	570 375	473 588
Disposals	0	0
Changes in fair value	1 129 904	1 971 512
Reclassifications	2 335 000	(7 659 212)
Translation adjustments	(82 270)	(6 670)
Other	0	203 559
Balance closing	44 510 686	40 557 677

The buildings are plots of land intended for property development. They were valued by an independent appraiser at December 31, 2024.

The breakdown by property is as follows:

In thousands of euros	Fair value		
Property	December 2024	December 2023	Variation
Kristine City	20 100 000	19 075 788	1 024 212
Ulemiste 5	4 200 000	3 920 000	280 000
Kliversala	13 743 180	13 711 000	32 180
City Oasis	3 820 000	3 654 000	166 000
Brivibas	2 347 000	0	2 347 000
Other buildings	300 506	196 889	103 617
Total	44 510 686	40 557 677	3 953 009

In thousands of euros	Capex (€)		GBA (m²)		Average / m² (€)	
Property	2024	2023	2024	2023	2024	2023
Kristine City	174 236	353 524	54 966	71 152	366	343
Ulemiste 5	0	0	18 500	18 500	227	212
Kliversala	3 181	60 830	82 628	82 960	166	166
City Oasis	163 331	14 636	31 631	31 631	121	116
Brivibas	43 560	44 598	31 212	31 212	75	75
Total	384 308	473 588	218 937	235 455		

5.5 Investments in associates

At December 31, 2024, the only entity accounted for by the equity method was **Preatoni Real Estate DMCC**

The amount of investments in associates has been reduced to zero, with the recognition of a provision for contingencies of 773,424 euros at December 31, 2024, compared with 366,108 euros at the previous December 31.

Summarized data for assets, liabilities and income at 100% are as follows:

Figures at 100% and in euros	December 2024	December 2023
Current assets	93 341 028	566 613
Non-current assets	10 881 306	75 678 473
Current liabilities	86 066 496	76 085 106
Non-current liabilities	19 702 685	892 195
Shareholders' equity	(1 546 847)	(732 215)
Revenues	-	-
Net income	(1 491 577)	(692 743)

5.6 Financial assets

ACCOUNTING POLICIES (IFRS 9)

Financial assets comprise non-current financial assets, current assets representing operating receivables, debt securities or marketable securities, including derivatives and cash.

At the acquisition date, the Group classifies the financial assets in one of the accounting categories provided for under IFRS 9, based on the instrument's characteristics and business model.

PREATONI Group's financial assets are classified under the following two categories:

Assets measured at amortized cost

Financial assets are measured at amortized cost when recovery is assured by the collection of contractual cash flows (repayment of principal and interest on the principal outstanding).

These assets correspond to receivables from associates, operating financial assets, other loans and receivables and trade receivables. They are initially recognized at fair value, then at amortized cost calculated using the effective interest rate method. In accordance with IFRS 9, these assets are written down by an amount corresponding to expected credit losses. Depending on the nature of the asset, the impairment loss is recognized either in recurring operating income or in net financial income/expense.

Assets measured at fair value through profit or loss

This category includes :

- Financial assets whose holding objective does not correspond either to the collection of contractual cash flows, or to a disposal of these assets, and for which the expected cash flows do not correspond solely to principal repayments and interest payments;
- Assets designated at fair value by option. This mainly concerns the treasury mutual fund portfolio, whose management and performance are based on fair value.

Changes in the value of these assets are recorded under "Other financial income and expenses".

The Group does not hold any financial assets measured at fair value through other comprehensive income.

The Group's financial assets comprise :

- Investments in non-consolidated entities (equity instruments)

These investments are classified as equity instruments measured at fair value through profit or loss.

In accordance with IFRS 9, equity instruments are recognized at initial cost when measured at fair value through profit or loss. Transaction costs are then recognized in the income statement at the acquisition date.

At each closing date, the Group's investments in non-consolidated companies are measured and recognized at fair value. Fair value is determined on the basis of net book value.

- Other non-current financial assets.

They comprise receivables and loans from associates and non-consolidated investments, loans and advances to third parties (related parties) and guarantee deposits.

Other financial assets are measured at amortized cost.

Impairment losses are calculated on the basis of expected losses on individual assets as follows:

- Assets whose credit risk has not deteriorated significantly are written down to the amount of expected losses over a 12-month horizon.

- Assets whose credit risk has increased significantly are written down to the extent of expected losses over their entire useful life.

Fair value

IFRS 13 establishes a three-level fair value classification for inputs to fair value measurement techniques for all financial assets and liabilities. Fair value is determined either :

- Based on prices quoted on an active market (level 1);
- Based on internal valuation techniques using standard mathematical calculation methods incorporating observable market data (forward prices, yield curves, etc.), the valuations derived from these models are adjusted to take account of a reasonable change in the Group's or counterparty's credit risk (level 2);
- Using internal valuation techniques incorporating parameters estimated by the Group in the absence of observable data (level 3).

The fair value of financial instruments held by the Group measured at amortized cost generally approximates their carrying amount.

5.6.1 Equity instruments

Equity instruments include shares in Hypermarket (736,639 euros) and Colosseum Real Estate Vilnius (287,261 euros), non-consolidated subsidiaries of Svalbork.

In euros	Equity instruments at FV through income statement
December 2023	1 011 218
Changes in scope of consolidation	
Acquisitions	
Changes in fair value posted to income statement	12 901
Disposals	
Reclassifications	
Translation adjustments	
December 2024	1 024 119

5.6.2 Other financial assets

In euros	December 2024	December 2023
Loans and receivables from investments	1 911 059	1 639 176
Deposits	530 712	211 641
Other non current financial assets	37 605	0
Total	2 479 376	1 850 817
Current	0	0
Non current	2 479 376	1 850 817

Loans and receivables mainly comprise:

- Loans granted by Preatoni Swiss Holding to Preatoni Real Estate DMCC: 1,141,918 euros at the end of 2024 compared with 633,118 euros at the end of 2023.
- A receivable from the related party Domina Rus, arising from the Time Share business: 769,140 euros at end-2024, compared with 992,582 euros at end-2023.

5.7 Inventories

ACCOUNTING PRINCIPLES (IAS 2)

Inventories include those relating to the Hotels & Tourism business and those relating to the Real Estate Development business.

Hotels & Tourism inventories

These are essentially inventories of consumables, valued at purchase cost plus any acquisition costs.

Provisions for depreciation of these inventories are determined on the basis of net realizable value, i.e. the amount expected to be derived from the use of the inventory in the normal course of business.

Real estate development inventories

Land for real estate development projects is initially recognized as investment property. They are transferred to inventories when the project enters the development phase (see section 5.4).

The cost of each real estate project comprises the value of the land transferred from investment property, design and construction costs, and all directly attributable costs, including financial charges relating to the direct financing of the project.

Property Development inventories comprise :

- Completed projects available for sale, and
- Work in progress.

Completed projects are derecognized from inventory when the assets are sold. The cost of the asset and the sale proceeds are recognized in the income statement over the same period.

When the estimated realizable value is lower than the net book value, an impairment loss is recognized based on the difference between these two amounts. Realizable value corresponds to the estimated selling price based on market prices, less the estimated costs of completion and the costs necessary to complete the sale.

Property development inventories are classified as current assets when they are:

- Realized, disposed of or consumed during the normal operating cycle ;
- Held mainly for trading purposes.

In euros	December 2024	December 2023
Consumables and miscellaneous products	1 055 279	1 367 054
Real estate - Work in progress	54 657 645	29 962 673
Uus Kindrali, Tallinn	8 948 174	-
Kindrali Majad, Tallinn	-	5 324 212
Kalaranna Kvartal, Tallinn	24 906 619	11 047 299
Šaltinių Namai (Attico), Vilnius	13 405 565	7 211 337
Naugarduko, Vilnius	6 462 250	6 301 940
Avances et acomptes	935 037	77 885
Real estate - completed properties	2 198 834	5 474 163
Kindrali Majad, Tallinn	193 008	165 334
Kalaranna kvartal, Tallinn	899 380	957 380
River Breeze, Riia	42 153	2 897 298
Šaltinių Namai (Attico), Vilnius	1 064 293	1 454 151
Total	57 911 758	36 803 890

Of the projects currently under development, the following have been sold by December 31, 2024:

- Over 55% of the Kalaranna project (Tallinn);
- 50% of the Uus Kindrali project, (Tallinn) ;
- 29% of the Šaltinių Namai project (Vilnius).

Planning permission for Naugarduko (Vilnius) postponed to 2025.

5.8 Trade receivables

ACCOUNTING POLICIES (IFRS 9)

Trade receivables are measured at amortized cost, less allowances for expected credit losses.

Impairment losses are measured in accordance with the simplified method set out in IFRS 9; potential losses are recognized over the life of the receivable, based statistically on historical losses.

To determine impairments based on expected non-payment rates, Group entities use non-payment risk matrices adapted to their local realities, with regard to non-payment rates observed in the recent past on receivables with a similar credit risk profile (see note 9.2 Counterparty risks).

In euros	December 2024	December 2023 Restated
Trade receivables	16 497 861	16 945 336
Impairment of trade receivables	(6 006 560)	(7 196 815)
Total	10 491 301	9 748 521

"Trade receivables" item breaks down as follows by activity:

In euros	December 2024			December 2023 Restated		
	Gross	Impairment	Net	Gross	Impairment	Net
Real Estate	807 121	0	807 121	2 001 178	(723)	2 000 455
Hospitality & Tourism of which time-share	14 600 751	(4 925 338)	9 675 413	14 911 377	(7 196 092)	7 715 285
Holding	1 089 989	(1 081 222)	8 767	32 781	0	32 781
Total	16 497 861	- 6 006 560	10 491 301	16 945 336	- 7 196 815	9 748 521

Développement immobilier's customers are private individuals. Sales are secured by advance payments. The sold property remains the property of Pro Kapital until the debt has been paid in full by the customer.

The Hotels & Tourism business breaks down as follows between Hotels and Time-share, and by country:

In euros	December 2024			December 2023 Restated		
	Gross	Impairment	Net	Gross	Impairment	Net
Egypt - Time-share	665 847	(537 827)	128 020	1 395 134	(970 654)	424 480
Egypt - Hospitality	8 510 763	(2 753 314)	5 757 449	8 781 038	(4 591 336)	4 189 702
Italy - Time-share	3 663 491	(1 080 939)	2 582 552	3 102 269	(661 765)	2 440 504
Italy - Hospitality	1 760 650	(553 258)	1 207 392	1 632 936	(972 337)	660 599
Total	14 600 751	- 4 925 338	9 675 413	14 911 377	- 7 196 092	7 715 285

NB: in the above presentation, PK Sicily, Unupuntotre and Domina Srl are included in the "Italy - Time-share" line.

• Egypt Time-share

Time-share customers in Egypt are private individuals. When the contract is drawn up, the customer pays a deposit of 30%; the remaining 70% is collected within a contractually agreed period of up to 18 months

Gross receivables consist of receivables prior to July 1, 2022. There are no receivables outstanding after July 1, 2022, as sales are recognized as and when the time-share is used by the customer (see note 1.3).

• Egypt Hospitality

The "Egypt Hotels" line includes 2,045 thousand euros gross of past receivables fully written down by Sicot.

Excluding Sicot's former receivables, the gross balance amounts to 6,465 thousand euros and corresponds to Nile's customers, who are :

- Tour operators account for 31% of the balance, with an average payment term of 30 days;
- 68% of Sharm El Sheik property owners (individuals or companies) are billed for services such as electricity and maintenance.... Invoicing varies according to the service sold (annual, biannual, etc.).

• Italy Time-share

Time-share customers fall into two categories:

- Time-share "buyers", mainly private individuals, whose receivables are registered with PK Sicily Zagarella and Unopuntotre. Contracts may be settled immediately or over one or two financial years, depending on the terms agreed with the customer
- Time-share owners whose properties are placed through an agent (in this case Domina Srl) and who are charged a commission for this service. These owners are private individuals and companies.

• Italy Hospitality

Hotel customers in Italy at December 2024 are mainly tour operators. The payment terms granted to them are based on the final customer's payment (30% on reservation and 70% generally 30 days before the event).

Information on the age of receivables is provided in Note 9.2 "Counterparty risk".

5.9 Other current assets

In euros	December 2024	December 2023
Other receivables	2 538 633	6 124 943
Tax and social security receivables	1 458 855	713 339
Prepaid expenses	713 702	977 209
Impairment of other receivables	0	(3 728 584)
Total	4 711 190	4 086 907

Provisions for other receivables were reversed through the income statement once the receivables had been collected, notably Eginvest (2 088 476 euros).

The balance of other receivables includes:

- Advances and deposits paid on orders: 847,458 euros
- Accrued interest on loans: 253,060 euros.

Tax and social security receivables mainly comprise VAT credits.

5.10 Cash and cash equivalents

ACCOUNTING PRINCIPLES (IAS 7)

Cash and cash equivalents include cash on hand and short-term investments - demand deposits - which are considered liquid, convertible into a known amount of cash, subject to an insignificant risk of change in value and held for the purpose of meeting short-term cash commitments.

Bank overdrafts are included in current borrowings.

Cash and cash equivalents consist of the following:

In euros	December 2024	December 2023
Banking deposit accounts	9 946 667	21 652 616
Cash on hand	305 008	386 904
Total	10 251 675	22 039 520

Bank accounts are mainly denominated in euros, Swiss francs, US dollars and Egyptian pounds.

5.11 Shareholders' equity

As a result of the capital reduction carried out On July 11, 2024, PREATONI Group's subscribed capital amounts to 324,979,592 euros, divided into 8,807,035 fully paid-up shares with a par value of 36,9 euros each. A share premium of 36,108,843.50 euros was recorded to offset the capital reduction.

Currency translation adjustments arise from the translation into euros of subsidiaries' financial statements prepared in currencies other than the euro.

5.12 Provisions

ACCOUNTING PRINCIPLES (IAS 37)

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has a present legal or constructive obligation to a third party as a result of past events, and it is probable or certain that the obligation will result in an outflow of resources to the third party.

Provisions maturing in more than 12 months are discounted whenever the effect of discounting is material.

At December 31, 2024, total provisions amounted to 2,072,902 euros, including 1,225,631 euros for Egyptian entities.

in euros	December 2023	Allowances	Reversals	Changes in scope of consolidation	Translation adjustments	Reclassifications	Other	December 2024
Provisions for litigations	371 009	696 994	(222 130)	-	(145 183)	14 311	-	715 001
Provisions for charges	959 446	640 158	(596 878)	-	(331 084)	(14 311)	(72 852)	584 479
Risks provisions	367 615	407 314	-	-	(1 507)	-	-	773 422
Total Provisions	1 698 070	1 744 466	(819 008)	0	(477 774)	0	(72 852)	2 072 902
Current								
Non-current	1 698 070							2 072 902

Over the period, the change in this item is explained by:

- An additional provision for risks of 407,314 euros on the equity-accounted investment in Preatoni real Estate DMCC;
- An additional net allocation of 474,864 euros for disputes - customers, water supplier DIA - brought before the Cairo courts;
- Foreign exchange impact of -477,774 euros.

5.13 Current and non-current financial liabilities

ACCOUNTING POLICIES (IFRS 9)

Financial liabilities include bonds, loans from banks and other financial institutions, amounts due to Ernesto PREATONI and bank overdrafts; their measurement and recognition are defined by IFRS 9 "Financial Instruments".

Financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, issue premiums/discounts, redemption premiums/discounts and issuance costs are recorded as an increase or decrease in the nominal value of the borrowings concerned. These issue premiums and costs are taken into account in calculating the effective interest rate and are then recognized in the income statement on an actuarial basis over the life of the loan.

Financial liabilities are broken down in the statements of financial position into non-current and current liabilities.

• Fair value

IFRS 13 establishes a three-level fair value classification for inputs to fair value measurement techniques for all financial assets and liabilities. Fair value is determined either :

- Based on prices quoted on an active market (level 1) ;
- Based on internal valuation techniques using standard mathematical calculation methods incorporating observable market data (forward prices, yield curves, etc.), the valuations derived from these models are adjusted to take account of a reasonable change in the Group's or counterparty's credit risk (level 2);
- Using internal valuation techniques incorporating parameters estimated by the Group in the absence of observable data (level 3).

The fair value of financial instruments held by the Group measured at amortized cost generally approximates their carrying amount.

5.13.1 Changes in indebtedness

The change in indebtedness presented below does not include lease liabilities as defined by IFRS 16.

In euros	December 2023	Increase	Decrease	Translation adjustments	Changes in scope of consolidation	Reclassifications	December 2024
Gross amounts							
Bonds issues	44 893 692	3 056 170	(10 032 868)	0	0	0	37 916 994
borrowing from credit institutions.	29 771 465	17 550 646	(5 802 538)	(117 032)	0	(373 928)	41 028 613
Other Loans, similar debts and bank overdrafts	15 433 753	910 112	(5 690 061)	(55 467)	0	165 778	10 764 115
Subtotal	90 098 910	21 516 928	(21 525 467)	(172 499)	0	(208 150)	89 709 722
Accrued interests							
Bonds issues	3 628 948	3 295 420	(3 952 274)	0	0	(3 100)	2 968 994
borrowing from credit institutions.	576 622	711 784	(511 775)	0	0	3 100	779 731
Other Loans and similar debts	1 785 476	199 924	0	(5 239)	0	53 408	2 033 569
Subtotal	5 991 046	4 207 128	(4 464 049)	(5 239)	0	53 408	5 782 294
Total	96 089 956	25 724 056	(25 989 516)	(177 738)	0	(154 742)	95 492 016
Current	24 045 153						26 934 157
Non-current	72 044 803						68 557 859

5.13.2 Breakdown of debt by maturity

Gross amounts and accrued interests (in euros)	Less than 1 year	1 - 5 years	Beyond 5 years	December 2024
Bonds issues	6 518 926	34 367 062	0	40 885 988
borrowing from credit institutions.	16 908 125	5 452 571	19 447 641	41 808 337
Other Loans, similar debts and bank overdrafts	3 507 106	8 925 140	365 437	12 797 683
Total	26 934 157,0	48 744 773,0	19 813 078,0	95 492 008

5.13.3 Main sources of financing

■ Bond issues

The issuers of the bonds are AS Pro Kapital for the financing of the real estate development activity and Domina Vacanze Holding for the financing of the Milan hotel and the Zagarella resort.

Borrower	Category	number of bonds	Issue currency	Reference rate	Maturity date	Maximum amount	Gross amounts December 2024	Gross amounts December 2023
Total (in euros)							37 916 994	44 893 692
Prokapital							30 155 264	38 031 962
	Unsecured/non convertible	3 459 081	EUR	9%	31/10/2026	8 232 613	8 128 933	9 581 572
	Secured /non convertible	285	EUR	11%	20/02/2028	28 450 390	22 026 331	28 450 390
Preatoni Group							900 000	0
	Non convertible		EUR	10%	06 & 07 2028	900 000	900 000	0
Domina Vacanze Holding							6 861 730	6 861 730
	Unsecured /non convertible	294 118	EUR	4%	31/12/2026	500 000	500 000	500 000
	Convertible	116 307	EUR	7%	31/12/2026	197 722	197 722	197 722
	Convertible	8 627	EUR	7%	31/12/2026	14 666	14 666	14 666
	Convertible	23 874	EUR	7%	31/12/2026	40 586	40 586	40 586
	Convertible	43 002	EUR	7%	31/12/2026	73 103	73 103	73 103
	Convertible	25 290	EUR	7%	31/12/2026	42 993	42 993	42 993
	Unsecured/non convertible	3 525 094	EUR	8%	31/10/2026	6 482 022	5 992 660	5 992 660

Ernesto PREATONI is a subscriber to various tranches of bonds issued by DVH :

- 294,118 bonds in the unsecured and non-convertible loan;
- 2,345,942 bonds in the unsecured and non-convertible loan;
- 207,728 bonds in convertible bonds.

Ernesto PREATONI has officially notified the Group of his decision to extend the principal and interest maturities to December 31, 2026. The initial maturity date of all these bonds was prior to December 31, 2024. The maturity extension of the 3,525,094 unsecured/non-convertible bonds has been formalized and the information has been updated on the Estonian Nasdaq. For the other bonds, the information has not been updated on the Estonian Nasdaq. As this maturity extension is automatically binding on minority subscribers who hold 4% of the convertible bonds, DVH's bond debt is classified as non-current.

■ Bank loans

Bank debt is mainly carried by Immobiliare Novate and PK Sicily to finance the acquisition of Italian hotels, and by Pro Kapital to finance ongoing real estate programs.

Borrower	Bank	Issue currency	Reference rate	Maturity date	Gross amounts December 2024	Gross amounts December 2023
Total (in euros)					41 028 613	29 771 464
AS Pro Kapital					17 811 151	4 380 325
	Sparkasse	EUR	3%	30/06/2030	343 750	406 250
	Siauli Bankas	EUR	Euribor + 5%	31/08/2027	500 000	
	Volksbank	EUR		01/11/2029	39 710	
	AS LHV Bank	EUR	Euribor + 5,25%	28/04/2026	15 103 916	3 974 075
	AS LHV Bank	EUR	Euribor + 6,25%	01/01/2026	1 823 775	-
Immobiliare Novate					10 187 486	10 775 301
	Crédit Agricole	EUR	5%	05/10/2039	6 254 499	6 521 529
	Crédit Agricole	EUR	5%	30/09/2040	1 409 028	1 469 279
	Crédit Agricole	EUR	5%	05/10/2039	2 149 532	2 247 863
	BANCA SELLA	EUR	1%	30/09/2028	18 950	24 300
	MEDIOLANUM	EUR	Euribor Trim.Floor base 360: 1,173%	31/01/2027	355 477	512 330
PK Sicily					12 986 636	13 621 324
	AMCO	EUR	3%	31/12/2026	12 977 638	13 606 071
	INTESA	EUR	1%	14/05/2026	8 998	15 253
Nile Company for Hotels & Resorts Management					13 656	386 120
	Arab African International Bank	EGP	21%	01/04/2025	13 656	76 145
		EGP	5%	01/01/2024	-	309 975
Other					29 684	608 394

Other borrowings and similar liabilities

Other borrowings mainly comprise loans granted by Ernesto Preatoni to Group companies, and a vendor loan at Domina International for the acquisition of Unopuntotre.

Borrower	Lender	Nature	Gross amounts December 2024	Gross amounts December 2023
Total (in euros)			10 464 115	15 433 753
Group Entities	Ernesto Preatoni (1)	Loans and advances	2 969 419	7 489 334
Domina International	third party	Seller's loan acquisition of Unopuntotre	3 391 427	3 399 950
Domina International	Saarmas Family Office SA and Accordo Limited (1)	Loans	250 244	555 382
Unopuntotre	Shareholder third party	Loans	1 757 068	1 757 068
Svalbork	Out of scope entities (1)	Interests bearing loans	884 500	884 500
Nuda Proprieta	third party	Loans	625 000	618 500
Immobiliare Novate	Shareholders	Loans	365 437	409 649
Preatoni Swiss Holding	Ikaro Management Middle Est (1)	Loans	215 065	-
Other			5 955	319 370

(1) see details in note 11.3 transactions with related parties

Covenants

The contractual clauses of the 28,500,000-euro non-convertible secured loan require "equity to assets" ratio to be higher than 35%. The equity ratio was 43.13% as at the end of the reporting period.

There are no clauses of this type in contracts taken out by other Group entities.

5.14 Other non-current liabilities

In euros	December 2023	Increase	Decrease	Translation adjustments	Changes in scope of consolidation	Reclassifications	December 2024
Deposits and guarantees paid	2 505 254	1 699 359	(5 723)	(997 211)	0	1 182	3 202 861
Other liabilities	2 000 814	854 620	-	(803 094)	0	89 870	2 142 210
Total	4 506 068	2 553 979	(5 723)	(1 800 305)	0	91 052	5 345 071
Current	0						
Non-current	4 506 068						5 327 121

Other non-current liabilities mainly comprise a debt to a water supplier, DIA Egypt Sinai Co. For touristic development.

5.15 Operating liabilities

ACCOUNTING PRINCIPLES

Operating liabilities include trade payables, tax liabilities (excluding deferred taxes), social security liabilities (excluding post-employment benefits), deferred income and other liabilities.

In euros	December 2024	December 2023
Trade payables	13 072 480	12 904 842
Other liabilities	13 368 787	10 112 914
Tax and social security payable	4 001 301	4 342 509
Deferred revenue	618 082	274 947
other operating liabilities	8 749 404	5 495 458

5.16 Contract assets and liabilities

ACCOUNTING POLICIES (IFRS 15)

The Group must present the following items separately on the assets side of the statement of financial position:

- Trade receivables correspond to the unconditional right to receive cash in exchange for contractual obligations already discharged.
- Customer receivables for which the customer has not yet obtained an unconditional right to collection, e.g. because he has only partially fulfilled his obligations.

These contract assets are written down as soon as impairment losses are expected, applying the same principles as for impairment losses on trade receivables.

The Group is required to present the following items separately as liabilities in the statement of financial position:

- Liabilities incurred because customers have already paid for services that have not yet been rendered (prepayments received for services not yet rendered; deferred income).

Contract assets and liabilities must be presented on two separate lines as "current" and "non-current".

In euros	December 2024	December 2023 Restated
Contracts liabilities non-current	8 420 135	8 365 968
Real Estate		3 657 132
Hospitality & Tourism		
Time-share	8 420 135	4 708 836
Contracts liabilities current	0	1 235 642
Real Estate		0
Hospitality & Tourism		821 189
Time-share		414 453
Total	8 420 135	9 601 610

At December 31, 2024, contract liabilities are :

- For real estate development: advances paid when properties are reserved and recovered when the property is handed over to customers. The increase in this item is due to the launch of new phases on the Kalaranna District, Uus-Kindrali and Šaltinių Namai projects. At the end of 2024, all these liabilities will be classified as current in view of the projects' delivery deadlines.
- For Hotels & Tourism: deposits paid by customers and travel agencies. These liabilities are classified as current.

- For time-share: advances paid by Sunny Properties customers. They correspond to the difference between sales recognized on current contracts and the amount of settlement received on these same contracts. At the end of 2024, these liabilities were classified as non-current in the amount of 8,420,135 euros.

5.17 Leases contracts

ACCOUNTING POLICIES (IFRS 16)

Leases falling within the scope of the standard mainly concern premises, vehicles and photocopying equipment.

The Group has elected to benefit from the exemptions provided by IFRS 16 for:

- Rentals relating to contracts with a term of 12 months or less, if these contracts do not contain options to purchase the leased goods;
- Rentals on contracts for assets with a unit value when new of less than €5,000.

In respect of leases where the Group is lessee, the Group recognizes in its balance sheet, at the inception of the lease, :

- On the liabilities side, a liability relating to future lease payments. IFRS 16 recommends that future lease payments should be discounted using the interest rate implicit in the contract, if this rate is readily determinable, or failing this, using the marginal gearing of the entity holding the leases concerned. The marginal borrowing rate corresponds to the interest rate that the Group would have had to pay to borrow, over a similar period and in a similar economic environment, the funds required to acquire an asset with a value equivalent to that of the right to use the asset. This marginal borrowing rate is calculated on the basis of the underlying country and the risks associated with the asset category concerned by the contract.
- On the asset side, a right of use valued at cost, corresponding to the lease liability plus, where applicable, the initial costs incurred in concluding the contract, the amount of prepaid rents and an estimate of any restoration costs

After the effective date, rights of use are amortized on a straight-line basis over the term of the contract. As an exception, a right of use is amortized over the useful life of the leased asset when the Group is reasonably certain of exercising a purchase option on the asset. Lease obligations are subsequently measured at amortized cost.

- In the income statement, rents and royalties paid are replaced by:
 - Amortization of rights of use;
 - A finance charge, equal to the interest paid on rents in excess of the principal repaid, to reduce the debt.

Rights of use are tested for impairment whenever there is objective evidence of impairment.

The following analyses show the main items relating to leases.

▪ Rights of use

In euros	Buildings	Transport equipment	computer equipment	Total
Gross amount				
December 2023	1 667 172,0	182 775,0	94 687	1 944 634
Changes in scope of consolidation	0,0	0,0	0	0
Acquisitions	893 395	86 887	23 938	1 004 220
Disposals	0	0	0	0
Translation adjustments	0	0	0	-
Other	(646 427)	(68 902)	(94 687)	(810 016)
31 décembre 2024	1 914 140	200 760	23 938	2 138 838
Accumulated depreciation and impairment				
December 2023	(789 694)	(99 053)	(94 679)	(983 426)
Changes in scope of consolidation	0	0	0	-
Depreciation and impairment	(338 353)	(45 926)	(6 842)	(391 121)
Disposals	0	0	0	-
Translation adjustments	0	0	0	-
Other	589 432	56 907	94 679	741 018
December 2024	(538 615)	(88 072)	(6 842)	(633 529)
Carrying Amount				
December 2023	877 478	83 722	8	961 208
December 2024	1 375 525	112 688	17 096	1 505 309

■ Lease debt

In euros	December 2023	Increase	Decrease	Translation adjustments	Changes in scope of consolidation	Reclassifications	December 2024
Lease liabilities non-current	728 079	615 222	(147 364)	0	0	(91 652)	1 104 285
Lease liabilities current	306 294	112 464	(48 840)	0	0	71 856	441 774
Total	1 034 373	727 686	(196 204)	0	0	(19 796)	1 546 059

The debt maturities below have been updated.

In euros	Less than 1 year	1 - 5 years	Beyond 5 years	December 2024
Lease liabilities	441 774	1 025 358	78 927	1 546 059

■ Unrestated rental expenses

At December 31, 2024, unrestated rental expenses, mainly on low-value contracts, amounted to 400,266 euros.

6 Notes to the statements of net income

6.1 Revenues

ACCOUNTING POLICIES (IFRS 15)

Revenues are recognized at the amount the Group expects to receive as consideration for the transfer of control over goods and services. It includes income from real estate development on the one hand, and from hotels & Tourism & Tourism, including time Share, on the other.

Revenues from real estate development

The Group develops and sells residential and commercial properties. Contracts are signed with purchasers when properties are either completed or under development. The final transfer takes place when the sales contract is signed before a notary, confirming the transfer of ownership and the risks attached to the property to the customer.

Sales are valued at the contractual transaction price, and consideration is due when title has been transferred. Revenue is recognized upon completion, as the progressive transfer of risk, and consequently of ownership, is not recognized in Estonia. Transfer of ownership is effective upon signature of the notarial deed and payment of the price

Advances paid by customers at the time of booking of programs are isolated in liabilities under "Contract liabilities".

Revenues from Hotels & Tourism activity

- Rooms and packages

The Group operates all the hotels it owns.

Hotel & Tourism sales are recognized when the product or service has been transferred to the customer and the establishment has met its performance obligation. Hotels recognize revenues on a daily basis. Revenues from stays booked and paid in advance by the customer are not recorded as sales.

- Other revenues

Other hotel revenues correspond mainly to:

- Rental income from activities operated by third parties on the site: clinic, casino, etc.
- Income from ancillary services offered to customers (excursions, etc.).

Revenues from Time-share

Customers can buy time-share in Sharm El Sheikh in Egypt, in Sicily at Zagarella and in northern Italy at Gardone Riviera.

In Sharm El Sheikh, Sunny Properties holds the usufruct of the time-share park. Payment of a deposit of 30% of the contract value transfers to the customer the right to use the property for a period of usually one week per year, over a period of 5 or 30 years. The remaining 70% is paid over a maximum of 18 months. Sales are spread over the duration of the contract. At the end of the contractual period, the asset is recovered as is. When a contract is cancelled, cash receipts corresponding to sales not yet recognized are transferred to the income statement.

In Italy, time-shares are sold in the form of one-week real estate units, which can be used once a year for an unlimited period. Sales are recorded on the date of acceptance of the contract by the customer. Customers can use the property as soon as they sign the contract, without waiting for the notarial deed to be signed.

Sales by operating and geographical segments are presented in note 4.

In euros	December 2024	December 2023 Restated
Real Estate	18 135 592	23 718 975
Hospitality & Tourism	48 949 314	47 596 782
Hospitality	45 419 356	45 343 255
Time-share	3 529 958	2 253 527
Total	67 084 906	71 315 757

The backlog represents future sales on contracts signed with customers for the Time-share business in Egypt.

The breakdown of the backlog book is as follows:

In euros	Less than 1 year	1 - 5 years	Beyond 5 years	December 2024
December 2024	1 129 593	3 879 206	7 869 441	12 878 240
December 2023	658 073	4 652 573	2 824 172	8 134 818

6.2 Operating expenses

In euros	December 2024	December 2023
Purchases	(21 168 520)	(27 482 148)
Energy, maintenance and repairs	(7 714 654)	(7 253 450)
Other costs	(19 944 861)	(16 072 002)
Taxes and assimilates	(1 152 582)	(1 138 724)
Total	(49 980 617)	(51 946 324)

Purchases" include the cost of real estate projects, which amounted to 6,192,099 euros at December 31, 2024, compared with 11,220,587 euros at December 31, 2023.

6.3 Depreciation, amortization and provisions

In euros	December 2024	December 2023 Restated
Impairment	4 379 461	(4 237 423)
Amortization	(5 004 332)	(5 293 922)
Net change in provisions	(714 005)	(307 909)
Total	(1 338 876)	(9 839 255)

The change in this item between 2023 and 2024 is directly linked to the change in "impairment losses":

- In 2024, provision reversals amounted to 4,430,673 euros, including 2,189,149 euros at Nile on the Eginvest receivable. Other write-backs amounted to 1,782,292 euros, covering irrecoverable customer balances transferred to income (1,072,238 euros).
- In 2023, provisions for impairment were booked on old receivables from the Time-share business (1,681,997 euros) and the hotel business (2,877,511 euros) in Egypt

6.4 Income from operating activities

In euros	December 2024	December 2023 Restated
Current operating income	290 869	(4 171 342)
Fair value investment properties	1 129 904	1 971 512
Gains and losses on disposals of assets	(15 315)	(147 588)
Scope effects	-	73 354
Other non-recurring revenues and expenses	(52 956)	11 944 180
Goodwill impairment	(10 751 031)	(510 044)
Result from entities in equity method	(745 788)	(399 848)
Income from operating activities	(10 144 317)	8 760 224

At December 31, 2024, the Goodwill the goodwill characterized by the know-how linked to the management of unclaimed real estate projects has been fully depreciated for 10 510 070 euros.

At December 31, 2023, "Other income and expenses" included the cancellation of pre-2014 operating debts at Sinai Co. For touristic development and Nile.

6.5 Net financial income/loss

In euros	December 2024	December 2023
Income from cash and cash equivalents	84 986	78 056
Interest from investment securities and cash equivalents	0	17 459
bank interest income received	84 986	60 596
Cost of gross debt	(6 408 534)	(5 917 533)
Interest expense on bonds	(4 710 141)	(4 081 075)
Interest expense on gross borrowings	(1 144 080)	(1 306 157)
Bank interests and financing transactions interests	(515 674)	(499 192)
Interest expense on lease liabilities	(38 639)	(31 109)
Cost of net debt	(6 323 548)	(5 839 477)
Other financial income and expenses	1 698 346	(2 094 561)
Exchange losses	(3 895 201)	(2 298 928)
Exchange gains	5 799 122	828 825
Other financial expenses	(460 898)	(888 370)
Other financial income	255 323	263 912
Financial income (Loss)	(4 625 202)	(7 934 038)

Interest and charges on bonds are the main expenses included in the cost of debt. Their increase over the period is explained by costs linked to the restructuring of Pro Kapital Grupp's bond debt.

Foreign exchange gains and losses represented a net income of 1,903,201 euros at December 2024, including 2,861,935 euros for Nile. This entity has bank accounts and receivables (including receivables from the Group) denominated in euros and dollars, the conversion of which resulted in a positive exchange rate effect.

7 Income tax

ACCOUNTING PRINCIPLES (IAS 12)

The Group calculates its income taxes in accordance with the rules and rates adopted at the end of the reporting period in each country where Group companies are based, for the period to which the results relate.

Taxes - current and deferred - are recognized in the consolidated income statement for the period, with the exception of those arising from:

- A transaction or event recognized in "Other comprehensive income" or equity,
- A business combination.

In accordance with IAS 12, temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases give rise to the recognition of deferred tax using the liability method, based on tax rates enacted or substantively enacted at the closing date.

Deferred tax liabilities are recognized for all taxable temporary differences, except those associated with investments in subsidiaries, associates and interests in partnerships, when:

- The timing of the reversal of timing differences can be controlled and
- That time differences are unlikely to reverse in the foreseeable future.

A deferred tax asset is recognized in respect of tax loss carryforwards on the probable assumption that the entity concerned will have future taxable profits against which these tax losses can be offset.

For this purpose, the Group takes into account future taxable profits resulting from the most recent budgets and forecasts, prepared using the same criteria as those described for testing impairment of assets and goodwill.

Deferred taxes are reviewed at each balance sheet date to take into account the impact of changes in tax legislation and the outlook for the recovery of deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

The tax rates applied by the Group are as follows :

	2024	2023
France	25,0%	25,0%
United Arab Emirates - Ras el Khaimah	0,0%	0,0%
Switzerland and Liechtenstein	21,5%	17,5%
Estonia	0,0%	0,0%
Egypt	22,5%	22,5%
Lithuania	15,0%	15,0%
Italy	27,9%	27,9%

7.1 Income taxes

At December 31, 2024, taxes break down as follows

In euros	December 2024	December 2023
Current income tax	(507 691)	(1 455 911)
Deferred taxes	(1 670 273)	1 099 862
Total	(2 177 964)	(356 049)

The reconciliation between the theoretical tax charge and the recognized tax charge is shown in the table below:

In euros	December 2024	December 2023 Restated
Net income	(16 947 483)	470 137
- Share in net income of associates and joint ventures	(745 788)	(399 848)
- Impôts	(2 177 964)	(356 049)
Income before income tax of consolidated entities (A)	(14 023 731)	1 226 034
Statutory income tax rate of Preatoni Group (B)	25,0%	25,0%
Theoretical income tax (C) = (A) x (B)	3 505 933	(306 509)
in fact:		
Difference between the normal tax rate applicable to Preatoni Group and the normal tax rate applicable in jurisdictions in France and outside France	493 313	287 949
Permanent differences	(347 164)	(2 132 952)
Income taxed at a reduced rate or tax-exempt	30 651	749 986
Additional tax expense	79 506	-
Effect of unrecognized deferred tax assets on tax loss carryforwards and on other tax-deductible temporary differences	(5 268 089)	(472 304)
Recognition or utilization of tax assets on previously unrecognized tax loss carryforwards and other tax-deductible temporary differences	(464 564)	1 632 023
Impact of changes in tax rates	-	-
Other taxes, Tax savings and credits	(207 549)	(114 242)
Actual income tax	(2 177 964)	(356 049)

7.2 Deferred taxes

In euros	Assets	Loss carryforwards	Other basis	Total
Deferred tax assets				
December 2023	169 125	4 879 626	1 951 108	6 999 859
Changes in scope of consolidation	-	-	-	-
Changes posted to income statement	-	(677 205)	(980 243)	(1 657 448)
Translation adjustments	-	(87 874)	(670 939)	(758 813)
Other changes	-	-	-	-
December 2024	169 125	4 114 547	299 926	4 583 598
Deferred tax liabilities				
December 2023	22 858 189	-	2 453 037	25 311 226
Changes in scope of consolidation	-	-	-	-
Changes posted to income statement	(206 702)	-	219 527	12 825
Translation adjustments	(5 950 126)	-	(672 164)	(6 622 290)
Autres variations	32 486	-	(37 804)	(5 318)
December 2024	16 733 847	0	1 962 596	18 696 443

The change in this item over 2024 is essentially due to the devaluation of the Egyptian pound.

8 Compensation cost and employee benefits

ACCOUNTING PRINCIPLES (IAS 19)

IAS 19 sets out the rules for recognizing employee benefits. These benefits are recognized over the vesting period.

Depending on the laws and practices of each country, Group companies have obligations in terms of retirement, early retirement, severance pay and welfare schemes.

Employee benefits, whether monetary or in kind, are classified in the following categories:

Short-term benefits

These are salaries, vacation pay, social security contributions, etc. due in the twelve months following the end of the financial year in which the employees rendered the corresponding services. They are recorded under "Accrued expenses" in the balance sheet under "Other liabilities".

Long-term benefits

They correspond to benefits due during the employee's working life or in the future (length-of-service awards), which are expected to be settled more than twelve months after the end of the fiscal year in which the corresponding services were rendered. They are recorded as non-current provisions.

Post-employment benefits

Group employees in Italy are covered by a post-employment salary plan.

This is a defined-benefit plan, under which employees benefit from a TFR "Trattamento di fine rapporto" allowance paid in the event of termination of the employment contract. This allowance is governed by article 2120 of the Italian Civil Code.

In accordance with IAS 19R, the "TFR" allocation corresponds to a defined benefit plan; the method used to determine the amount of the commitment is the projected unit credit method.

With the exception of Italy, there are no defined benefit or defined contribution plans for employees of other Group entities.

8.1 Pension and other post-employment benefit obligations

The pension plan giving rise to the recognition of a provision for pension commitments in the Group's consolidated financial statements is the "Trattamento di fine rapporto" allocation in Italy.

Provisions recognized in the statements of financial position

In euros	December 2024	December 2023
Undiscounted defined benefit plans in Italy	0	4 408
Defined benefit plans in Italy	590 934	564 022
Total	590 934	568 430

Change in provisions

In euros	December 2024	December 2023
Balance opening	568 430	527 699
Changes in scope of consolidation	0	0
Interest cost	19 384	19 174
Service cost	87 235	75 539
Contributions paid	0	0
Benefits paid	(96 586)	(63 910)
Past service cost	0	0
Administrative costs	0	0
Actuarial (gains) and losses	12 471	23 624
Undiscounted defined benefit plans in Italy	0	(13 696)
Balance closing	590 934	568 430

Actuarial gains and losses recognized in equity

In euros	December 2024	December 2023
Balance opening	(39 182)	(62 806)
Actuarial (gains) and losses	12 471	23 624
Expected return on plan assets	0	0
Balance closing	(26 711)	(39 182)

Actuarial assumptions

	December 2024	December 2023
Discount rate	Eur corporate AA, AA+ December 2024	Eur corporate AA, AA+ December 29 2023
Staff turnover rate	13,00%	12,30%
Inflation rate	2024: 1,1% 2026: 1,8% 2028: 1,9% 2,00%	2025: 1,8% 2027: 1,8% Dal 2029: 2023: 5,6% 2025: 2,0% 2024: 2,3% dal 2026: 2,1%
Estimated future increase in salaries demographic indicator	1,00% Table RG48	1,00% Table RG48

Sensitivity analysis

In euros	December 2024	December 2023
On the discount rate		
Discount rate + 0.50%	575 612	550 586
Discount rate - 0.50%	608 325	577 850
On the inflation rate		
Inflation rate + 0.50%	600 199	572 474
Inflation rate - 0.50%	583 058	555 436
On the staff turnover rate		
Staff turnover rate + 0.50%	591 418	564 033
Staff turnover rate - 0.50%	591 644	563 662

8.2 Personnel costs and number of employees

In euros	December 2024	December 2023
Salaries and emoluments	(10 620 173)	(9 689 150)
Social security expenses	(1 479 064)	(1 664 649)
Other costs	(1 885 247)	(1 862 113)
Total	(13 984 484)	(13 215 912)

Other costs" include bonuses paid to employees and, in Egypt, expenditure on clothing and staff training.

The Group's "Full-Time Equivalent" workforce at December 31, 2024 is as follows:

Country / Activity	Executives and supervisors	Employee and workers	31 décembre 2024	Of which men	Women	December 2023
Egypt	97	1 432	1 529	1 477	52	1 460
Italie/Suisse	8	45	53	21	32	53
Hospitality & Tourism	105	1 477	1 582	1 498	84	1 513
Baltic countries	5	91	96	43	53	40
Real Estate	5	91	96	43	53	40
Other	0	0	0	0	0	
Total	110	1 568	1 678	1 541	137	1 553

9 Financial risk management

The Executive Board is responsible for overseeing the Group's internal control system, which deals with the risks to which the Group is exposed. The Group's risk management strategy aims to stabilize the Group's results by minimizing the potential effects of financial market volatility.

The Group's assets are exposed to three types of financial risk:

- Market risk (including foreign exchange risk and cash flow uncertainty);
- Counterparty risk ;
- Liquidity risk.

9.1 Market risk

▪ Foreign exchange risk

Hotel and tourism activities (outside Sharm El Sheikh) and real estate activities (outside Preatoni Real Estate in Dubai) use the euro.

Currency risk relates to Egypt, whose currency has depreciated sharply over the past three years. A further devaluation took place in March 2024, when the Central Bank of Egypt decided to reduce the exchange rate of the Egyptian pound against the US dollar.

Operating activities in Egypt are in fact little affected, as most revenues are generated in foreign currencies (including euros and dollars), while a significant proportion of expenses (personnel costs, utilities, maintenance, etc.) are paid in local currency. In addition, there are virtually no financial debts on the balance sheet.

On the other hand, the Group uses the euro as its presentation currency, which exposes it to the risk of the Egyptian pound being converted into euros, and has a significant impact on the book value of tangible and intangible assets: in fiscal 2024, non-current fixed assets fell from 89,101 thousand euros to 52,924 thousand euros, a decrease of 36,177 thousand euros, of which 28,462 thousand euros is attributable to the conversion of the Egyptian pound into euros.

Currency risks are not hedged.

▪ Interest rate risk

The Group's variable-rate debt increased from 5% in 2023 to 19.8% in 2024.

In euros	Gross amounts December 2024		Gross amounts December 2023	
	Fixed rate or interest-free	Variable rate	Fixed rate or interest-free	Variable rate
Bonds issues	37 916 994	-	44 893 692	-
borrowing from credit institutions.	23 245 445	17 783 168	25 285 059	4 486 405
Other Loans, similar debts and bank overdrafts	10 464 115	-	15 433 753	-
Total	71 626 554	17 783 168	85 612 504	4 486 405
%	79,8%	19,8%	95,4%	5,0%

Variable-rate loans are mainly held by Pro kapital Grupp to finance construction projects. The interest rate on the main loan is Euribor + 5.25%, maturing on April 28, 2026.

In view of the Euribor rate forecasts for 2025 and 2026, the Group considers that it is not exposed to any interest rate risk or to an increase in the cost of debt.

It should be noted that debts to Ernesto PREATONI are fixed-rate and that deposits received from Tour Operators are non-interest-bearing.

No hedging activities (such as interest rate swaps) were set up in 2024 and 2023.

9.2 Counterparty risk

Through its operating activities, the Group is exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, banks) when they are unable to honor their contractual commitments. This risk arises from a combination of payment and delivery risks.

In all countries, counterparty risk is essentially linked to trade receivables

Net trade receivables outstanding, by ageing, are as follows:

In euros	December 2024	Not past-due	Past-due				
			Total	0-30 days	31-60 days	61-90 days	Over 90 days
Trade receivables	16 497 861	3 273 148	13 224 713	1 766 894	440 389	79 303	10 938 127
Trade receivables impairment	(6 006 560)	0	(6 006 560)	(20 105)	(12 379)	(2 816)	(5 971 260)
Total	10 491 301	3 273 148	7 218 153	1 746 789	428 010	76 487	4 966 867

In euros	December 2023 Restated	Not past-due	Past-due				
			Total	0-30 days	31-60 days	61-90 days	Over 90 days
Trade receivables	16 945 336	1 921 507	15 023 829	2 323 448	1 119 031	1 364 349	10 217 001
Trade receivables impairment	(7 196 815)	(28 106)	(7 168 709)	(377 666)	(10 966)	(11 776)	(6 768 301)
Total	9 748 521	1 893 401	7 855 120	1 945 782	1 108 065	1 352 573	3 448 700

At December 31, 2024, the share of the Hotels and Time-share business is as follows:

In euros	December 2024	Not past-due	Past-due				
			Total	0-30 days	31-60 days	61-90 days	Over 90 days
Trade receivables gross value	14 600 752	2 564 140	12 036 613	1 759 390	437 743	78 662	9 760 818
Egypt - Time share	665 847	0	665 847	0	0	0	665 847
Egypt - Hospitality	8 510 764	0	8 510 764	1 683 388	366 084	3 457	6 457 835
Italy - Time Share	3 663 491	1 997 077	1 666 415	7 724	67 110	44 370	1 547 211
Italy - Hospitality	1 591 083	567 063	1 024 020	68 278	4 549	30 835	920 358
Other hospitality	169 567	0	169 567	0	0	0	169 567
Trade receivables impairment	(4 925 337)	0	(4 925 336)	(20 105)	(12 379)	(2 816)	(4 890 036)
Egypt - Time share	(537 827)	0	(537 827)	0	0	0	(537 827)
Egypt - Hospitality	(2 753 314)	0	(2 753 313)	(20 105)	(12 379)	(2 816)	(2 718 013)
Italy - Time Share	(1 080 939)	0	(1 080 939)	0	0	0	(1 080 939)
Italy - Hospitality	(553 257)	0	(553 257)	0	0	0	(553 257)
Total	9 675 415	2 564 140	7 111 277	1 739 285	425 364	75 846	4 870 782

Time-share trade receivables

For these trade receivables, the entities concerned use a non-recovery risk matrix to assess the risk of non-recovery. In this matrix, 3 categories of collection performance are retained, depending on the outstanding amount already settled:

- Category 1 low performance: 30% of outstanding amount paid (deposit);
- Category 2 medium performance: Between 30% and 50% of assets settled;
- Category 3 high performance: More than 50% of assets settled.

A provisioning rate is applied, based on both customer category (above) and maturity:

Category	Maturity											
	Not due	Less than 30 days	30 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	181 to 270 days	271 to 360 days	361 to 720 days	More than 721 days	Cancelled contracts
> 30%	0%	0%	0%	0%	0%	0%	0%	60%	80%	90%	100%	100%
30% to 50%	0%	0%	0%	0%	0%	0%	0%	50%	70%	85%	95%	100%
<50%	0%	0%	0%	0%	0%	0%	0%	40%	60%	75%	85%	100%

As indicated in note 5.8, gross time-share outstandings in Egypt comprise receivables due prior to July 1, 2022, the vast majority of which have been provisioned.

Hospitality trade receivables

In Italy, Domina VIP Travel, whose customers are mainly tour operators, assesses the provisions to be set aside on the basis of the age of the receivables, without applying segmentation by recovery rate, according to the impairment rates below:

Maturity											
Not due	Less than 30 days	30 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	181 to 270 days	271 to 360 days	361 to 720 days	More than 721 days	
0%	0%	0%	0%	0%	0%	0%	10%	10%	50%	100%	

In Egypt, Nile applies a single matrix for all customer categories (tour operators, individuals, etc.).

The model uses the ageing of receivables over the past three years (2022, 2023 and 2024) to determine and project the potential risk of non-recovery of trade receivables at year-end (2024).

Three risk scenarios (*base* with a probability of 80%, *best* and *worst* with a probability of 10% each) are prepared in relation to Egypt's GDP forecasts. An expected loss amount is calculated for each scenario. The final provision is determined by taking a weighted average of the three calculated provisions.

An additional provision may be added to the "ECL" provision.

9.3 Liquidity risk

Liquidity risk is the risk of being unable to meet short-term maturities with short-term resources.

At December 31, 2024, the Group's financing policy was decentralized and diversified by geographical area; financing resources were managed locally.

The Group's policy is based on the following principles:

- The financing of real estate development is generally planned over the medium term (5 years on average) in line with the portage of real estate projects;
- Real estate investments are financed over longer periods (10 years or more);
- Current investments are financed by cash flow.

At the end of 2024, debt maturing in less than one year represented 28% of total debt (versus 22% at the end of 2023) and 20% of net financial debt (versus 2% at the end of 2023).

In euros	Less than 1 year	1 - 5 years	Beyond 5 years	December 2024	Less than 1 year	1 - 5 years	Beyond 5 years	December 2023
Outstanding borrowings	26 934 157	48 744 773	19 813 078	95 492 008	24 045 153	72 044 803	12 176 279	108 266 235
Lease liabilities	441 774	1 025 358	78 927	1 546 059	306 294	597 575	130 504	1 034 373
Gross debt	27 375 931	49 770 131	19 892 005	97 038 067	24 351 447	72 642 378	12 306 783	109 300 608
Bank and cash	(10 261 675)		0	(10 261 675)	(22 039 520)			(22 039 520)
Net financial debt	17 114 256	49 770 131	19 892 005	86 776 392	2 311 927	72 642 378	12 306 783	87 261 088

Available liquid assets are bank accounts. There are no drawn or undrawn lines of credit.

The contractual clauses of Pro Kapital's non-convertible secured loan of 28,500,000 euros stipulate a debt-to-equity ratio of 35%. At December 31, 2024, this ratio was 43.13%.

There are no clauses of this type in contracts taken out by other Group entities.

10 Guarantees given

Group subsidiaries have given the following guarantees:

In Euros				December 2024	
Guarantee provider	Beneficiary of the guarantee	Guaranteed debt	Nature of the guarantee	Guaranteed debt amount	Guarantee amount
As Pro Kapital Grupp	Nordic Trustee & Agency AB	Secured non convertible bonds	Shares pledges	22 026 331	63 306 341
			Pledge on LHV Pank AS bank account		14 262
	LHV Bank AS	Bank loans	Kalaranna 8, Tallinn inventories	16 927 691	26 437 250
			Talli3/Sammu 8, Tallinn inventories		9 429 995
	Šiaulių Bankas UAB		Aguonų 8, Aguonų 10, Aguonų 10A, 10B, 10C inventories	500 000	9 828 374
PK Sicily Spa	AMCO	Bank loan	Mortgage on Zagarella Hotel	12 977 638	52 000 000
			Pledge on Crédit Agricole bank account (5372)		NC
			Pledge on Pk Sicily shares capital		5 000 000
Immobiliare Novate	Crédit Agricole	Bank loan	Mortgage on Domina Milano Fiera hotel	6 254 499	4 680 000
		Bank loan	Mortgage on Domina Milano Fiera hotel	1 409 028	9 000 000
		Bank loan	Mortgage on Domina Milano Fiera hotel	2 149 532	16 200 000
Domina Vacanze Holding		Secured bonds	PK Sicily shares pledge	369 070	9 706 786
			Immobiliare Novate shares pledge		2 648 925

11 Additional information

11.1 Share ownership

At December 31, 2024, Ernesto PREATONI directly held over 93% of PREATONI Group and was the beneficial owner.

11.2 Compensation of Supervisory Board and Executive Board members

The Group's parent company, PREATONI GROUP, is a société anonyme incorporated under French law, with a governance structure comprising an Executive Board and a Supervisory Board. Compensation paid in the form of directors' fees amounts to 360,000 euros for the Executive Board and 98,000 euros for the Supervisory Board.

11.3 Transactions with related parties

At December 31, 2024, the related parties identified in accordance with paragraph 9 of IAS 24 are:

▪ Relationships between PREATONI Group companies

Transactions between Group related parties are carried out at arm's length conditions.

Period-end asset and liability positions and transactions conducted during the period between fully consolidated companies are eliminated in full in the consolidation.

▪ Transactions with equity-accounted companies

With the subsidiary Preatoni Real Estate DMCC, there are transactions corresponding to loans granted by Preatoni Swiss Holding and bearing interest at 5%.

Amounts not eliminated are presented below:

In euros	December 2024	December 2023
Non-current assets	1 141 918	633 118
Current assets	75 167	-
Total assets	1 217 085	633 118
Non-current liabilities	-	-
Current liabilities	-	-
Total liabilities	-	-
Current operating income	-	-
Financial income/loss	14 983	17 459
Résultat avant impôts	14 983	17 459
Tax	-	-
Net result	14 983	17 459

▪ Relations between Ernesto PREATONI and PREATONI Group companies

Ernesto PREATONI's relations with Group companies are mainly financing :

In euros	December 2024				December 2023			
	Loan	Accrued interest	Total	Interests Profit & loss	Loan	Accrued interest	Total	Interests Profit & loss
Borrower								
Preatoni Group	1 482 300	39 882	1 522 182	37 500	1 740 000	2 083	1 742 083	2 083
Prea Swiss Holding	867 475	14 672	882 147	4 037	226 395	0	226 395	0
Domina Vacanze Holding	570 425	1 894 756	2 465 181	129 380	5 219 924	1 765 362	6 985 286	186 074
Sunny Properties	26 715	0	26 715	0	26 715	0	26 715	0
Nile Company for Hotels & resorts	0	0	0	0	266 939	0	266 939	0
other	22 504	0	22 504	0	9 361	0	9 361	0
Total	2 969 419	1 949 310	4 918 729	170 917	7 489 334	1 767 445	9 256 779	188 157

At Domina Vacanze Holding, the three residual loans on the balance sheet bear interest at 6%.

Accrued interest has been calculated at rates ranging from 2% to 8 on loans repayable in 2024.

In addition, Ernesto Preatoni holds the majority of the bonds issued by Domina Vacanze Holding, representing an outstanding amount excluding interest of 4 841 239 euros at December 31, 2024.

Accrued interest on bonds amounting to 2,915,898 euros is due to Ernesto Preatoni in the amount of 2,174,812 euros.

					December 2024			
					Total	Ernesto Preatoni		
					Number of bonds	Gross amounts	Number of bonds	Gross amounts
Issue currency	Maturity date	Reference rate						
Total (en euros)						6 861 730	2 847 788	4 841 239
Unsecured /non convertible	EUR	31/12/2026	4%	294 118	500 000	294 118	500 000	
Convertible	EUR	31/12/2026	7%	116 307	197 722	113 557	193 047	
Convertible	EUR	31/12/2026	7%	8 627	14 666	8 627	14 666	
Convertible	EUR	31/12/2026	7%	23 874	40 586	23 874	40 586	
Convertible	EUR	31/12/2026	7%	43 002	73 103	43 002	73 103	
Convertible	EUR	31/12/2026	7%	25 290	42 993	18 668	31 736	
Unsecured/non convertible	EUR	31/12/2026	8%	3 525 094	5 992 660	2 345 942	3 988 101	

■ Relations with other related parties

Other related parties are :

- Entities over which Ernesto PREATONI exercises control (or significant influence) and which have relationships with Group entities.
- Non-consolidated subsidiaries with no links to Ernesto PREATONI.

Transactions with other related parties are shown in the table below

			December 2024				Preatoni Group	
Related party	Relationship	Activity	Preatoni Group Statement of financial position (In €)				Statement of net income (In €)	
			Assets items	Amount	Liability items	Amount	Expenses	revenues
Accordo Limited (Estonia)	Entity directly owned by Ernesto Preatoni	Fiduciary entity			Loans and payables non current	152 135		
Domina Rus (Russia)	Entity directly owned by Ernesto Preatoni	Management services (Saint Petersburg Hotel)	Loans and receivables non current	778 792				7 399
Domina Management (Russia)	Entity directly owned by Ernesto Preatoni	Management services	receivables current	159 597				
Eugenio Preatoni	Family member of Ernesto Preatoni		receivables current				220 000	
Eginvest limited (Liechtenstein)	Entity directly owned by Ernesto Preatoni	Holding	Loans and receivables non current	73 025				2 189 149
			receivables current	34 000				
Estrella LTD (United Arab Emirates)	Entity directly owned by Edoardo Preatoni	Holding	receivables current	1 038 222				
			Impairment on receivables	(1 038 222)				
Hypermarket	Non consolidated subsidiary of Svalbork				Loans and payables non current	704 029	6 680	9 484
Ikaro Mangement Midle Est FZE (United Arab Emirates)	Entity indirectly owned by Edoardo Preatoni	Management services			Loans and payables non current	215 065		
Lesterball Commercial Inc (United Arab Emirates)	Entity directly owned by Ernesto Preatoni	Holding	Loans and receivables non current	33 503 191				
			Impairment on loans	(33 591 191)				
OU Colosseum Finance	Non consolidated subsidiary of Svalbork		Loans and receivables non current	87 529				
			Impairment on loans	(87 529)				
Pro Kapital Siberia (Russia)	Entity indirectly owned by Ernesto Preatoni	Management services (Novossibirsk Hotel)	Loans and receivables non current	2 737 811				14 799
			Impairment on loans	(2 737 811)				
Saarmas Family Office SA (Switzerland)	Entity directly owned by Ernesto Preatoni	Group management Services			Loans and payables non current	398 109	122 000	
					Suppliers and payables current	122 000		
Stoupinco Investment Ltd (Cyprus)	Entity directly owned by Ernesto Preatoni	Holding	receivables current	43 000				
			Impairment on receivables	(43 000)				
UAB Colosseum Real Estate Vilnius (Lithuania)	Non consolidated subsidiary of Svalbork	Management services			Loans and payables non current	264 729	11 565	12 032

11.4 Atypical and/or unusual operations

The Group has not carried out any atypical or unusual transactions.

11.5 Subsequent events

On February 10, 2025, PREATONI Group announced the listing of its shares on the Euronext Access+ Paris compartment by way of technical admission. The shares were first listed on February 12, 2025.

On February 19, 2025, Domina Vacanze Holding AS was deleted from the Commercial Register (Tartu County Court Registration) because of non-submission of 2023 annual report. Due to this situation, the company is no longer able to perform any legal or management acts. Domina Vacanze Holding AS may be reinstated in the Commercial Register provided that it files certified 2023 and 2024 accounts.

The procedure for certifying the 2023 accounts and filing them with the Commercial Register is ongoing.

11.6 Statutory Auditors' fees

FORVIS MAZARS and SAINT GERMAIN AUDIT are the Statutory Auditors of PREATONI Group.

Ernst & Young has audited the financial statements of the Pro Kapital Grupp sub-group.

The Group's audit fees represented an expense of 774,430 euros for the 2024 financial year.