



Explanatory Statement of Mettmann PCL Group activities for the period ended 30 June 2024.

Principal activities and nature of operations of the Group

The principal activities of the Group, which are unchanged from last year, are that of interest earning activities, holding of land, equity investments, purchase, sale, lease, development and construction of real estates.

Review of current position, future developments and performance of the Group's business

The Group's development to date, financial results and position as presented in the unaudited Group consolidated financial statements are in line with the Board of Directors' expectations. The Group results are presented in the unaudited Group consolidated statement of profit or loss and other comprehensive income in the unaudited Group consolidated financial statements for the period ended 30 June 2024, where the Group:

- a) The Group generated gross income amounted to €379,561 from its principal activity for the period ended 30 June 2024 (30 June 2023: €244,716).
- b) The Group's administration expenses incurred for the period ended 30 June 2024 amounted to €440,769 (30 June 2023: €318,019).
- c) The Group's share of post-tax profits of its associates for the period ended 30 June 2024 amounted to €496,770 (30 June 2023: losses of (€111,163)).
- d) The Group total assets as at 30 June 2024 amounted to €78,119,169 (31 December 2023: €57,510,266).

During the period ended 30 June 2024 the following main Group activities took place and have been presented in the unaudited Group consolidated financial statements for the period ended 30 June 2024:

- 1) The parent entity recorded dividend income of €1,000,000 from its associate company. The dividend was non-cash settled by purchasing of investment in associate Muscle Beach, S.L. on behalf of the parent entity.
- 2) The parent entity granted loans to its associates amounting to €34,985,000.
- 3) The parent entity received repayments of its loan receivable amounting to €3,195,512 of principal and €111,983 of accrued interest.
- 4) The parent entity obtained financing from third parties amounting to total of €18,150,000.
- 5) The parent entity made repayment of coupon interest on the Corporate Bonds amounting to total of €1,000,446 relating to the period from 30 November 2023 to 30 May 2024.

During the period after the reporting date, the Group continued its normal business activities:

- entered into loan agreements for provision of financing of €40,900,000. Up to these unaudited Group consolidated financial statements sign off date amount of €16,300,000 was withdrawn;
- entered into loan agreements for obtaining financing of €50,000,000. Up to these unaudited Group consolidated financial statements sign off date amount of €15,000,000 was withdrawn.



Changes in the Group structure

As regarding the changes to the group structure as at 30 June 2024, the following have occurred:

- a) On 23 February 2024, the Group acquired the 50% of the share capital of Inversion Correcta, S.L.
- b) On 29 February 2024, the Group acquired the 50% of the share capital of Muscle Beach, S.L.
- c) On 19 April 2024, the Group acquired the 35% of the share capital of Costa Natura UEN 05, S.L. On 28 June 2024, the Group fully disposed of its shareholding in associate Costa Natura UEN 05, S.L.
- d) On 9 May 2024, the Group acquired the 50% of the share capital of Concesiones Bellamar, S.L.

Existence of branches

The Group does not maintain any branches.

Results and Dividends

The Board of Directors of the Parent Company, following consideration of the availability of profits for distribution as well as the liquidity position of the Parent Company as of the sign-off date of these unaudited Group consolidated financial statements, does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

There were no changes in the share capital of the Parent Company during the year under review.

Corporate Governance Code

The Board of Directors, as at the date of this Explanatory Statement, has decided to partially adopt the Corporate Governance Code. The main reason for the partial adoption is that the cost of full implementation as per the provisions of the Corporate Governance Code would be disproportionate to the identified benefits from its implementation. The Board of Directors ensures adequate and robust internal control and risk management procedures for the preparation of the periodic information required for listed companies.

Board of Directors

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

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

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



Percentages of Major Shareholders including Directors' interests

The table below indicates the percentages of the Shareholders of the Company's issued share capital as at 30 June 2024:

Shareholders	30 June 2024	
	Number of ordinary shares	% held
Zvonko Mickovic	82 500	82.5%
Aleksandr Mizgunov	1 588	1.59%
Oxana Hadjipavlou	1 040	1.04%
Other shareholders	14 872	14.87%
Total	100 000	100%

There are no other major shareholders holding more than 5% of the Parent Company's issued share capital.

Aleksandr Mizgunov, FCCA
Mettmann Public Company Limited,
Director,
Limassol, 20 September 2024

Oxana Hadjipavlou, FCCA
Mettmann Public Company Limited,
Director,
Limassol, 20 September 2024