

Secure Property Development & Invest PLC/ Index: AIM / Epic: SPDI / Sector: Real Estate

30 June 2023

Secure Property Development & Investment PLC ('SPDI' or 'the Company')

2022 Annual Results

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its full year audited financial results for the year ended 31 December 2022.

Corporate Overview

The Company maintains its strategy to maximise value for shareholders through the contribution of SDPI's property portfolio to Arcona Property Fund (APF)

Significant asset backing behind the Company:

- NAV per share stood at 9p a share as at 31 December 2022 - 37% higher than share price at year end and 38% higher than the current share price
- Having completed Stage 2 with APF, SPDI now has a total holding of 1,072,910 shares in Arcona and 259,627 warrants over shares in Arcona which based on the closing price of Arcona's shares on 31 December 2022, values the SPDI's stake in Arcona at c.€6.3 million (excluding the issue of the warrants), while based on the current net asset value per Arcona share (as at 31 March 2022), values the stake at €12.75 million (excluding the issue of the warrants)

Financial Overview

- Rental and related income decreased during 2022 to €1,649,537 (2021: €1,986,857) due to the disposal of assets during the period
- EBITDA from total operations of - €634,731 (2021: €819,431)
- Operating losses after finance and tax for the year reached €1,181,414 (2021: €144,828)

Michael Beys, Chairman of the Board, said, "In 2022 we concluded Stage 2 of the Arcona transaction, making SPDI one of the largest APF shareholders, and installed our financial advisor in APF's management team to ensure further value retention and generation to our shareholders. We are therefore on the path of transforming SPDI into a broader Central and Eastern Europe property company, as per our shareholders' mandate."

Copies of the Annual report and Accounts are being posted to Shareholders today and are available on the Company's website at www.secure-property.eu.

**** ENDS ****

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

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1. Letter to Shareholders

28 June 2023

2022 experienced contrasting property market forces. On one hand the global energy crisis and the ensuing inflation which dragged along the debt interest rates to levels not seen for a couple of decades raised the property related costs and risk concerns. On the other hand, the markets that SPDI is present in continued their post pandemic recovery, with the exception of Ukraine for obvious reasons. In this environment, and as we presented to our shareholders last year, SPDI managed to conclude Stage 2 of its indirect merger with the Amsterdam and Prague listed Arcona Property Fund N.V. (APF - with assets in Poland, Czech Republic and Slovakia) that involved the transfer of the remaining Romanian portfolio to APF. APF is also committed to acquire the remaining Ukrainian assets, with the transaction being delayed due to the ongoing war, expected to take place in the future upon normalization of current conditions.

In parallel, SPDI's Management increased their effort to monetize any remaining assets that had not yet been sold to APF and that were to be part of Stage 3, but as the discussions with APF took much longer than expected and negotiations on their valuation did not conclude, we opted to monetize them in the broader market. As such we managed to sell the Kindergarten and the remaining Green Lake land in Romania at values much higher than those APF was offering. At the same time almost half of the loan SPDI had extended to Olympians has by now been repaid (with a small amount due to be repaid later this year) with the remaining half planned to be transformed into a 50% equity stake in a Romanian logistics platform that is to be monetized together with the Innovations Terminal later this year.

At the moment SPDI owns ~26% of APF, plus a number of warrants, and has our Chairman as one of the three APF supervisory board members, to facilitate the transition and ensure value retention and generation for our shareholders. On the liability side, SDPI is expecting the hearing of its court case in Cyprus against the seller of its Praktiker Craiova asset so as to settle a liability that we have provided for, but our legal advisers and our board are confident will end up to our benefit anyway. During the year we have reduced even further the Company's operating expenses to a minimum with most of the executives being paid for part time employment; a process that was further advanced earlier in 2023 with all executives moving out of the Company and offering their (part time) services through a third-party services contract. As SPDI did not reach the minimum size needed, these operating expenses, despite being at the bottom end of the peer bracket, weighted substantially on a limited size property company that SPDI ended being, and became the management's priority to address, always taking into consideration our fiduciary responsibility to ensure smooth running and value retention for our Company.

We expect 2023 will be the last year of SPDI operations as we know them with its net assets turned into APF shares and cash, and opex being reduced to minimum. When such APF shares and cash are distributed to our shareholders, subject to, *inter alia*, all necessary shareholder/regulatory approvals being obtained and tax advice, they will be able to either monetise their investment by selling them or retain them and follow APF's growth into a dividend issuing pan-East Europe property company, the preferred way of safeguarding their investment value together with having the option of further value generation. Management and directors of SPDI are committed to see the conclusion of this transaction so that they will ensure the transformation of our Company.

Best regards,
Lambros G. Anagnostopoulos, Chief Executive Officer

2. Management Report

SPDI's core property asset portfolio consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases. During 2022, management, in line with the Company's strategy to maximise value for shareholders, closed two transactions with Arcona Property Fund N.V (Arcona) as part of the conditional implementation agreement for the sale of Company's property portfolio, excluding its Greek logistics

of the conditional implementation agreement for the sale of Company's property portfolio, excluding its Greek registered property (which has now also separately been sold), in an all-share transaction to Arcona, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona originally held high yielding real estate investments in Czech Republic, Poland and Slovakia, with the total agreement valuing the SPDI NAV at ~ €29m, significantly higher than the current market value of the Company as a whole.

The combination of two complementary asset portfolios is expected to create a significant European property company, benefiting both the Company's and Arcona's respective shareholders.

Following the completion of Stage 1 of the transaction in 2019, which involved the sale of two land plots in Ukraine and residential and land assets in Bulgaria and resulted in Company receiving a total of 593.534 Arcona shares and 144.084 warrants over Arcona shares, in June 2021, the two parties signed SPA agreements for Stage 2 of the Arcona transaction. This stage involves the transfer of the EOS and Delenco assets in Romania and the Kiyanskiy and Rozny land plots in Ukraine with a total net asset value of €8,2 million, in exchange for approximately 560.000 new ordinary shares in Arcona and approximately 135.000 warrants over shares in Arcona, as well as €1m in cash, subject to, inter alia, standard form adjustment and finalisation in accordance with the relevant agreements.

During March and June 2022 the transactions for the sale of EOS and Delenco were concluded, in exchange for the issue to the Company of 479.376 new shares in Arcona and 115.543 warrants over shares in Arcona.

The invasion of Ukraine by Russia during February 2022 suspended the transfer process of the relevant Ukrainian assets included in Stage 2 of the transaction. Any development of such process is expected to take place in the future upon normalization of current conditions.

Moreover, the war in Ukraine has also affected our standard local business. In particular, despite submitting the official request to the City of Kiev to extend the lease of Tsymlyanskiy for another 5 years in November 2021 (as we have first extension rights over any other interested party) we have not managed to get an official approval yet. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not take place as too many other cases had accumulated which had time priority over our case. During the period between 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian invasion of Ukraine. However, management remains confident that the Company will be awarded the lease extension once the war status permits.

In August 2022 the Company signed with Myrian Nes Limited a Shareholders Agreement for a joint venture for developing logistics properties in Romania. As part of this agreement the Company will convert €2,5 million of the loan it has extended in 2017 to Myrian Nes Limited (Olympians Loan) into a 50% equity stake of the joint venture company. The objective of this new company, which Myrian Nes is contributing €2,5 million in equity funds to, is to develop a portfolio of logistics properties in Romania with a view of letting them to third party tenants in a market that has very low vacancy and has shown substantial strength and resilience in recent years. The remaining part of the Olympians Loan is being repaid in regular intervals and is expected to be fully repaid to the Company during the current period. As part of this joint venture, the parties have proceeded to the establishment of the required entities in Cyprus and Romania, while currently are finalizing discussions with a counterparty for the purchase, development and lease back of a particular asset.

Moreover, during the period the Company sold its total interest in the 40.850 sqm land portfolio of the GreenLake project in Bucharest, Romania, which is not zoned for development, as well as its interest in the Kindergarten asset in GreenLake. These assets were planned to be part of Stage 3 of the transaction with Arcona, but negotiations on price did not conclude, and therefore Management got higher prices in the market. The sale of the land portfolio resulted in the full repayment of GreenLake's First Phase bank loan, leading in turn to the successful monetization of the remaining developed First Phase units of the associate Green Lake Development Srl, as well as the settlement, after prolonged negotiations, of an ongoing overlapping dispute over the GreenLake land.

Regarding the economic environment in which the Company operates, the Romanian economy which constitutes the main operating market of the Company, grew by 4,7% in 2022, better than expected given the persistent inflation during the year. Growth was driven by strong consumer spending, which increased 5,5% year-on-year on the back of the removal of pandemic restrictions and the higher wages. Inflation rate reached 12% in 2022 while unemployment showed a marginal increase to 5,6%, keeping the labor market relatively tight and wage increases high. Real estate investment volume reached in 2022 the historical milestone of 1,25 bln euros, 36% higher than the volume registered the previous year, with office assets representing 62% of the annual volume, while retail assets attracted 24% and industrial 7%.

Total operating income decreased by 38% during 2022 as a result of the disposal of assets during the period, leading to a decrease in net income from operations by 69%.

Table 1

EUR	2022			2021		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Management & Sale of electricity Income	1,143,752	505,785	1,649,537	1,047,137	939,720	1,986,857
Net gain/(loss) on disposal of investment property	-	(825,392)	(825,392)	-	653,567	653,567
Income from Operations	1,143,752	(319,607)	824,145	1,047,137	1,593,287	2,640,424
Asset operating expenses	-	(446,380)	(446,380)	-	(763,024)	(763,024)
Net Operating Income	1,143,752	(765,987)	377,765	1,047,137	830,263	1,877,400
Share of profit/(loss) and gains from associates	(7,999)	335,533	327,534	-	344,746	344,746
Dividends income	-	-	-	-	175,500	175,500
Net Operating Income from investments	1,135,753	(430,454)	705,299	1,047,137	1,350,509	2,397,646
Administration expenses	(1,097,873)	(242,157)	(1,340,030)	(1,367,129)	(211,086)	(1,578,215)
Operating Result (EBITDA)	37,880	(672,611)	(634,731)	(319,992)	1,139,423	819,431
Finance Cost, net	162,704	(652,987)	(490,283)	298,663	(854,114)	(555,451)
Income tax expense	17,940	(74,340)	(56,400)	(51,824)	(67,328)	(119,152)
Operating Result after Finance and Tax Expenses	218,524	(1,399,938)	(1,181,414)	(73,153)	217,981	144,828
Other income / (expenses), net	(3,390)	(2,721,353)	(2,724,743)	69,643	(12,510)	57,133
One off costs associated to Arcona transaction	(182,253)		(182,253)	(204,101)	-	(204,101)
Personnel incentives	(184,500)			-	-	-
One off costs associated with previous periods and re-financing activities	-	-	-	(90,313)	(78,000)	(168,313)
One off costs associated with new custodian due to Brexit	-	-	-	(136,750)	-	(136,750)
Fair value adjustments from Investment Properties	-	(1,245,230)	(1,245,230)	-	(754,979)	(754,979)
Net gain/(loss) on disposal of subsidiaries	-	(4,871,809)	(4,871,809)	748	-	748
Fair Value adjustment on financial investments	(1,071,119)		(1,071,119)	683,478	-	683,478
Foreign exchange differences, net	(17,647)	(165,165)	(182,812)	(65,147)	(253,666)	(318,813)
Result for the year	(1,240,385)	(10,403,495)	(11,643,880)	184,405	(881,174)	(696,769)
Exchange difference on translation due to presentation currency	-	(692,906)	(692,906)	-	64,299	64,299
Total Comprehensive Income for the year	(1,240,385)	(11,096,401)	(12,336,786)	184,405	(816,875)	(632,470)

The administration costs, adjusted by the one-off costs, decreased by 15%, and the recurring EBITDA finally decreased to -€0,63m from €0,82m in 2021.

Overall, operating results after finance and tax for the year decreased to -€1,18m as compared to €0,14m in 2021.

2.2 Property Holdings

The Company's portfolio at year-end consists of commercial income producing and residential properties in Romania, as well as land plots in Ukraine and Romania.

Commercial Property	Location	Key Features	
Innovations Logistics Park			
	Bucharest, Romania	Gross Leaseable Area:	16.570 sqm
		Anchor Tenant:	Favorit Business Srl
		Occupancy Rate:	80%

Land & Residential Assets

Location

Key Features

Kiyanovskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	6
Tsymlyanskiy Residence*	Kiev, Ukraine	Plot of land (~ th. sqm):	4
Rozny Lane	Kiev, Ukraine	Plot of land (~ th. sqm):	420
GreenLake (Associate)	Romania	Sold units during 2022:	4
GreenLake (Associate)	Romania	Available units (end 2022):	7

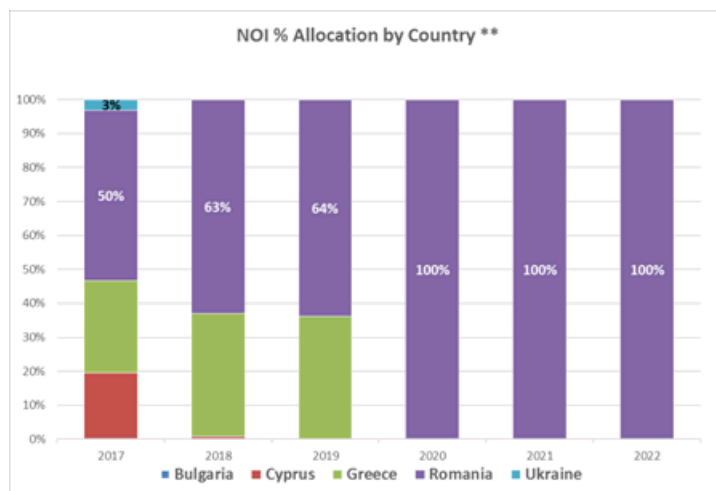
*As of November 2021, the Company had already submitted official request to the City of Kiev to extend the lease of the property for another 5 years, since it has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over our case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. Management remains confident that the Company will be awarded the lease extension once the war status permits.

In 2021, the Company's accredited valuers, namely CBRE Ukraine for the Ukrainian Assets, and NAI RealAct for the Romanian Assets, remained appointed. The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation - Global Standards (2017) (the "Red Book") and are also compliant with the International Valuation Standards (IVS).

Following disposals of previous periods, SPDI's portfolio has become more concentrated in terms of geography. At the end of the reporting period, Romania remains the prime country of operations (83%) in terms of Gross Asset Value, while in Ukraine (17%) the Company still has interests in land plots intended to be sold as part of the Arcona transaction.



In respect of the Company's income generation capacity, Romania has become gradually the single operating income source.



** Net Operating Income includes NOI from Innovations Logistics Park, Victini Logistics, EOS Business Park, Praktiker retail center, Kindergarten, Residential units, GreenLake, as well as Delenco office building (dividends).

The table below summarizes the main financial position of each of the Company's assets (representing the Company's participation in each asset) at the end of the reporting period.

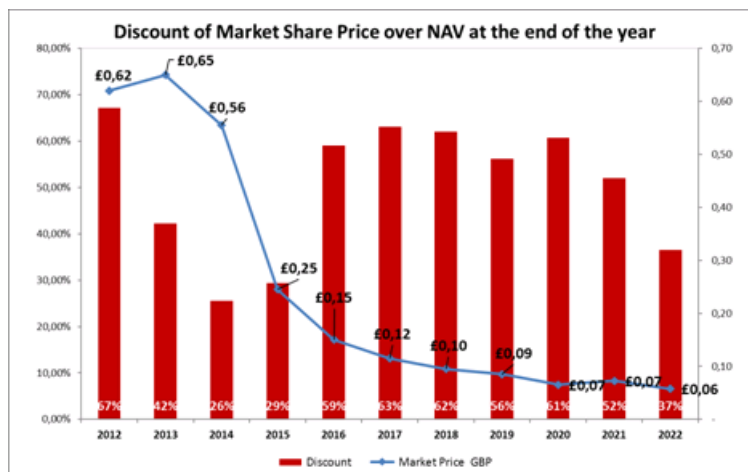
Table 2

2022				
Property	Country	GAV*	€m Debt *	NAV
Innovations Logistics Park	Rom	9,7	6,2	3,5
Land banking	Ukr - Rom	1,9	4,0	-2,1
Total Value		11,6	10,2	1,4
Other balance sheet items, net **				+11,7
Net Asset Value total				13,1
Market Cap in EUR as at 31/12/2022 (Share price at £0,0575)				8,3
Market Cap in EUR as at 23/06/2023 (Share price at £0,05625)				8,4
Discount of Market Cap in EUR at 23/06/2023 vs NAV at 31/12/2022				-36%

* Reflects the Company's participation at each asset

**Refer to balance sheet and related notes of the financial statements

The Net Equity attributable to the shareholders as at 31 December 2022 stood at ~€13,1m vs ~€23,5m in 2021. The table below depicts the discount of Market Share Price over NAV since 2012.



The NAV per share as at 31 December 2022 stood at GBP 0,09 and the discount of the Market Value vis a vis the Company's NAV denominated in GBP stands at 37% at year-end.

2.3 Financial and Risk Management

The Group's overall bank debt exposure at the end of the reporting period was ~€10,2m (calculating relative to the Company's percentage shareholding in each), comprising the following:

- a) €6,2m finance lease of Innovations Logistics Park with Piraeus Leasing Romania.
- b) €4,0m being the Company's portion on land plot related debt financing.

Throughout 2022, the Company focused on managing and preserving liquidity through cash flow optimization. In this context, Management secured a) collection of scheduled re-payments of loans provided to third parties, b) continuous sale of residential assets and c) advancement of discussions related to transaction with Arcona Property Fund N.V. which in most part materialized in 2022.

2.4 2022 and beyond

During 2023 the Company intends to sell all its assets, and consequently its main operations are expected to be minimized, provided that constraints brought by the the current war situation in Ukraine will successfully be surpassed. Despite such constraints, Management is working along the guidelines of the board for the closing of the transaction with Arcona Property Fund N.V., which will mark effectively the maximization of Company's value and will give our shareholders the opportunity to gain direct exposure to an entity of considerably larger size, with a strong dividend distribution policy, and active in a more diversified and faster growing region (Central and South Eastern Europe) of the European property market.

Having already completed during 2022 the transfers of Delenco and EOS assets in Romania, the Management is currently working towards completion of the remaining parts of the transaction, monitoring closely any developments in Ukraine, as well as with all other open issues which if resolved will effectively turn the Company having as assets only Arcona shares (including warrants over shares) and cash.

To that end, as part of the cost reduction process, the Company has agreed to externalize all HR and office costs in all operating jurisdictions except Ukraine, resulting in that way in a ~35% and ~50% reduction vis a vis same costs in 2022 and 2021 respectively.

3. Regional Economic Developments ¹

The Romanian economy experienced in 2022 the second consecutive year of strong growth following the global reset experienced in 2020 due to the pandemic. Growth reached 4,7% driven by strong private consumption and robust investment. Private consumption increased by 5,5% year on year backed by the release of the restrictions as a result of the pandemic and the high wages. Moreover, the local investment market reached the historical milestone of EUR 1.25 bln, 36% higher than the investment volume registered

1,25 bln, 36% higher than the investment volume registered

the previous year.

Unemployment rate is estimated marginally higher but still in low levels at 5,6%, keeping the labor market relatively tight and wage increases high. Inflation peaked during the year at high levels and closed at 12% at year end, on the back of the high energy prices and the constantly increasing trend in foods and services.

Macroeconomic data							
Romania	2016	2017	2018	2019	2020	2021	2022f
GDP (EUR bn)	170	188	203	223	218	241	286
Population (mn)	19,8	19,6	19,5	19,5	19,3	19,3	19,6
Real GDP (y-o-y %)	4,8	7,0	4,1	4,1	-3,7	5,9	4,7
CPI (average, y-o-y %)	-1,5	1,3	4,6	3,3	2,3	4,1	12
Unemployment rate (%)	5,9	4,3	3,6	3,1	6,1	5,4	5,6

Following the invasion of Russia in Ukraine in February 2022, Ukraine's GDP fell by 29,1% in 2022 as a result of the damages the war brought in the heavy industry, the power grid and the agricultural sector, as well as the restricted access to Black Sea ports that are vital for the export activities of the country.

With Ukraine's grain crop falling to 53 mil tonnes in 2022 from 86 mil tonnes in 2021, and steel production reduced by almost 71%, export activity declined by 35% in 2022 compared to the previous year.

The Ukrainian currency, Hryvnia, depreciated significantly against major currencies. As at the end of 2022, Hryvnia had depreciated 34% against US dollar and 26% against Euro, compared to 2021 year end. The invasion also affected the assessment of country's solvency by international rating agencies. Currently credit ratings have rebound partially with S&P's rating at CCC+ with stable outlook, Moody's one at Caa3 with stable outlook, and Fitch's at CC.

[1] Sources: World Bank Group, Eurostat, EBRD, National Institute of Statistics- Romania, National Institute of Statistics - Ukraine, IMF, European Commission.

4. Real Estate Market Developments ²

4.1 Romania

Total real estate investment volume in Romania reached in 2022 1,25 bln Euros, representing a 36% y-o-y increase. Bucharest proved again to be the most liquid real estate market generating almost three quarters from total annual investment volume driven mainly by office transactions. Office segment represented 62% of the annual volume, followed by retail sector (24%) and the industrial/ logistics one (7%).

Compression and stability is the trend that describes yields in Romania during 2022. Prime office yields remained at 6,75%, while industrial ones compressed to 7,15% from 7,5%, and retail stood at 6,75% from 7%. Local investors represent 50% of total investment volume, while foreign investment was driven by South Africans (15%) and Austrians (10%).

With c.900.000 sq m delivered during 2022, the total modern industrial/ logistics stock reached c.6,6 million sq m. Almost 50% of the new deliveries were in Bucharest area, being by far the largest consumer market in the country. At the end of 2022 the vacancy rate in Romania's industrial modern stock stood at 4,5%, while the vacancy rate for Bucharest was 5,8%. Headline rent in logistic parks registered a 5% increase at 4,1 EUR/sqm/month as a result of the robust demand and the increase in construction costs.

4.2 Ukraine

During 2022 even though the land market was seriously affected by the Russian military invasion, asking prices demonstrated certain stability and have not decreased significantly. Despite the extremely low demand observed on the market, the majority of owners were not willing to sell at reduced prices and preferred even to withdraw the asset from the market.

[1] Sources : Eurobank, CBRE Research, Colliers International, Cushman & Wakefield, Crosspoint Real Estate, Knight Frank, Coldwell Banker Research, National Institute of Statistics- Romania, State Statistics Service-Ukraine, NAI Real Act

5. Property Assets

5.1 EOS Business Park - Danone headquarters, Romania

The park consists of 5.000 sqm of land including a class "A" office building of 3.386 sqm GLA and 90 parking places. It is located next to the Danone factory, in the North-Eastern part of Bucharest with access to the Colentina Road and the Fundeni Road. The ark is very close to Bucharest's ring road and the DN 2 national road (E60 and E85) and is also served by public transportation. The park is highly energy efficient.

The park is a modern, energy-efficient building with a high-quality office environment. It is located in a prime location, close to the Danone factory and the Colentina Road. The park is a modern, energy-efficient building with a high-quality office environment.

The Company acquired the office building in November 2014. The complex is fully let to Danone Romania, the French multinational food company, until 2025. The asset was sold in June 2022 as part of Stage 2 of the Arcona transaction.

5.2 Delenco office building, Romania

The property is a 10.280 sqm office building, which consists of two underground levels, a ground floor and ten above-ground floors. The building is strategically located in the very center of Bucharest, close to three main squares of the city: Unirii, Alba Iulia and Muncii, only 300m from the metro station.

The Company acquired 24,35% of the property in May 2015. As at the end 2021, the building is 99% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (81% of GLA). The stake in the asset was sold in March and June 2022 as part of Stage 2 of the Arcona transaction.

5.3 Innovations Logistics Park, Romania

The park incorporates approximately 8.470 sqm of multipurpose warehousing space, 6.395 sqm of cold storage and 1.705 sqm of office space. It is located in the area of Clinceni, south west of Bucharest center, 200m from the city's ring road and 6km from Bucharest-Pitesti (A1) highway. Its construction was completed in 2008 and was tenant specific. It comprises four separate warehouses, two of which offer cold storage.

As at the year end the terminal was 80% leased. Anchor tenant with 46% is Favorit Business Srl, a large Romanian logistics operator, which accommodates in the terminal their new business line which involves as end user Carrefour. Following recent relevant agreement, Favorit's leases extended until 2026. Since 2019 the Company signs also short term lease agreements for ambient storage space with Mondelez Srl, one of the fastest growing regional food companies.

5.4 Kindergarten, Romania

Situated on the GreenLake compound on the banks of Grivita Lake, a standalone building on ground and first floor, is used as a nursery by one of the Bucharest's leading private schools. The building is erected on 1.428.59 sqm plot with a total gross area of 1.198 sqm.

The property is 100% leased to International School for Primary Education. The asset was sold in September 2022.

5.5 Residential Portfolio

- GreenLake, Bucharest, Romania

A residential compound of 40.500 sqm GBA, which consists of apartments and villas, situated on the banks of Grivita Lake, in the northern part of the Romanian capital - the only residential property in Bucharest with a 200 meters frontage to a lake. The compound also includes facilities such as one of Bucharest's leading private schools (International School for Primary Education), outdoor sports courts and a mini-market.

During 2022, 4 apartments and villas were sold while at the end of the year 7 units remained unsold but they are all precontracted and sold during 2023.

5.6 Land Assets

- -Kiyanovskiy Residence - Kiev, Ukraine

The property consists of 0,55 Ha of freehold and leasehold land located at Kiyanovskiy Lane, near Kiev city center. It is destined for the development of businesses and luxury residences with beautiful protected views overlooking the scenic Dnipro River, St. Michaels' Spires and historic Podil.

The asset is part of Stage 2 of the Arcona transaction and the relevant SPA for its disposal has already been signed in June 2021 while closing has been postponed due to the invasion of Ukraine by Russia.

- -Tsymlyanskiy Residence - Kiev, Ukraine

The 0,36 Ha plot is located in the historic and rapidly developing Podil District in Kiev. The Company owns 55% of the SPV which leases the plot, with a local co-investor owning the remaining 45%.

The extension of the lease, originally expected during 2021, was delayed and currently is on hold due to the invasion of Ukraine by Russia. The asset is planned to be part of Stage 3 of the Arcona transaction.

- -Rozny Lane - Kiev Oblast, Kiev, Ukraine

The 42 Ha land plot located in Kiev Oblast is destined to be developed as a residential complex. Following a protracted legal battle, it has been registered under the Company pursuant to a legal decision in July 2015.

The asset is part of Stage 2 of the Arcona transaction and relevant SPA for its disposal has already been signed in June 2021 while closing has been postponed due to the invasion of Ukraine by Russia.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 €	2021 €
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Continued Operations

Income	10	1.143.752	1.047.137
Net Operating Income		1.143.752	1.047.137
Administration expenses	12	(1.464.626)	(1.798.293)
Gain/(Loss) on disposal of subsidiary	20	-	748
Fair Value gain/(loss) on Financial Assets at FV through P&L	26	(1.071.119)	683.478
Gain realized on acquisition on associate		1.041	-
Share of loss of associates	21	(9.040)	-
Other operating income/ (expenses), net	15	(3.390)	69.643
Operating profit / (loss)		(1.403.382)	2.713
Finance income	16	361.035	489.072
Finance costs	16	(198.331)	(190.409)
Profit / (Loss) before tax and foreign exchange differences		(1.240.678)	301.376
Foreign exchange loss, net	17a	(17.647)	(65.147)
Profit/(Loss) before tax		(1.258.325)	236.229
Income tax expense	18	17.940	(51.824)
Profit/(Loss) for the year from continuing operations		(1.240.385)	184.405
Loss from discontinued operations	9b	(10.403.495)	(881.174)
Profit/ (Loss) for the year		(11.643.880)	(696.769)
Other comprehensive income			
Exchange difference on translation of foreign operations	29	(692.906)	64.299
Total comprehensive income for the year		(12.336.786)	(632.470)
Profit/ (Loss) for the year from continued operations attributable to:			
Owners of the parent		(1.240.385)	184.405
Non-controlling interests		-	-
		(1.240.385)	184.405
Profit/ (Loss) for the year from discontinued operations attributable to:			
Owners of the parent		(8.416.599)	(659.215)
Non-controlling interests		(1.986.896)	(221.959)
		(10.403.495)	(881.174)
Profit/ (Loss) for the year attributable to:			
Owners of the parent		(9.656.984)	(474.810)
Non-controlling interests		(1.986.896)	(221.959)
		(11.643.880)	(696.769)
Total comprehensive income attributable to:			
Owners of the parent		(10.142.264)	(459.449)
Non-controlling interests		(2.194.522)	(173.021)
		(12.336.786)	(632.470)
Earnings/(Losses) per share (Euro per share):			
Basic earnings/(losses) for the year attributable to ordinary equity owners of the parent	37b	(0,01)	(0,00)
Diluted earnings/(losses) for the year attributable to ordinary equity owners of the parent	37b	(0,01)	(0,00)
Basic earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	37c	(0,06)	(0,00)
Diluted earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	37c	(0,06)	(0,00)

The notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non current assets			
Tangible and intangible assets	23	816	1.628
Long-term receivables and prepayments	24	824	824
Investment in associate	21	1	-
Financial Assets at FV through P&L	26	12.078.808	7.470.722
		12.080.449	7.473.174
Current assets			
Prepayments and other current assets	25	4.153.162	4.510.381
Cash and cash equivalents	27	66.570	2.160.576
		4.219.732	6.670.957
Assets classified as held for sale	9d	13.835.091	39.011.516
Total assets		30.135.272	53.155.647
EQUITY AND LIABILITIES			
Issued share capital	28	1.291.281	1.291.281
Share premium		72.107.265	72.107.265
Foreign currency translation reserve	29	8.484.507	8.969.787
Exchange difference on I/C loans to foreign holdings	39.3	(211.199)	(211.199)
Accumulated losses		(68.560.594)	(58.903.610)
Equity attributable to equity holders of the parent		13.111.260	23.253.524
Non-controlling interests	30	369.399	5.748.132
Total equity		13.480.659	29.001.656
Non current liabilities			
Borrowings	31	597.357	126.066

Bonds issued	32	723.690	1.033.842
Tax payable and provisions	35	579.519	627.130
		1.900.566	1.787.038
Current liabilities			
Borrowings	31	-	1.577.500
Bonds issued	32	99.046	293.214
Trade and other payables	33	3.731.769	4.396.123
Tax payable and provisions	35	37.574	256.437
		3.868.389	6.523.274
Liabilities directly associated with assets classified as held for sale	9d	10.885.658	15.843.679
		14.754.047	22.366.953
Total liabilities		16.654.613	24.153.991
Total equity and liabilities		30.135.272	53.155.647
Net Asset Value (NAV) € per share:	37d		
Basic NAV attributable to equity holders of the parent		0,10	0,18
Diluted NAV attributable to equity holders of the parent		0,10	0,18

On 28 June 2022 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

Lambros Anagnostopoulos
Director & Chief Executive Officer

Michael Beys
Director & Chairman of the Board

Theofanis Antoniou
CFO

The notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to owners of the Company					Total	Non-cc
	Share capital	Share premium, Net ¹	Accumulated losses, net of non-controlling interest ²	Exchange difference on I/C loans to foreign holdings ³	Foreign currency translation reserve ⁴		
	€	€	€	€	€	€	
Balance - 31 December 2020	1.291.281	72.107.265	(58.428.800)	(211.199)	8.954.426	23.712.973	
Loss for the year	-	-	(474.810)	-	-	(474.810)	
Foreign currency translation reserve	-	-	-	-	15.361	15.361	
Balance - 31 December 2021	1.291.281	72.107.265	(58.903.610)	(211.199)	8.969.787	23.253.524	
Loss for the year	-	-	(9.656.984)	-	-	(9.656.984)	
Foreign currency translation reserve	-	-	-	-	(485.280)	(485.280)	
Disposals of subsidiaries	-	-	-	-	-	-	
Balance - 31 December 2022	1.291.281	72.107.265	(68.560.594)	(211.199)	8.484.507	13.111.260	

¹ Share premium is not available for distribution.

² Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% and GHS contribution at 1,7%-2,65% for deemed distributions after 1 March 2019 will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

³ Exchange differences on intercompany loans to foreign holdings arose as a result of devaluation of the Ukrainian Hryvnia during previous years. The Group treats the mentioned loans as a part of the net investment in foreign operations (Note 39.3).

⁴ Exchange differences related to the translation from the functional currency of the Group's subsidiaries are accounted for directly to the foreign currency translation reserve. The foreign currency translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against the euro in the countries where the Group's subsidiaries own property assets.

The notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax and non-controlling interests-continued operations		(1.258.325)	236.229
Profit/(Loss) before tax and non-controlling interests-discontinued operations	9b	(10.329.155)	(813.846)
Profit/(Loss) before tax and non-controlling interests		(11.587.480)	(577.617)
Adjustments for:			
(Gain)/Loss on revaluation of investment property	13	1.245.230	754.979
Net loss on disposal of investment property	14.1	825.392	(653.567)
Fair Value (gain)/loss on Financial Assets at FV through P&L	26	1.071.119	(683.478)
(Reversal)/Impairment of prepayments and other current assets	15	2.721.151	5.932
Accounts payable written off	15	(4.401)	(62.978)
Depreciation/ Amortization charge	12	7.292	2.101
Interest income	16	(369.017)	(498.438)
Interest expense	16	850.400	1.044.296
Share of profit from associates	21	(326.493)	(344.746)
Gain on disposal of subsidiaries	20	4.870.768	(748)
Effect of foreign exchange differences	17a	182.812	318.813
Cash flows from/(used in) operations before working capital changes		(513.227)	(695.451)
Change in prepayments and other current assets	25	(531409)	(61.750)
Change in trade and other payables	33	(1.230.439)	(441.639)
Change in VAT and other taxes receivable	25	141.751	(17.181)
Change in provisions	35	-	28.954
Change in other taxes payable	35	(173.788)	18.580
Change in deposits from tenants	34	(41.229)	-
Cash generated from operations		(2.348.341)	(1.168.487)
Income tax paid		(117.762)	(515.938)
Net cash flows provided in operating activities		(2.466.103)	(1.684.425)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	14.1	1.164.133	3.245.322
Cash inflow from sale of subsidiaries	20	382.750	-
Dividend received from associates	21	219.190	183.583
Payment on acquisition of associate		(8.000)	-
Increase/(Decrease) in long term receivables	24	(18.263)	(18.251)
Repayment of principal and interest of loan receivable	25	821.891	2.289.683
Net cash flows from / (used in) investing activities		2.561.701	5.700.337
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and non-bank loans	31	-	3.500.000
Repayment of bank and non-bank loans	31	(1.618.403)	(2.538.099)
Interest and financial charges paid		(391.126)	(117.032)
Decrease in financial lease liabilities	36	(289.917)	(3.176.182)
Net cash flows from / (used in) financing activities		(2.299.446)	(2.331.313)
Net increase/(decrease) in cash at banks		(2.203.848)	1.684.599
Cash:			
At beginning of the year	27	2.555.246	870.647
At end of the year	27	351.398	2.555.246

The notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. General Information

Country of incorporation

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC (the "Company") was incorporated in Cyprus on 23 June 2005 and is a public limited liability company, listed on the London Stock Exchange (AIM): ISIN CY0102102213. Its registered office is at Kyriakou Matsi 16, Eagle House, 10th floor, Agioi Omologites, 1082 Nicosia, Cyprus while its principal place of business is in Cyprus at 6 Nikiforou Foka Street, 1060 Nicosia, Cyprus.

Principal activities

The principal activities of the Group are to invest directly or indirectly in and/or manage real estate properties, as well as real estate development projects in South East Europe (the "Region"). These include the acquisition, development, commercializing, operating and selling of property assets in the Region.

The Group maintains offices in Nicosia, Cyprus, Bucharest, Romania and Kiev, Ukraine.

As at 31 December 2022, the companies of the Group employed and/or used the services of 10 full time equivalent people, (2021 → 15 full time equivalent people).

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The consolidated financial statements have been prepared under the historical cost as modified by the revaluation of investment property and investment property under construction, of financial assets at fair value through other comprehensive income and of financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Following certain conditional agreement signed in December 2018 with Arcona Property Fund N.V for the sale of Company's non-Greek portfolio of assets, the Company classifies its assets since 2018 as discontinued operations (Note 4.3) .

Going concern basis

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

In particular, the Company is in a process of disposing of its portfolio of assets in an all share transaction with Arcona Property Fund N.V., meaning that as soon as this transaction consummates the Company will be left with its corporate receivables and liabilities.

These conditions raise some doubt about the Company's ability to continue as a going concern within the next twelve months from the date these financial statements are available to be issued. The ability to continue as a going concern is dependent upon positive future cash flows.

Management believes that the Company will be able to finance its needs given the fact that the additional corporate receivables, as well as the consideration received in the form of Arcona shares is estimated that it can effectively discharge all corporate liabilities. At the same time, the transaction with Arcona Property Fund N.V., which is a cash flow generating entity, will result in the Company being a significant shareholder, entitled to dividends according to the dividend policy of Arcona Property Fund N.V.

3. Adoption of new and revised Standards and Interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

Local statutory accounting principles and procedures differ from those generally accepted under IFRS. Accordingly, the consolidated financial information, which has been prepared from the local statutory accounting records for the entities of the Group domiciled in Cyprus, Romania, and Ukraine reflects adjustments necessary for such consolidated financial information to be presented in accordance with IFRS.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries).

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

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

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control and Disposal of Subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

4. Significant accounting policies (continued)

4.2 Functional and presentation currency

Items included in the Group's financial statements are measured applying the currency of the primary economic environment in which the entities operate ("the functional currency"). The national currency of Ukraine, the Ukrainian Hryvnia, is the functional currency for all the Group's entities located in Ukraine, the Romanian leu is the functional currency for all Group's entities located in Romania, and the Euro is the functional currency for all Cypriot subsidiaries.

The consolidated financial statements are presented in Euro, which is the Group's presentation currency.

As Management records the consolidated financial information of the entities domiciled in Cyprus, Romania, Ukraine in their functional currencies, in translating financial information of the entities domiciled in these countries into Euro for inclusion in the consolidated financial statements, the Group follows a translation policy in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", and the following procedures are performed:

- All assets and liabilities are translated at closing rate;
- Equity of the Group has been translated using the historical rates;
- Income and expense items are translated using exchange rates at the dates of the transactions, or where this is not practicable the average rate has been used;
- All resulting exchange differences are recognized as a separate component of equity;
- When a foreign operation is disposed of through sale, liquidation, repayment of share capital or abandonment of all, or part of that entity, the exchange differences deferred in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale;
- Monetary items receivable from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future and in substance are part of the Group's net investment in those foreign operations are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

The relevant exchange rates of the European and local central banks used in translating the financial information of the entities from the functional currencies into Euro are as follows:

Currency	Average		31 December		
	2022	2021	2022	2021	2020
USD	1,0530	1,1827	1,0666	1,1326	1,2270
UAH	33,9820	32,3009	38,9510	30,9226	34,7396
RON	4,9315	4,9204	4,9474	4,9481	4,8694

4.3 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

4.4 Investment Property at fair value

Investment property, comprising freehold and leasehold land, investment properties held for future development, warehouse and office properties, as well as the residential property units, is held for long term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property and investment property under construction are carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in the statement of comprehensive income and are included in other operating income.

A number of the land leases (all in Ukraine) are held for relatively short terms and place an obligation upon the lessee to complete development by a predetermined date. It is important to note that the rights to complete a development may be lost or at least delayed if the lessee fails to complete a permitted development within the timescale set out by the ground lease.

4. Significant accounting policies (continued)

4.4 Investment Property at fair value (continued)

In addition, in the event that a development has not commenced upon the expiry of a lease then the City Authorities are entitled to decline the granting of a new lease on the basis that the land is not used in accordance with the designation. Furthermore, where all necessary permissions and consents for the development are not in place, this may provide the City Authorities with grounds for rescinding or non-renewal of the ground lease. However Management believes that the possibility of such action is remote and was made only under limited circumstances in the past.

Management has noticed that rescinding or non-renewal of the ground lease is remote if a project is on the final stage of development or on the operating cycle. In undertaking the valuations reported herein, the valuer of Ukrainian properties, CBRE, has made the assumption that no such circumstances will arise to permit the City Authorities to rescind the land lease or not to grant a renewal.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition is met.

Investment property under development or construction initially is measured at cost, including related transaction costs.

The property is classified in accordance with the intention of the management for its future use. Intention to use is determined by the Board of Directors after reviewing market conditions, profitability of the projects, ability to finance the project and obtaining required construction permits.

The time point, when the intention of the management is finalized is the date of start of construction. At the moment of start of construction, freehold land, leasehold land and investment properties held for a future redevelopment are reclassified into investment property under development or inventory in accordance to the final decision of management.

Initial measurement and recognition

Investment property is measured initially at cost, including related transaction costs. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, or the commencement of an operating lease to third party. Transfers are made from investment property when,

and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as investment property under construction until construction or development is complete. At that time, it is reclassified and subsequently accounted for as investment property.

Subsequent measurement

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair value of investment property are included in the statement of comprehensive income in the period in which they arise.

If a valuation obtained for an investment property held under a lease is net of all payments expected to be made, any related liabilities/assets recognized separately in the statement of financial position are added back/reduced to arrive at the carrying value of the investment property for accounting purposes.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same in 2022:

- CBRE Ukraine, for all its Ukrainian properties,
- NAI Real Act for all its Romanian properties.

The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation - Global Standards (2018) (the "Red Book") and is also compliant with the International Valuation Standards (IVS).

"Market Value" is defined as: "The estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing actions, wherein the parties had each acted knowledgeably, prudently and without compulsion".

4. Significant accounting policies (continued)

4.4 Investment Property at fair value (continued)

Basis of valuation (continued)

In expressing opinions on Market Value, in certain cases the appraisers have estimated net annual rentals/income from sale. These are assessed on the assumption that they are the best rent/sale prices at which a new letting/sale of an interest in property would have been completed at the date of valuation assuming: a willing landlord/buyer; that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the letting/sale; that the state of the market, levels of value and other circumstances were, on any earlier assumed date of entering into an agreement for lease/sale, the same as on the valuation date; that no account is taken of any additional bid by a prospective tenant/buyer with a special interest; that the principal deal conditions assumed to apply are the same as in the market at the time of valuation; that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

A number of properties are held by way of ground leasehold interests granted by the City Authorities. The ground rental payments of such interests may be reviewed on an annual basis, in either an upwards or downwards direction, by reference to an established formula. Within the terms of the lease, there is a right to extend the term of the lease upon expiry in line with the existing terms and conditions thereof. In arriving at opinions of Market Value, the appraisers assumed that the respective ground leases are capable of extension in accordance with the terms of each lease. In addition, given that such interests are not assignable, it was assumed that each leasehold interest is held by way of a special purpose vehicle ("SPV"), and that the shares in the respective SPVs are transferable.

With regard to each of the properties considered, in those instances where project documentation has been agreed with the respective local authorities, opinions of the appraisers of value have been based on such agreements.

In those instances where the properties are held in part ownership, the valuations assume that these interests are saleable in the open market without any restriction from the co-owner and that there are no encumbrances within the share agreements which would impact the sale ability of the properties concerned.

The valuation is exclusive of VAT and no allowances have been made for any expenses of realization or for taxation which might arise in the event of a disposal of any property.

In some instances the appraisers constructed a Discounted Cash Flow (DCF) model. DCF analysis is a financial modeling technique based on explicit assumptions regarding the prospective income and expenses of a property or business. The analysis is a forecast of receipts and disbursements during the period concerned. The forecast is based on the assessment of market prices for comparable premises, build rates, cost levels etc. from the point of view of a probable developer.

To these projected cash flows, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. In this case, it is a development property and thus estimates of capital outlays, development costs, and anticipated sales income are used to produce net cash flows that are then discounted over the projected development and marketing periods. The Net Present Value (NPV) of such cash flows could represent what someone might be willing to pay for the site and is therefore an indicator of market value. All the payments are projected in nominal US Dollar/Euro amounts and thus incorporate relevant inflation measures.

Valuation Approach

In addition to the above general valuation methodology, the appraisers have taken into account in arriving at Market Value the following:

Pre Development

In those instances where the nature of the 'Project' has been defined, it was assumed that the subject property will be developed in accordance with this blueprint. The final outcome of the development of the property is determined by the Board of Directors decision, which is based on existing market conditions, profitability of the project, ability to finance the project and obtaining required construction permits.

Development

In terms of construction costs, the budgeted costs have been taken into account in considering opinions of value. However, the appraisers have also had regard to current construction rates prevailing in the market which a prospective purchaser may deem appropriate to adopt in constructing each individual scheme. Although in some instances the appraisers have adopted the budgeted costs provided, in some cases the appraisers' own opinions of costs were used.

Post Development

Rental values have been assessed as at the date of valuation but having regard to the existing occupational markets taking into account the likely supply and demand dynamics during the anticipated development period. The standard letting fees

were assumed within the valuations. In arriving at their estimates of gross development value ("GDV"), the appraisers have capitalized their opinion of net operating income, having deducted any anticipated non-recoverable expenses, such as land payments, and permanent void allowance, which has then been capitalized into perpetuity.

4. Significant accounting policies (continued)

4.4 Investment Property at fair value (continued)

Valuation Approach (continued)

The capitalization rates adopted in arriving at the opinions of GDV reflect the appraisers' opinions of the rates at which the properties could be sold as at the date of valuation.

In terms of residential developments, the sales prices per sq. m. again reflect current market conditions and represent those levels the appraisers consider to be achievable at present. It was assumed that there are no irrecoverable operating expenses and that all costs will be recovered from the occupiers/owners by way of a service charge.

The valuations take into account the requirement to pay ground rental payments and these are assumed not to be recoverable from the occupiers. In terms of ground rent payments, the appraisers have assessed these on the basis of information available, and if not available they have calculated these payments based on current legislation defining the basis of these assessments.

4.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.6 Property, Plant and equipment and intangible assets

Property, plant and equipment and intangible non-current assets are stated at historical cost less accumulated depreciation and amortization and any accumulated impairment losses.

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

Depreciation and amortization are calculated on the straight line basis so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates are as follows:

Type	%
Leasehold	20
IT hardware	33
Motor vehicles	25
Furniture, fixtures and office equipment	20
Machinery and equipment	15
Software and Licenses	33

No depreciation is charged on land.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

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

4. Significant accounting policies (continued)

4.6 Property, Plant and equipment and intangible assets (continued)

Expenditure for repairs and maintenance of tangible and intangible assets is charged to the statement of comprehensive income of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of tangible and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

4.7 Cash and Cash equivalents

Cash and cash equivalents include cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.8 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

4.9 Financial Instruments

4.9.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.9.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

4. Significant accounting policies (continued)

4.9 Financial Instruments (continued)

4.9.2 Classification and subsequent measurement (continued)

Financial assets - Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However for derivatives designated as hedging instruments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

4. Significant accounting policies (continued)**4.9 Financial Instruments (continued)****4.9.3 Derecognition*****Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.9.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.9.5 Derivative financial instruments and hedge accounting***Derivative financial instruments and hedge accounting***

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

4. Significant accounting policies (continued)**4.9 Financial Instruments (continued)****4.9.5 Derivative financial instruments and hedge accounting (continued)**

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge or a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

4.10 Leases

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

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

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

The Company as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. It assesses the lease classification of a sub lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub lease as an operating lease.

If an arrangement contains lease and non lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16. However, when the Company was an intermediate lessor the sub leases were classified with reference to the underlying asset.

The Company as lessee

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

4. Significant accounting policies (continued)

4.10 Leases (continued)

The Company as lessee (continued)

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

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

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

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

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

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

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

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

Short term leases and leases of low value assets

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

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortization of discounts or premium relating to borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4. Significant accounting policies (continued)

4.12 Tenant security deposits

Tenant security deposits represent financial advances made by lessees as guarantees during the lease and are repayable by the Group upon termination of the contracts. Tenant security deposits are recognized at nominal value.

4.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment loss annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.14 Share Capital

Ordinary shares are classified as equity.

4.15 Share premium

The difference between the fair value of the consideration received by the shareholders and the nominal value of the share capital being issued is taken to the share premium account.

4.16 Share-based compensation

The Group had in the past and intends in the future to operate a number of equity-settled, share-based compensation plans, under which the Group receives services from Directors and/or employees as consideration for equity instruments (options) of the Group. The fair value of the Director and employee cost related to services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each financial position date, the Group revises its estimates on the number of options that are expected to vest based on the non-marketing vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

4.17 Provisions

Provisions are recognized when the Group has a present obligation (legal, tax or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. As at the reporting date the Group has settled all its construction liabilities.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

receivable can be measured reliably.

4. Significant accounting policies (continued)

4.18 Non current liabilities

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

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. It is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. Revenue earned by the Group is recognized on the following bases:

4.20.1 Income from investing activities

Income from investing activities includes profit received from disposal of investments in the Company's subsidiaries and associates and income accrued on advances for investments outstanding as at the year end.

4.20.2 Dividend income

Dividend income from investments is recognized when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

4.20.3 Interest income

Interest income is recognized on a time-proportion (accrual) basis, using the effective interest rate method.

4.20.4 Rental income

Rental income arising from operating leases on investment property is recognized on an accrual basis in accordance with the substance of the relevant agreements.

4.20 Service charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognized on an accrual basis.

4.21 Other property expenses

Irrecoverable running costs directly attributable to specific properties within the Group's portfolio are charged to the statement of comprehensive income. Costs incurred in the improvement of the assets which, in the opinion of the directors, are not of a capital nature are written off to the statement of comprehensive income as incurred.

4.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred as interest costs which are calculated using the effective interest rate method, net result from transactions with securities, foreign exchange gains and losses, and bank charges and commission.

4.23 Asset Acquisition Related Transaction Expenses

Expenses incurred by the Group for acquiring a subsidiary or associate company as part of an Investment Property and are directly attributable to such acquisition are recognized within the cost of the Investment Property and are subsequently accounted as per the Group's accounting Policy for Investment Property subsequent measurement.

4. Significant accounting policies (continued)

4.24 Taxation

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

4.24.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.24.2 Deferred tax

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

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

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

4.24.3 Current and deferred tax for the year

Current and deferred tax are recognized in the statement of comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The operational subsidiaries of the Group are incorporated in Ukraine and Romania, while the Parent and some holding companies are incorporated in Cyprus. The Group's management and control is exercised in Cyprus.

The Group's Management does not intend to dispose of any asset, unless a significant opportunity arises. In the event that a decision is taken in the future to dispose of any asset it is the Group's intention to dispose of shares in subsidiaries rather than assets. The corporate income tax exposure on disposal of subsidiaries is mitigated by the fact that the sale would represent a disposal of the securities by a non resident shareholder and therefore would be exempt from tax. The Group is therefore in a position to control the reversal of any temporary differences and as such, no deferred tax liability has been provided for in the financial statements.

4.24.4 Withholding Tax

The Group follows the applicable legislation as defined in all double taxation treaties (DTA) between Cyprus and any of the countries of Operations (Romania, Ukraine,). In the case of Romania, as the latter is part of the European Union, through the relevant directives the withholding tax is reduced to NIL subject to various conditions.

4.24.5 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

4.25 Value added tax

VAT levied at various jurisdictions where the Group is active, was at the following rates, as at the end of the reporting period:

- 20% on Ukrainian domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Ukraine.
- 19% on Cyprus domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Cyprus.
- 19% on Romanian domestic sales and imports of goods, works and services (decreased from 20% from 1 January 2017) and 0% on export of goods and provision of works or services to be used outside Romania.

4. Significant accounting policies (continued)

4.26 Operating segments analysis

Segment reporting is presented on the basis of Management's perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of their economic nature and through internal reports provided to the Group's Management who oversee operations and make decisions on allocating resources serve. These internal reports are prepared to a great extent on the same basis as these consolidated financial statements.

For the reporting period the Group has identified the following material reportable segments, where the Group is active in acquiring, holding, managing and disposing:

Commercial-Industrial	Residential	Land Assets
<ul style="list-style-type: none">• Warehouse segment• Office segment• Retail segment	<ul style="list-style-type: none">• Residential segment	<ul style="list-style-type: none">• Land assets - the Group owns a number of land assets which are either available for sale or for potential development

The Group also monitors investment property assets on a Geographical Segmentation, namely the country where its property is located.

4.27 Earnings and Net Assets value per share

The Group presents basic and diluted earnings per share (EPS) and net asset value per share (NAV) for its ordinary shares.

Basic EPS amounts are calculated by dividing net profit/loss for the year, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Basic NAV amounts are calculated by dividing net asset value as at year end, attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the year.

Diluted EPS is calculated by dividing net profit/loss for the year, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

Diluted NAV is calculated by dividing net asset value as at year end, attributable to ordinary equity holders of the parent with the number of ordinary shares outstanding at year end plus the number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

4.28 Comparative Period

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

5. New accounting pronouncement

Standards issued but not yet effective

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

New standards

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2024).

Amendments

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non current (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 8 Accounting Policies: Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024).

- beginning on or after 1 January 2024)
- The above are expected to have no significant impact on the Company's financial statements when they become effective.

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on Management's best knowledge of current events and actions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results though may ultimately differ from those estimates.

As the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for impairment of receivables**

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the counter party's payment record, and overall financial position, as well as the state's ability to pay its dues (VAT receivable). If indications of non-recoverability exist, the recoverable amount is estimated and a respective provision for impairment of receivables is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly. As at the reporting date Management did not consider necessary to make a provision for impairment of receivables.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. The fair value has been estimated as at 31 December 2022 (Note 19.2).

- **Income taxes**

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

- **Impairment of tangible assets**

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

- **Provision for deferred taxes**

Deferred tax is not provided in respect of the revaluation of the investment property and investment property under development as the Group is able to control the timing of the reversal of this temporary difference and the Management has intention not to reverse the temporary difference in the foreseeable future. The properties are held by subsidiary companies in Ukraine, Greece and Romania. Management estimates that the assets will be realized through a share deal rather than through an asset deal. Should any subsidiary be disposed of, the gains generated from the disposal will be exempt from any tax.

- **Application of IFRS 10**

The Group has considered the application of IFRS 10 and concluded that the Company is not an Investment Entity as defined by IFRS 10 and it should continue to consolidate all of its investments, as in 2016. The reasons for such conclusion are among others that the Company continues:

- a) not to be an Investment Management Service provider to Investors,
- b) to actively manages its own portfolio (leasing, development, allocation of capital expenditure for its properties, marketing etc.) in order to provide benefits other than capital appreciation and/or investment income,
- c) to have investments that are not bound by time in relation to the exit strategy nor to the way that are being exploited,
- d) to provide asset management services to its subsidiaries, as well as loans and guarantees (directly or indirectly),
- e) even though is using Fair Value metrics in evaluating its investments, this is being done primarily for presentation purposes rather than evaluating income generating capability and making investment decisions. The latter is being based on metrics like IRR, ROE and others.

7. Risk Management

7.1 Financial risk factors

The Group is exposed to operating country risk, real estate property holding and development associated risks, property market price risk, interest rate risk, credit risk, liquidity risk, currency risk, other market price risk, operational risk, compliance risk, litigation risk, reputation risk, capital risk and other risks, arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below.

7.1.1 Operating Country Risks

The Group is exposed to risks stemming from the political and economic environment of countries in which it operates. Notably:

7.1.1.1 Ukraine

The risk associated with Company's interests in Ukraine has increased dramatically with the invasion of the country by Russia in February 2022. Currently, the political and economic risks associated with Company's activities in the region do not really allow for any relevant assessment for the future.

The fall in Ukraine's GDP by the end of 2022 is estimated at the level of 30.4% ($\pm 2\%$), which is a better indicator than predicted by previous forecasts. In 2022, the Ukrainian hryvnia significantly depreciated against major foreign currencies. As at 31 December 2022, the official exchange rate of the National Bank of Ukraine to the US dollar was 36.5686 hryvnias, and to the euro was 38.951 hryvnias (as at 31 December 2021: 27.2782 and 30.9226, respectively). The war also affected the assessment of Ukraine's solvency by international rating agencies. In 2022 Standard & Poor's credit rating for Ukraine stood at CCC+ with stable outlook. Moody's credit rating for Ukraine was last set at Caa3 with negative outlook (increased in February 2023 up to Ca with stable outlook). Fitch's credit rating for Ukraine was last reported at CC.

The Company owns land plots in Ukraine, either in Kiev or close to the capital, reported at time of publishing still under Ukrainian control. The plots do not generate income and therefore the cash flow of the Group is not affected by the invasion.

The Management, given the associated uncertainty, decided to value Ukrainian assets lower than the current values as provided by the third-party valuers (CBRE Ukraine). As a result, the Ukrainian assets contribute €1,92 million in Group's assets, as compared to €3,11 million provided by the valuers and €3,6 million in 2021 accounts.

Moreover, the war, as well as the preceded tensions during the previous period, affect also the land leaseholds that the Company has in the country. In particular, as of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. The Management remains confident that the Group will be awarded the lease extension once the war status permits. However, as a result of such development, commencing from H1 2022 the asset does not contribute value to Group's assets. The Management will monitor developments in the country and change policy as appropriate.

The Company will revert to inform investors upon having a clearer view on the developments associated with the conflict and its consequences on real estate assets.

7.1.1.2 Romania

Romanian economy grew significantly by 4,8% in 2022 driven by strong private consumption and robust investment despite the ongoing war in neighboring Ukraine and the high inflation rate from the increased energy prices which prevailed throughout the period. Economic prospects are reported moderate on the back of the continuing conflict in the region and the high interest rates. At the same time, estimates for the fiscal and current account deficits remain elevated as a result of the social and economic measures adopted by the Government for the support of low income citizens, weakening the macroeconomic indicators and therefore increasing the associated risk.

7. Risk Management (continued)

7.1 Financial risk factors (continued)

7.1.2 Risks associated with property holding and development associated risks

Several factors may affect the economic performance and value of the Group's properties, including:

- risks associated with construction activity at the properties, including delays, the imposition of liens and defects in workmanship;
- the ability to collect rent from tenants on a timely basis or at all, taking also into account currency rapid devaluation risk;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favorable than current leases;
- cyclical fluctuations in the property market generally;
- local conditions such as an oversupply of similar properties or a reduction in demand for the properties;
- the attractiveness of the property to tenants or residential purchasers;
- decreases in capital valuations of property;
- changes in availability and costs of financing, which may affect the sale or refinancing of properties;
- covenants, conditions, restrictions and easements relating to the properties;
- changes in governmental legislation and regulations, including but not limited to designated use, allocation, environmental usage, taxation and insurance;
- the risk of bad or unmarketable title due to failure to register or perfect our interests or the existence of prior claims, encumbrances or charges of which we may be unaware at the time of purchase;
- the possibility of occupants in the properties, whether squatters or those with legitimate claims to take possession;
- the ability to pay for adequate maintenance, insurance and other operating costs, including taxes, which could increase over time; and
- political uncertainty, acts of terrorism and acts of nature, such as earthquakes and floods that may damage the properties.

7.1.3 Property Market price risk

Market price risk is the risk that the value of the Group's portfolio investments will fluctuate as a result of changes in market prices. The Group's assets are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of the investment portfolio, continuous elaboration of the market conditions and active asset management. To quantify the value of its assets and/or indicate the possibility of impairment losses, the Group commissioned internationally acclaimed valuers.

7.1.4 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest bearing assets apart from its cash balances that are mainly kept for liquidity purposes.

The Group is exposed to interest rate risk in relation to its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. All of the Group's borrowings are issued at a variable interest rate. Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

7.1.5 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets at hand at the end of the reporting period. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

7.1.6 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Excluding the transactions in Ukraine, all of the Group's transactions, including the rental proceeds are denominated or pegged to EUR. In Ukraine, even though there is no recurring income stream, the fluctuations of UAH against EUR entails significant FX risk for the Group in terms of its local assets valuation. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly, although there are no available financial tools for hedging the exposure on UAH. It should be noted though that the current war in Ukraine causing economic and political problems, as well as any probable currency devaluation may affect Group's financial position.

7. Risk Management (continued)

7.1 Financial risk factors (continued)

7.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's core strategy is described in Note 42.1 of the consolidated financial statements.

7.1.8 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non compliance with laws and regulations of each country the Group is present, as well as from the stock exchange where the Company is listed. Although the Group is trying to limit such risk, the uncertain environment in which it operates in various countries increases the complexities handled by Management.

7.1.9 Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

7.1.10 Insolvency risk

Insolvency arises from situations where a company may not meet its financial obligations towards a lender as debts become due. Addressing and resolving any insolvency issues is usually a slow moving process in the Region. Management is closely involved in discussions with creditors when/if such cases arise in any subsidiary of the Group aiming to effect alternate repayment plans including debt repayment so as to minimize the effects of such situations on the Group's asset base.

7.2. Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems, as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

7.3. Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the end of the reporting period.

8. Investment in subsidiaries

The Company has direct and indirect holdings in other companies, collectively called the Group, that were included in the consolidated financial statements, and are detailed below.

Name	Country of incorporation	Related Asset	Holding %	
			as at 31 Dec 2022	as at 31 Dec 2021
SC Secure Capital Limited	Cyprus		100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Trade Center	Ukraine		100	100
LLC Almaz Pres Ukraine	Ukraine	Tsymlyanskiy Residence*	55	55
LLC Retail Development Balabino**	Ukraine		100	100
LLC Interterminal**	Ukraine		100	100
LLC Aisi Ilvo	Ukraine		100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100
Best Day Real Estate Srl	Romania		100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100
N-E Real Estate Park First Phase Srl	Romania		-	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100
Bluehouse Accession Project IV Limited **	Cyprus		100	100
BlueBigBox 3 Srl	Romania		-	100
SPDI Real Estate Srl	Romania	Kindergarten	-	50
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100
Diforio Holdings Limited **	Cyprus		100	100
Demetiva Holdings Limited **	Cyprus		100	100
Ketiza Holdings Limited	Cyprus		90	90
Frizomo Holdings Limited	Cyprus		100	100
SecMon Real Estate Srl	Romania		100	100
Ketiza Real Estate Srl	Romania		90	90
Edetrio Holdings Limited	Cyprus		100	100
Emakei Holdings Limited	Cyprus		100	100
RAM Real Estate Management Limited	Cyprus		50	50

Iuliu Maniu Limited	Cyprus	Residential and Land portfolio	45	45
Moselin Investments Srl	Romania		45	45
Rimasol Enterprises Limited	Cyprus		-	70,56
Rimasol Real Estate Srl	Romania		-	70,56
Ashor Ventures Limited	Cyprus		-	44,24
Ashor Development Srl	Romania		-	44,24
Jenby Ventures Limited**	Cyprus		44,30	44,30
Jenby Investments Srl	Romania		-	44,30
Ebenem Limited**	Cyprus		44,30	44,30
Ebenem Investments Srl	Romania		-	44,30
Sertland Properties Limited	Cyprus		100	100
Mofben Investments Limited**	Cyprus		100	100
SPDI Management Srl	Romania		100	100

* As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymyansky Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as too many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. The Management remains confident that the Company will be awarded the lease extension once the war status permits.

8. Investment in subsidiaries (continued)

** During 2020 the Company initiated the process of striking off six holding subsidiaries in Cyprus, which became idle following recent disposals of local asset owning companies and properties. The companies to be struck off are: Bluehouse Accession Project IV Limited, Demetiva Holdings Limited, Diforio Holdings Limited, Jenby Ventures Limited, Ebenem Limited and Mofben Investments Limited. Relevant official clearance from local Trade Registry and Tax Authorities is expected in the following period. During 2022 the Group has also initiated strike off process for two additional Ukrainian entities, LLC Retail Development Balabino and LLC Interterminal.

As part of Stage 2 of the transaction with Arcona, during the first half of 2022 the Group proceeded with closing the disposal of N-E Real Estate Park First Phase Srl, the entity which owns the EOS asset, in exchange of 116.688 new ordinary shares in Arcona and 28.125 warrants over shares in Arcona.

During 2021 the Group proceeded with the disposal of Victini Holdings Limited in Cyprus which was idle after the disposal in 2019 of its subsidiary that used to hold the warehouse asset in Greece.

Additionally during 2021 the Group acquired an additional 26,32% stake in Rimasol Enterprises Limited, which through Rimasol Real Estate Srl owns Plot R in GreenLake, part of the Second Phase of the overall GreenLake project. With this acquisition the total stake of the Group in this particular plot increased to 70,56%.

During 2023 BlueBigBox 3 Srl, the SPV which used to hold Praktiker Craiova property that was sold back in 2018, was entered into an insolvency process initiated by a vendor (Note 43.b). The case is associated with the Bluehouse litigation case (Note 40.3) and Management monitors developments closely. The entering into such process effectively means loss of control and therefore Management decided to exclude the SPV from the current accounts. The SPV currently holds no asset.

In an effort to accelerate monetization of assets that were to be part of Stage 3 of the transaction with Arcona, and since the discussions with Arcona took much longer than expected and negotiations on their valuation did not conclude, the Company managed to monetize remaining GreenLake assets in the broader market. As such, the Kindergarten and the remaining Green Lake land were sold during 2022 at values higher than those offered by Arcona.

9. Discontinued operations

9.(a) Description

The Company announced on 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to Arcona Property Fund N.V. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona Property Fund N.V. shares), as well as successful negotiating and signature of transaction documents. During 2019 and as part of the Arcona transaction the Company sold the Boyana Residence asset in Bulgaria, as well as the Bela and Balabino land plots in Ukraine, while in March and June 2021 has signed SPAs related to Stage 2 of the transaction, namely for the EOS and Delenco assets in Romania, as well as the Kyianovskiy and Rozny assets in Ukraine. In March and June 2022, the Company sold effectively to Arcona the Delenco and EOS assets. Regarding the Ukrainian assets, further discussions for closing have been put on hold due to the existing circumstances in the country.

The companies that are classified under discontinued operations are the followings:

- **Cyprus:** Ashor Ventures Limited, Edetrio Holdings Limited, Rimasol Enterprises Limited, Emaei Holdings Limited, Iuliu Maniu Limited, Ram Real Estate Management Limited, Frizomo Holdings Limited, Ketiza Holdings Limited and Victini Holdings Limited
- **Romania:** Ashor Development Srl, Ebenem Investments Srl, Jenby Investments Srl, Rimasol Real Estate Srl, Moselin Investments Srl, Best Day Real Estate Srl, N-E Real Estate Park First Phase Srl, Ketiza Real Estate Srl, SPDI Real Estate Srl and Secmon SRL
- **Ukraine:** LLC Aisi Ukraine, LLC Almaz-Pres-Ukraine, LLC Trade Center, LLC Retail Development Balabino

As a result, the Company has reclassified all assets and liabilities related to these properties as held for sale according to IFRS 5 (Note 4.3 & 4.8).

9. Discontinued operations (continued)

9.(b) Results of discontinued operations

For the year ended 31 December 2022

	Note	2022 €	2021 €
Income	10	505.785	939.720

Asset operating expenses	11	(446.380)	(763.024)
Net Operating Income		59.405	176.696
Administration expenses	12	(242.157)	(289.086)
Share of profits/(losses) from associates	21	335.533	344.746
Valuation gains/(losses) from Investment Property	13	(1.245.230)	(754.979)
Net gain/(loss) on disposal of investment property	14.1	(825.392)	653.567
Loss on Disposal of subsidiaries	20.2	(4.871.809)	-
Other operating income/(expenses), net	15	(2.721.353)	(12.510)
Operating profit / (loss)		(9.511.003)	118.434
Dividends income	20	-	175.500
Finance income	16	7.982	9.366
Finance costs	16	(660.969)	(863.480)
Profit/(Loss) before tax and foreign exchange differences		(10.163.990)	(560.180)
Foreign exchange (loss), net	17a	(165.165)	(253.666)
Profit/(Loss) before tax		(10.329.155)	(813.846)
Income tax expense	18	(74.340)	(67.328)
Profit/(Loss) for the year		(10.403.495)	(881.174)
Loss attributable to:			
Owners of the parent		(8.416.599)	(659.215)
Non-controlling interests		(1.986.896)	(221.959)
		(10.403.495)	(881.174)

9.(c) Cash flows from (used in) discontinued operation

	31 Dec 2022	31 Dec 2021
	€	€
Net cash flows provided in operating activities	5.569.628	(712.598)
Net cash flows from / (used in) financing activities	(939.540)	3.280.967
Net cash flows from / (used in) investing activities	1.754.358	(2.275.600)
Net increase/(decrease) from discontinued operations	6.384.446	292.769

9.(d) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2022:

	Note	31 Dec 2022	31 Dec 2021
		€	€
Assets classified as held for sale			
Investment properties	19.4a	11.631.996	31.554.991
Tangible and intangible assets	23	20	11.988
Long-term receivables and prepayments	24	315.000	333.263
Investments in associates	21	335.534	5.476.576
Prepayments and other current assets	25	1.267.713	1.240.028
Cash and cash equivalents	27	284.828	394.670
Total assets of group held for sale		13.835.091	39.011.516
Liabilities directly related with assets classified as held for sale			
Borrowings	31	4.021.192	8.022.899
Finance lease liabilities	36	6.225.930	6.515.847
Trade and other payables	33	431.307	997.392
Taxation	35	184.227	243.310
Deposits from tenants	34	23.002	64.231
Total liabilities of group held for sale		10.885.658	15.843.679

10. Income

Income from continued operations for the year ended 31 December 2022 represents:

- rental income, as well as service charges and utilities income collected from tenants as a result of the rental agreements concluded with tenants of Innovations Logistics Park (Romania). It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park (Romania) is currently invoiced by the Company as part of a relevant lease agreement with the Innovations SPV and the lender; however the asset, through the SPV, is planned to be transferred as part of the transaction with Arcona Property Fund N.V. Upon a final agreement for such transfer, the Company will negotiate with the lender its release from the aforementioned lease agreement, and if succeeds, upon completion such income will be also transferred.
- Asset and property management income in 2021 is related to one off services to a third party, while in 2022 represent services in relation to the management of properties sold to Arcona .

Continued operations	31 Dec 2022	31 Dec 2021
	€	€
Rental income	763.242	633.427
Service charges and utilities income	276.996	232.870
Asset & property management income	103.514	180.840
Total income	1.143.752	1.047.137

Income from discontinued operations for the year ended 31 December 2022 represents:

- rental income, as well as service charges and utilities income collected from tenants as a result of the rental agreements concluded with tenants of Innovations Logistics Park (Romania), Kindergarten (Romania), and EOS Business Park (Romania). Decrease in 2022 is due to the sale of EOS and Kindergarten during the year.
- rental income and service charges by tenants of the Residential Portfolio, and;

Discontinued operations (Note 9)	31 Dec 2022	31 Dec 2021
	€	€
Rental income	489.653	916.498
Service charges and utilities income	16.132	23.222
Total income	505.785	939.720

Occupancy rates in the various income producing assets of the Group as at 31 December 2022 were as follows:

Income producing assets			
%		31 Dec 2022	31 Dec 2021
EOS Business Park	Romania	-	100
Innovations Logistics Park	Romania	80	65
Kindergarten	Romania	-	100

11 Asset operating expenses

11. Asset operating expenses

The Group incurs expenses related to the proper operation and maintenance of all properties in Kiev and Bucharest. Part of these expenses is recovered from the tenants through the service charges and utilities recharge process (Note 10).

Under **continued operations**, there are no such expenses related to the operation of the Assets.

Under **discontinued operations** all such expenses related to Innovations Logistics Park (Romania), EOS Business Park (Romania), Residential Portfolio (Romania), GreenLake (Romania), and all Ukrainian properties.

Discontinued operations (Note 9)	31 Dec 2022	31 Dec 2021
	€	€
Property related taxes	(112.420)	(253.917)
Property management fees	(3.758)	(22.087)
Repairs and technical maintenance	(30.595)	(179.009)
Utilities	(251.507)	(218.519)
Property security	(35.527)	(44.464)
Property insurance	(7.695)	(10.267)
Leasing expenses	(4.878)	(34.761)
Total	(446.380)	(763.024)

Property related taxes reflect local taxes of land and building properties (in the form of land taxes, building taxes, garbage fees, etc.). Relevant decrease in 2022 resulted from the disposal of assets during the period, as well as the fact that during 2021 relevant costs were increased due to the land book taxes associated with the acquisition of EOS asset from the leasing company in order the project to be re-financed.

Repairs and technical maintenance increased substantially during 2021 due to works performed on residential units for facilitating their successful sale, while in 2022 relevant costs decreased substantially as a result of the disposal of most of the residential properties.

11. Asset operating expenses (continued)

Utilities increase came from Innovations Logistics Park in Bucharest, and matches with the increased service charges and utilities income invoiced by the Company and included in continued operations.

Leasing expenses reflect expenses related to long term land leasing and registered lower due to the pending status of Tsymyansky lease extension.

12. Administration Expenses

Continued operations	31 Dec 2022	31 Dec 2021
	€	€
Salaries and Wages	(263.477)	(355.933)
Incentives pursuant to RemCo proposal	(184.500)	-
Advisory and broker fees	(270.457)	(360.578)
Public group expenses	(138.908)	(144.330)
VAT expensed	(89.315)	(68.135)
Corporate registration and maintenance fees	(32.458)	(59.990)
Audit fees	(67.332)	(78.668)
Accounting and related fees	(15.529)	(29.180)
Legal fees	(233.098)	(328.331)
Depreciation/Amortization charge	(2.784)	(1.481)
Directors Remuneration	-	(243.823)
Corporate operating expenses	(166.768)	(127.844)
Total Administration Expenses	(1.464.626)	(1.798.293)

Discontinued operations (Note 9)	31 Dec 2022	31 Dec 2021
	€	€
Salaries and Wages	(30.221)	(32.498)
Advisory and broker fees	(99.323)	(83.066)
Corporate registration and maintenance fees	(33.142)	(38.765)
Audit fees	(26.230)	(35.160)
Accounting and related fees	(20.973)	(29.034)
Legal fees	(4.488)	(52.940)
Depreciation/Amortization charge	(4.508)	(620)
Corporate operating expenses	(23.272)	(17.003)
Total Administration Expenses	(242.157)	(289.086)

Salaries and wages include the remuneration of the CEO (2022: €63.123, 2021: €100.997), the CFO, the Group Commercial Director and the Country Managers of Ukraine and Romania, as well as the salary cost of personnel employed in the various Company's offices.

Incentives provided in 2022 to personnel for the successful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the BoD on 01 June 2021.

Advisory fees are mainly related to advisors, brokers, valuers and other professionals engaged in relevant transactions, as well as outsourced human resources support on the basis of relevant contracts.

Accounting and related fees include fees from external accounting services, as well as fees for transfer pricing and tax consulting services.

Public group expenses include among others fees paid to the AIM:LSE stock exchange, Cyprus Stock Exchange as custodian, and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company, such as public relations and registry expenses.

Corporate registration and maintenance fees represent fees charged for the annual maintenance of the Company and its subsidiaries, as well as fees and expenses related to the normal operation of the companies including charges by the relevant local authorities.

Legal fees represent legal expenses incurred by the Group in relation to asset operations (rentals, sales, etc.), ongoing legal cases in Ukraine, Cyprus and Romania, compliance with AIM listing, as well as one-off fees associated with legal services and advise in relation to due diligence processes and transactions. During the current period, the Group incurred €146k relevant legal fees associated with the closings as part of Stage 2 of the transaction with Arcona, and €23k associated with the Bluehouse litigation.

Corporate operating expenses include office expenses, travel expenses, (tele)communication expenses, D&O insurance and all other general expenses for Cypriot, Romanian and Ukrainian operations.

12. Administration Expenses (continued)

The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k, while the decision for registering relevant fees for 2022 is still pending by the board. In 2021 the Company posted also fees from previous periods which were not included previously in Company's books and presented as "Deferred Amounts" in table below (Note 39.1.2).

Summary of Directors' Total Remuneration	31 Dec 2022			31 Dec 2021			
	€	€	€	€	€	€	€
	Base remuneration	Chairman/ Committee Fees	Deferred Amounts	Base remuneration	Chairman/ Committee Fees	Deferred Amounts	Total
Michael Beys	-	-	-	(33.323)	(5.950)	(23.100)	(62.373)
Harin Thaker	-	-	-	(33.323)	(3.570)	(21.700)	(58.593)
Ian Domaille	-	-	-	(33.323)	(7.141)	(23.800)	(64.264)
Anthionios Kaffas	-	-	-	(33.323)	(3.570)	(21.700)	(58.593)
Total	-	-	-	(133.292)	(20.231)	(90.300)	(243.823)

13. Valuation gains / (losses) from investment properties

Valuation gains /(losses) from investment property for the reporting period, excluding foreign exchange translation differences which are incorporated in the table of Note 19.2, are presented in the tables below.

Discontinued operations (Note 9)		Valuation gains/(losses)	
Property Name (€)		31 Dec 2022	31 Dec 2021
		€	€
Kiyanovskiy Residence		(798.325)	(93.835)
Tsymlyanskiy Residence*		-	(964.178)
Rozny Lane		(455.560)	75.740
Innovations Logistics Park		8.655	(240.706)
EOS Business Park		-	107.164
Residential Portfolio		-	4.438
GreenLake		-	452.063
Kindergarten		-	(95.665)
Total		(1.245.230)	(754.979)

* As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits.

In relation to the Ukrainian assets excluding Tsymlyanskiy, and in view of the ongoing conflict in the country, the Management, although received updated third-party valuation reports to monitor effectively the underlying values, decided in H1 2022 accounts to impair the value of those assets at 50% of their value as at the end of 2021 and continuous the same in current period.

Valuation gains and losses result not only from the differences in the values of the properties as reported by valuers at the different points in time, but also from the fluctuation of the FX rate between the denominated currency of the valuation report itself and the functional currency of the company which posts valuation amount in its accounting books. For example, valuations of Ukrainian assets are denominated in USD and translated to UAH for entering effectively in the accounting books of the local entities. Similarly, valuations of Romanian assets are denominated in EUR and translated to RON for accounting purposes.

14. Gain/ (Loss) from disposal of properties

During the reporting period the Group proceeded with selling properties classified under Investment Property (Romanian residential and land assets) designated as non-core assets. The gain/ (losses) from disposal of such properties are presented below:

14.1 Investment property

During 2022 the Group sold 2 villas in Greenlake Parcel K and Plot B Plot C, Plot F and Plot G in Ashor Development SRL under Greenlake Land. The disposal of land plots made in combination with the disposal of adjacent land plots owned by the associate Green Lake Development SRL and resulted also in the full repayment of GreenLake Phase A loan with Eurobank and the release of the remaining assets of the associate in which SPDI has a 40,35% interest.

In 2021 the Group sold 7 villas in Greenlake Parcel K, 5 apartments in Monaco Towers and 1 apartment, 3 parking spaces in Zizin.

Discontinued operations (Note 9)		31 Dec 2022	31 Dec 2021
		€	€
Income from sale of investment property		3.897.608	3.245.322
Cost of investment property		(4.723.000)	(2.591.755)
Profit/(Loss) from disposal of investment property		(825.392)	653.567

15. Other operating income/(expenses), net

Continued operations		31 Dec 2022	31 Dec 2021
		€	€
Other income		18.834	18.536
Accounts payable written off		3.022	62.978
Other income		21.856	81.514
Penalties		(348)	(509)
Impairment of prepayments and other current assets		(19.648)	(5.932)
Other expenses		(5.250)	(5.430)
Other expenses		(25.246)	(11.871)

Other operating income/(expenses), net	(3.390)	69.643
Discontinued operations (Note 9)	31 Dec 2022	31 Dec 2021
	€	€
Accounts payable written off	1.379	-
Other income	4.571	1.679
Other income	5.950	1.679
Penalties	(215)	(240)
Impairments	(2.701.503)	-
Other expenses	(25.585)	(13.949)
Other expenses	(2.727.303)	(14.189)
Other operating income/(expenses), net	(2.721.353)	(12.510)

Continued operations

Other income represents income from services to an associate company.

The accounts payable written off under continued operations in 2021 are mainly related to writing off an old balance due to a vendor.

Discontinued operations

Impairments in discontinued operations are related to an intragroup balance between Ashor Development Srl and Green Lake Development Srl (included as Associate in consolidated accounts), born from the contribution of former's assets for the repayment of latter's loan facility with Eurobank, pursuant to the cross collateral agreement included in the relevant loan contract. The small differences in the shareholding structure of the two companies have been taken into account into a relevant MOU between Green Lake Development Srl's shareholders, with which the proceeds of the monetization of the remaining free of mortgage assets are attributed to each shareholder accordingly.

Other expenses in discontinued operations represent mainly VAT adjustments on the construction of buildings resulted from sales of villas with no VAT to individuals. Such amounts have been received from the clients through the selling price.

16. Finance costs and income

Continued operations		
Finance income	31 Dec 2022	31 Dec 2021
	€	€
Interest received from non-bank loans	361.035	489.072
Total finance income	361.035	489.072
Finance costs	31 Dec 2022	31 Dec 2021
	€	€
Interest expenses (non-bank)	(127.748)	(116.468)
Finance charges and commissions	(5.883)	(5.808)
Bonds interest	(64.700)	(68.133)
Total finance costs	(198.331)	(190.409)
Net finance result	162.704	298.663
Discontinued operations (Note 9)		
Finance income	31 Dec 2022	31 Dec 2021
	€	€
Interest received from-bank loans	10	-
Interest received from non-bank loans (Note 39.1.1)	7.972	9.366
Total finance income	7.982	9.366
Finance costs	31 Dec 2022	31 Dec 2021
	€	€
Interest expenses (bank)	(353.428)	(479.939)
Interest expenses (non-bank)	(4.892)	(6.547)
Finance leasing interest expenses	(299.632)	(373.209)
Finance charges and commissions	(3.017)	(3.785)
Total finance costs	(660.969)	(863.480)
Net finance result	(652.987)	(854.114)

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates . This amount includes also interest on Loan receivables from 3rd parties provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania The funds provided initially with a convertibility option which was not exercised, and is currently treated as a loan.

According to the last addendum of the loan agreement, part of the principal equal to €2,5 million will be contributed to a joint venture between the Company and the borrower for the development of logistics assets in Romania (Note 25). The remaining principal plus the interest is repaid in installments, expected to be fully repaid by the end of 2023. The loan is bearing a fixed interest rate of 10%.

Interest expenses represent interest charged on Bank and non-Bank borrowings (Note 31).

Finance leasing interest expenses relate to the sale and lease back agreements of the Group (Note 36).

Finance charges and commissions include regular banking commissions and various fees imposed by the Banks.

Bonds interest represents interest calculated for the bonds issued by the Company during 2018 (Note 32).

17. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 31 December 2022 from continued operations amounted to €17.647 (2021: loss €65.147).

The exchange loss from discontinued operations for the year ended 31 December 2022 amounted to €165.165 (2021: loss €253.666) (Note 9).

18. Tax Expense

Continued operations	31 Dec 2022	31 Dec 2021
	€	€
Reversal of tax/(Income and defence tax expense)	17.940	(51.824)
Taxes	17.940	(51.824)

Discontinued operations (Note 9)	31 Dec 2022	31 Dec 2021
	€	€
Income and defence tax expense	(74.340)	(67.328)
Taxes	(74.340)	(67.328)

For the year ended 31 December 2022, the corporate income tax rate for the Group's subsidiaries is 18% in Ukraine, and 16% in Romania. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

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

	31 Dec 2022	31 Dec 2021
	€	€
Profit / (loss) before tax	(11.587.480)	(577.617)
Tax calculated on applicable rates	(318.782)	1.270.289
Expenses not recognized for tax purposes	592.568	319.568
Tax effect of allowances and income not subject to tax	(221.122)	(817.941)
Tax effect on tax losses for the year	2.644.670	390.502
Tax effect on tax losses brought forward	(2.617.009)	(1.060.938)
10% additional tax	8.057	4.339
Tax effect of Group tax relief	-	(919)
Defence contribution current year	17.173	14.252
Prior year tax	(161.955)	
Total Tax	(56.400)	119.152

19. Investment Property**19.1 Investment Property Presentation**

Investment Property consists of the following assets:

Income Producing Assets

- **EOS Business Park** consists of 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania until 2025. In June 2022 the Company proceeded to the sale of the Romanian SPV which holds the asset as part of Stage 2 of the transaction with Arcona.
- **Innovations Logistics Park** is a 16.570 sqm gross leasable area logistics park located in Clinceni in Bucharest, which benefits from being on the Bucharest ring road. Its construction was tenant specific, was completed in 2008 and is separated in four warehouses, two of which offer cold storage (freezing temperature), the total area of which is 6.395 sqm. Innovations Logistics Park was acquired by the Group in May 2014 and is 80% leased at the end of the reporting period.

Residential Assets

- At the end of the reporting period the Company does not own any more residential units, having sold during the period the remaining **residential portfolio** held by Moselin Investments Srl in GreenLake Residential complex. The associate company Green Lake Developments Srl still owns 7 units in the Green Lake Residential complex, classified under associates (Note 21).

Land Assets

- **Kiyanovski Residence** consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighborhood.

Transylvanian Residence is a 0,26 Ha plot of land located in the historic Podil District of Kyiv and is destined for

- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex. As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits.
- **Rozny Lane** is a 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex. It has been registered under the Group pursuant to a legal decision in 2015.
- **GreenLake land** is a 40.360 sqm plot and is adjacent to the GreenLake part of the Company's residential portfolio, which is classified under Investments in Associates (Note 21). It is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI used to own ~44% of these plots, having effectively management control. The land was sold during 2022.

19. Investment Property (continued)

19.2 Investment Property Movement during the reporting period

The table below presents a reconciliation of the Fair Value movements of the investment property during the reporting period broken down by property and by local currency vs. reporting currency.

Discontinued Operations

2022 (€)		Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/ Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2022	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2022	Transfer to Assets held for sale	Carrying amount as at 31/12/2021
Kiy anov skiy Residence	Land	1.406.338	(444.110)	(798.325)	-	-	2.648.773
Tsymlyanskiy Residence	Land	1	-	-	-	-	1
Rozny Lane	Land	515.657	-	(455.560)	-	-	971.217
Total Ukraine		1.921.996	(444.110)	(1.253.885)	-	-	3.619.991
Innovations Logistics Park	Warehouse	9.710.000	1.345	8.655	-	-	9.700.000
EOS Business Park	Office	-	-	-	(6.700.000)	-	6.700.000
Residential portfolio	Residential	-	-	-	-	-	-
GreenLake	Land & Resi	-	-	-	(10.215.000)	-	10.215.000
Kindergarten	Retail	-	-	-	(1.320.000)	-	1.320.000
Total Romania		9.710.000	1.345	8.655	(18.235.000)	-	27.935.000
TOTAL		11.631.996	(442.765)	(1.245.230)	(18.235.000)	-	31.554.991

2021 (€)		Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/ Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2021	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2021	Transfer to Assets held for sale	Carrying amount as at 31/12/2020
Kiy anov skiy Residence	Land	2.648.773	297.620	(93.835)	-	-	2.444.988
Tsymlyanskiy Residence	Land	1	67.683	(964.178)	-	-	896.496
Rozny Lane	Land	971.217	(1.019)	75.740	-	-	896.496
Total Ukraine		3.619.991	364.284	(982.273)	-	-	4.237.980
Innovations Logistics Park	Warehouse	9.700.000	(159.294)	(240.706)	-	-	10.100.000
EOS Business Park	Office	6.700.000	(107.164)	107.164	-	-	6.700.000
Residential portfolio	Residential	-	(4.438)	4.438	(277.458)	-	152.500
GreenLake	Land & Resi	10.215.000	(197.765)	452.062	(2.314.297)	-	12.275.000
Kindergarten	Retail	1.320.000	(22.336)	(95.664)	-	-	1.438.000
Total Romania		27.935.000	(490.997)	227.294	(2.591.755)	-	30.665.500
TOTAL		31.554.991	(126.713)	(754.979)	(2.591.755)	-	34.903.480

Discontinued Operations

Due to the situation in Ukraine and the associated uncertainty, the Management has decided in H1 2022 to proceed with valuing those assets 50% lower than the values provided by the third-party valuers (CBRE Ukraine), and in turn decided to keep the same values in current period. As a result, the Ukrainian assets contribute €1,9 million in Group's assets, as compared to €3,1 million provided by the valuers and €3,6 million in 2021 accounts.

The two components comprising the fair value movements are presented in accordance with the requirements of IFRS in the consolidated statement of comprehensive income as follows:

- The translation loss due to the devaluation of local currencies of €442.765 (a) (2021: loss €126.713) is presented as part of the exchange difference on translation of foreign operations in other comprehensive income in the statement of comprehensive income and then carried forward in the Foreign currency translation reserve; and,
- The fair value loss in terms of the local functional currencies amounting to €1.245.230 (b) (2021: loss €754.979), is presented as Valuation gains/(losses) from investment properties in the statement of comprehensive income and is carried forward in Accumulated losses.

19. Investment Property (continued)

19.3 Investment Property Carrying Amount per asset as at the reporting date

The table below presents the values of the individual assets as appraised by the appointed valuer as at the reporting date.

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€	€	€
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Aisi Ukraine LLC Trade Center	-	1.406.338	-	2.648.773
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz - Pres - Ukraine	-	1	-	1
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	515.657	-	971.217
Total Ukraine				-	1.921.996	-	3.619.991
Innovations Logistics Park	Clinceni, Bucharest	Warehouse	Myres Innovations Park Limited Best Day Real Estate Srl	-	9.710.000	-	9.700.000
EOS Business Park	Bucharest	Office building	Yamano Ltd First Phase srl	-	-	-	6.700.000
Kindergarten	Bucharest	Retail	Yamano Ltd SPD Real Estate Srl	-	-	-	1.320.000
Residential Portfolio	Bucharest	Residential apartments	Secure II Ketiza Ltd, Ketiza Srl	-	-	-	-
GreenLake	Bucharest	Residential villas (2 villas) & Land for Residential Development	Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Moselin Investments srl Rimasol Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Development Srl Jenby Investments Srl Ebenem Investments Srl	-	-	-	10.215.000
Total Romania				-	9.710.000	-	27.935.000
TOTAL				-	11.631.996	-	31.554.991

19. Investment Property (continued)

19.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park, EOS Business Park(2021), Kindergarten in GreenLake(2021) and GreenLake parcel K, as well as all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residenceand Rozny Lane in Ukraine, and GreenLake in Romania

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations (Note 9)	Continued operations	Discontinued operations (Note 9)
	€	€	€	€
At 1 January	-	31.554.991	-	34.903.480
Additions	-	-	-	124.958
Disposal of Investment Property	-	(18.235.000)	-	(2.591.755)
Revaluation (loss)/gain on investment property	-	(1.245.230)	-	(754.979)
Translation difference	-	(442.765)	-	(126.713)
At 31 December	-	11.631.996	-	31.554.991

Disposals of Investment Properties represent the sale of EOS, Kindergarten, GreenLake Phase 2 land, and apartments and parking spaces in Residential Portfolio and villas in GreenLake parcel K.

19.5 Investment Property valuation method presentation

In respect of the Fair Value of Investment Properties the following table represents an analysis based on the various valuation methods. The different levels as defined by IFRS have been defined as follows:

- Level 1 relates to quoted prices (unadjusted) in active and liquid markets for identical assets or liabilities.
- Level 2 relates to inputs other than quoted prices that are observable for the asset or liability indirectly (that is, derived from prices). Level 2 fair values of investment properties have been derived using the market value approach by comparing the subject asset with similar assets for which price information is available. Under this approach the first step is to consider the prices for transactions of similar assets that have occurred recently in the

market. The most significant input into this valuation approach is price per sqm.

- Level 3 relates to inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Level 3 valuations have been performed by the external valuer using the income approach (discounted cash flow) due to the lack of similar sales in the local market (unobservable inputs).

To derive Fair Values the Group has adopted a combination of income and market approach weighted according to the predominant local market and economic conditions.

Fair value measurements at 31 Dec 2022 (€)	(Level 1)	(Level 2)	(Level 3)	Total
<i>Recurring fair value measurements</i>				
Tsymlyanskiy Residence - Podil, Kiev City Center*	-	1	-	1
Kiyanovski Residence - Podil, Kiev City Center*	-	1.406.338	-	1.406.338
Rozny Lane - Brovary district, Kiev oblast*	-	515.657	-	515.657
Innovations Logistics Park - Bucharest	-	-	9.710.000	9.710.000
Totals	-	1.921.996	9.710.000	11.631.996

Fair value measurements at 31 Dec 2021 (€)	(Level 1)	(Level 2)	(Level 3)	Total
<i>Recurring fair value measurements</i>				
Tsymlyanskiy Residence - Podil, Kiev City Center*	-	1	-	1
Kiyanovski Residence - Podil, Kiev City Center*	-	2.648.773	-	2.648.773
Rozny Lane - Brovary district, Kiev oblast*	-	971.217	-	971.217
Innovations Logistics Park - Bucharest	-	-	9.700.000	9.700.000
EOS Business Park - Bucharest, City Center	-	-	6.700.000	6.700.000
GreenLake - Bucharest	-	10.215.000	-	10.215.000
Kindergarten - Bucharest	-	-	1.320.000	1.320.000
Totals	-	13.834.991	17.720.000	31.554.991

19. Investment Property (continued)

19.5 Investment Property valuation method presentation (continued)

* Due to the situation in Ukraine and the associated uncertainty, the Management has decided from H1 2022 to proceed with valuing those assets lower than the current values as provided by the third-party valuers (CBRE Ukraine). As a result, the Ukrainian assets contribute €1,9 million in Group's assets, as compared to €3,1 million provided by the valuers and €3,6 million in 2021 accounts.

The table below shows yearly adjustments for **Level 3** investment property valuations:

Level 3 Fair value measurements at 31 Dec 2022 (€)	Innovations Logistics Park	EOS Business Park	Kindergarten	Total
Opening balance	9.700.000	6.700.000	1.320.000	17.720.000
Profit/(loss) on revaluation	8.655	-	-	8.655
Disposal	-	(6.700.000)	(1.320.000)	(8.020.000)
Translation difference	1.345	-	-	1.345
Closing balance	9.710.000	6.700.000	1.320.000	17.720.000

Level 3 Fair value measurements at 31 Dec 2021 (€)	Innovations Logistics Park	EOS Business Park	Kindergarten	Total
Opening balance	10.100.000	6.700.000	1.438.000	18.238.000
Profit/(loss) on revaluation	(240.706)	107.164	(95.664)	(229.206)
Translation difference	(159.294)	(107.164)	(22.336)	(288.794)
Closing balance	9.700.000	6.700.000	1.320.000	17.720.000

Information about **Level 3** Fair Values is presented below:

	Fair value at 31 Dec 2022	Fair value at 31 Dec 2021	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	€	€	€	€	€
Innovations Logistics Park - Bucharest	9.710.000	9.700.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
EOS Business Park - Bucharest, City Center	-	6.700.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Kindergarten	-	1.320.000	Income approach	Future rental income and costs of discount rate, vacancy rate	The higher the rental income the higher the fair value. The higher the discount rate and the vacancy rate, the lower fair value
Total	9.710.000	17.720.000			

20. Investment Property Acquisitions, Goodwill Movement and Disposals

20.1 Acquisition of asset

Based on the relevant agreement in 2021, the Company, in February 2022, acquired 50% of the share capital of Equardo Limited, an SPV holding stake in Victoria City (Vic City) project in Bucharest. The participation took place through a share capital increase of the order of € 8.000, where the remaining shareholders waived their right to participate. Vic City is a land plot in north Bucharest on Bucuresti Noi Boulevard near a metro station, where a commercial mixed used center was to be developed. The project was to be contributed to SPDI by its promoters at the time, but neither its development nor its contribution progressed due to other priorities. SPDI participated in Equardo Limited so as to retain some of the value originally destined to be part of its asset portfolio.

20.2 Disposals of subsidiaries and associates

20.2.1 (A) Disposal of EOS Bussiness Park

Following relevant SPA signed in June 2021 and as part of Stage 2 of the transaction with Arcona, during in June 2022 the Company closed the agreement for the disposal of the Romanian SPV which owns the EOS Business Park asset in Bucharest. In exchange for the sale the Company received 116.688 new ordinary shares in Arcona and 28.125 warrants over shares in Arcona.

ASSETS	€
Non-current assets	
Investment properties	6.700.000
Other non-current assets	41.674
	6.741.674
Current assets	
Prepayments and other current assets	72.198
Cash and cash equivalents	49.783
	121.981
Total Assets	6.863.655
LIABILITIES	
Interest bearing borrowings	3.347.799
Other liabilities	44.372
Total Liabilities	3.392.171
NET ASSET	3.471.484
Consideration:	
Shares in Arcona	1.386.249
Loss on Disposal	(2.085.235)

In view of closing the transaction with Arcona for EOS, the Company entered in December 2021 into a new loan facility for re-financing the previous leasing contract of the asset, securing a net amount of ~€800k which was used to partially re-pay the shareholder loan provided by the Company to the relevant SPV before the closing of the transaction with Arcona.

20.2.1 (B) Disposal of Associate Lelar Holdings Limited (Note 21)

During 2022 and as part of Stage 2 of the transaction with Arcona, the Company sold Lelar Holdings Limited, the Cypriot holding company associated with Delea Nuova asset in Bucharest. In exchange of the transfer, the Company received 362.688 new ordinary shares in Arcona and 87.418 warrants over shares in Arcona, while at the same time the parties agreed that the already declared dividends by Lelar Holding Limited will be allocated and paid to the Company. The relevant amount of such dividends corresponding to the transferred ownership stake of 24,35% was €298k which has already been collected by the Company.

	€
Value of associate at date of Disposal (Note 21)	5.178.669
Consideration:	
Shares in Arcona	4.292.953
Loss on Disposal	(885.716)

20. Investment Property Acquisitions, Goodwill Movement and Disposals (continued)

20.2 Disposals of subsidiaries and associates (continued)

20.2.1 (C) Disposal of Kindergarden

ASSETS	€
Non-current assets	
Investment properties	1.320.000
Current assets	
Prepayments and other current assets	16.369
Cash and cash equivalents	2.308
Total Assets	1.338.677
LIABILITIES	
Interest bearing borrowings	628.063
Other liabilities	14.214
Total Liabilities	642.277
NET ASSET	696.400
Net share of the group 50%	348.200
Consideration:	
Cash	130.750
Net off debt between the parties	44.250
Total Consideration	175.000
Loss on Disposal	(173.200)

The Company honouring certain commitment made in the past during the restructuring of the holdings of Green Lake project, proceeded to the sale of its 50% stake in Kindergarten asset in Greenlake, Bucharest. The consideration of the transaction

proceeded to the sale of its 50% stake in Arconet, given the fact that the consideration of the transaction was set at €175.000 plus release of available company's cash pledged by the Bank.

20.2.1 (D) Disposal of GreenLake Phase II land

	Rimasol SRL	Rimasol LTD	Ashor SRL	Ashor LTD	Ebenem SRL	Jenby SRL	Total
ASSETS	€	€	€	€	€	€	€
Non-current assets							
Investment properties	808.000	-	1.510.000	-	612.000	2.562.000	5.492.000
Current assets							
Prepayments and other current assets	5.789	-	118.695	-	3.406	8.644	136.534
Cash and cash equivalents	62	-	18.982	-	44	40	19.128
Total Assets	813.851	-	1.647.677	-	615.450	2.570.684	5647.662
LIABILITIES							
Interest bearing borrowings	623	-	1.555	-	12.239	19.757	34.174
Other liabilities	31.622	94.736	26.259	4.626	16.801	25.773	199.817
Total Liabilities	32.245	94.736	27.814	4.626	29.040	45.530	233.991
NET ASSET	781.606	(94.736)	1.619.863	(4.626)	586.410	2.525.154	5.416.671
Group % Holding	70,56 %	70,56 %	44,24 %	44,24 %	44,30 %	44,30 %	
Net share of the group	551.501	(66.846)	716.627	(2.047)	259.780	1.118.643	2.577.658
Consideration:							
Cash							400.000
Variable Compensation							450.000
Total Consideration							850.000
Loss on Disposal							(1.727.658)

20. Investment Property Acquisitions, Goodwill Movement and Disposals (continued)

20.2 Disposals of subsidiaries and associates (continued)

During the period, in an effort to accelerate monetization of assets that were to be part of Stage 3 of the transaction with Arcona, and since the discussions with Arcona took much longer than expected and negotiations on their valuation did not conclude, the Company proceeded with monetization of the remaining GreenLake land plots. The remaining land portfolio was not zoned for development and its disposal resulted also to the settlement, after prolonged negotiations with neighbouring land owners, of an ongoing overlapping dispute over the GreenLake land at a cost of ~€500k gross.

Total losses on Disposal (A) & (B) & (C) & (D)	(4.871.809)
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20.2.2 Disposal of Victini Holdings Limited

On 7 December 2021, the Company proceeded to the sale of Victini Holdings Limited to a 3rd party. Before the sale, Victini Holdings Limited declared dividends of €175.500 for all previous financial years. The subsidiary company was idle since December 2019 when its own Greek subsidiary which held the warehouse in Greece was sold.

21. Investments in associates

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	-	5.476.576	-	5.071.656
Acquisition of Investment in associates	9.041	-	-	-
Share of profits /(losses) from associates (Note 9)	(9.040)	335.533	-	344.746
Dividend Income	-	(297.906)	-	(198.137)
Disposal of Investment (Note 20.2.1 B)	-	(5.178.669)	-	-
Foreign exchange difference	-	-	-	258.311
Total	1	335.534	-	5.476.576

During 2022 the Company acquired 50% of the share capital of Equardo Holdings Limited, an SPV holding stake in Victoria City (Vic City) project in Bucharest. The participation took place through a share capital increase of the order of €8.000. Vic City is a plot of land for development in north Bucharest on Bucuresti Noi Boulevard near the metro station, where a commercial mixed use center was to be developed. The project was to be contributed to SPDI by its promoters at the time, but neither its development nor its contribution progressed due to other priorities. SPDI participated in Equardo Holdings Limited so as to retain some of the value originally destined to be part of its asset portfolio.

Dividend Income reflects dividends declared by Lelar Holdings Limited the holding SPV of Delea Nuova building, where the Group used to hold a 24,35% participation. The associate was sold during the 2022 with the declared dividends agreed to be paid to the Company (Note 20.2.1 B).

The share of profit from the associate GreenLake Development Srl and Equardo Holdings Limited were limited up to the interest of the Group in the associate.

As at 31 December 2022, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/(loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	-	-	-	-	-	Romania	Office building
GreenLake Project - Phase A	GreenLake Development Srl	3.296.244	(2.960.711)	3.436.512	40,35	335.533	Romania	Residential assets
Vic City Project	Equardo Holdings Limited	267.600	(259.831)	(18.082)	50	(9.040)	Romania	Land
Total		3.563.844	(3.220.542)	3.418.430		326.493		

21. Investments in associates (continued)

As at 31 December 2021, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/(loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	22.927.561	(440.187)	1.415.561	24,35	344.746	Romania	Office building
GreenLake Project - Phase A	GreenLake Development Srl	5.447.484	(7.752.870)	1.503.720	40,35	-	Romania	Residential assets
Total		28.375.045	(8.193.057)	2.919.281		344.746		

23. Tangible and intangible assets

As at 31 December 2022 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €816 (2021: €1.628).

As at 31 December 2022 the tangible non-current assets under discontinued operations mainly consisted of the machinery and equipment used for servicing the Group's investment properties in Ukraine and Romania amount to €32.244 (2021: €81.144). Accumulated depreciation as at the reporting date amounts to €32.224 (2021: €69.156).

24. Long Term Receivables and prepayments

	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
	€	€	€	€
Long Term Receivables	824	315.000	824	333.263
Total	824	315.000	824	333.263

Long term receivables under discontinued operations mainly include the cash collateral existing in favor of Piraeus Leasing in relation to Innovations asset.

25. Prepayments and other current assets

	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
	€	€	€	€
Trade and other receivables	603.257	1.019.634	498.869	576.656
VAT and other tax receivables	132.771	52.836	199.808	127.550
Deferred expenses	-	128	-	433
Receivables due from related parties	75.095	195.115	44.084	516.631
Loan receivables from 3 rd parties	3.463.985	-	3.825.949	-
Loan to associates (Note 39.4)	-	229.629	9.351	310.966
Allowance for impairment of prepayments and other current assets	(121.946)	(229.629)	(67.680)	(292.208)
Total	4.153.162	1.267.713	4.510.381	1.240.028

Trade and other receivables mainly include receivables from tenants and prepayments made for services. The increase during the year in discontinued operations resulted from advances provided to partners in relation to GreenLake Parcel K assets, for which there is a plan to be matched by relevant distribution of dividends to the partners during 2023.

VAT receivable represent VAT which is refundable in Romania, Cyprus and Ukraine.

Deferred expenses include legal, advisory, consulting and marketing expenses.

25. Prepayments and other current assets (continued)

Receivables due from related parties represent all kind of receivables from related parties of the Group mainly associated with the GreenLake project.

Loan receivables from 3rd parties include an amount of €3.404.467 (2021: € 3.825.949) provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The accrued interest was €59.517 (2021: €0). The loan provided initially with a convertibility option which was not exercised. The loan is bearing a fixed interest rate of 10%. In August 2022 the Company signed with the borrower a Shareholders Agreement for a joint venture for developing logistics properties in Romania. As part of this agreement the Company will convert €2,5 million of the loan into a 50% equity stake of the joint venture company. The objective of this new company, in which borrower is contributing €2,5 million in equity funds too, is to develop a portfolio of logistics properties in Romania with a view of letting them to third party tenants in a market that has very low vacancy and has shown substantial strength and resilience in recent years. The remaining part of the Olympians Loan is being repaid in regular intervals and is expected to be fully repaid to the Company by the end of 2023.

Loan to associates reflects a loan receivable from GreenLake Development Srl, holding company of GreenLake Project-Phase A (Notes 21 and 39.4).

26. Financial Assets at FV through P&L

The table below presents the analysis of the balance of Financial Assets at FV through P&L in relation to the continued operations of the Company:

	31 Dec 2021	31 Dec 2021
	€	€
Arcona shares	7.330.145	6.783.642
Acquired Arcona shares	5.679.202	-
FV change in Arcona shares	(1.089.317)	546.503
Arcona shares at reporting date	11.920.030	7.330.145
Warrants over Arcona shares	140.577	3.602
Acquired Arcona Warrants	3	-

FV change in warrants	18.198	136.975
Arcona warrants at reporting date	158.778	140.577
Total Financial Assets at FV	12.078.808	7.470.722
FV change in Arcona shares	(1.089.317)	546.503
FV change in warrants	18.198	136.975
Fair Value (loss)/ gain on Financial Assets at FV through P&L	(1.071.119)	683.478

The Company received during 2019 and 2020 593.534 Arcona shares as part of the completion of Stage 1 of the transaction with Arcona, for the sale of Bella and Balabino assets in Ukraine, and the Boyana asset in Bulgaria. During the current period the Company received 479.376 additional shares in Arcona as part of Stage 2 of the transaction with Arcona, for the sale of EOS and Delea Nuova assets in Romania.

At the end of the reporting period the shares are revalued at their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value loss of €1.089.317 (2021: gain €546.503) is recognized.

On top of the aforementioned shares, the Company received for the sale of Bella and Balabino assets, 67.063 warrants over shares in Arcona for a consideration of EUR 1, and 77.021 warrants over Arcona shares for the sale of Boyana for a consideration of EUR 1. The warrants are exercisable upon the volume weighted average price of Arcona shares traded on a regulated market at €8,10 or higher.

Moreover, during the current period the Company received 28.125 warrants over shares in Arcona for the sale of EOS asset, and 87.418 warrants over shares in Arcona for the sale of Delea Nuova asset for a total consideration of €3. These warrants are exercisable upon the volume weighted average price of Arcona shares traded on a regulated market at €7,2 or higher.

At year end, the warrants are re-valued to fair value and as a result a relevant gain of €18.198 (2021: gain €136.975) is recognized. The terms and assumptions used for such warrant re-valuation are:

Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 5,9 per share

- Strike price of the warrants: EUR 8,10 and EUR 7,20 per share
- Expiration date: 1 November 2024, 25 March 2027, 15 June 2027
- Standard deviation of stock price: 21,61%
- Annualized dividend yield on shares: 0%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 5,629%

27. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	1.472	7.734	15.778	-
Cash with banks in EUR	38.704	80.151	2.081.700	7.872
Cash with banks in UAH	395	813	84	1.826
Cash with banks in RON	25.710	196.130	62.841	384.972
Cash with banks in GBP	289	-	173	-
Total	66.570	284.828	2.160.576	394.670

28. Share capital

Number of Shares during 2022 and 2021

	31 December 2022	31 December 2021
Authorised		
Ordinary shares of €0,01	989.869.935	989.869.935
Total ordinary shares	989.869.935	989.869.935
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	8.618.997	8.618.997
Total redeemable shares	8.618.997	8.618.997
Issued and fully paid		
Ordinary shares of €0,01	129.191.442	129.191.442
Total ordinary shares	129.191.442	129.191.442
Total	129.191.442	129.191.442

Nominal value (€) for 2021 and 2020

€	31 December 2022	31 December 2021
Authorised		
Ordinary shares of €0,01	9.898.699	9.898.699
Total ordinary shares	9.898.699	9.898.699
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	86.190	86.190
Total redeemable shares	86.190	86.190
Issued and fully paid		
Ordinary shares of €0,01	1.291.281	1.291.281
Total ordinary shares	1.291.281	1.291.281
Total	1.291.281	1.291.281

28.1 Authorised share capital

The authorised share capital of the Company as at the date of issuance of this report is as follows:

- 989.869.935 Ordinary Shares of €0,01 nominal value each,
- 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 28.3).

28.2 Issued Share Capital

As at the end of 2022, the issued share capital of the Company was as follows:

- 129.191.442 Ordinary Shares of €0,01 nominal value each,
- 202.500 Redeemable Preference Class A Shares of €0,01 nominal value each, cancelled during 2019 as per the

- d) 392.500 Redeemable Preference Class A Shares of €0,01 nominal value each, cancelled during 2018 as per the Annual General Meeting decision of 29 December 2017 (Note 28.3),
- c) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each.

28. Share capital (continued)

28.2 Issued Share Capital (continued)

In respect of the Redeemable Preference Class B Shares, issued in connection to the acquisition of Craiova Praktiker, following the holders of the shares notifying the Company their intent to redeem within 2016, the Company:

- in lieu of redemption the Company gave its 20% holding in Autounion (Note 28.3) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 40.3). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

On 24th December 2019 the Company proceeded with the issue of 1.920.961 new Ordinary Shares as follows:

- i. 1.219.000 new Ordinary Shares to certain advisors, directors and executives of the Company involved in the closing of the Stage I of the Arcona Transaction by means of settling relevant Company's liabilities.
- ii. 437.676 new Ordinary Shares to directors of the Company in lieu of H1 2019 and before H2 2016 fees.
- iii. 200.000 new Ordinary Shares to certain advisor in lieu of cash fees for financial advisory services rendered in 2019.
- iv. 64.285 new Ordinary Shares to certain executive of the Company in lieu of cash fees for services rendered in 2018.

Following shares issuance completed within 2019, the issued share capital of the Company as at the date of issuance of this report is as follows:

- a) 129.191.442 Ordinary Shares of €0,01 nominal value each,
- b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 28.3).

28.3 Capital Structure as at the end of the reporting period

As at the reporting date the Company's share capital is as follows:

Number of		(as at) 31 December 2022	(as at) 31 December 2021
Ordinary shares of €0,01	Issued and Listed on AIM	129.191.442	129.191.442
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442
Total number of Shares	Full Dilutive Basis	129.191.442	129.191.442
Options	-	-	-

Redeemable Preference Class B Shares

The Redeemable Preference Class B Shares, issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. as part of the Praktiker Craiova asset acquisition do not have voting rights but have economic rights at par with ordinary shares. As at the reporting date all of the Redeemable Preference Class B Shares have been redeemed but the Company is in legal proceedings with the holder in respect of a final settlement (Notes 33, 40.3).

29. Foreign Currency Translation Reserve

Exchange differences relate to the translation from the functional currency to EUR of Group's subsidiaries' accounts and are recognized by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where Company's subsidiaries' functional currencies are not EUR. The Company had €692.906 loss on foreign exchange losses/gains on translation due to presentation currency for 2022, in comparison to €64.299 relevant gain in 2021.

30. Non-Controlling Interests

Non-controlling interests represent the percentage participations in the respective entities not owned by the Group:

%	Non-controlling interest portion	
Group Company	31 Dec 2022	31 Dec 2021
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Holdings Limited	10,00	10,00
Ketiza Real Estate Srl	10,00	10,00
Ram Real Estate Management Limited	50,00	50,00
Iuliu Maniu Limited	55,00	55,00
Moselin Investments Srl	55,00	55,00
Rimasol Enterprises Limited	-	29,44
Rimasol Real Estate Srl	-	29,44
Ashor Ventures Limited	-	55,76
Ashor Development Srl	-	55,76
Jenby Ventures Limited	55,70	55,70
Jenby Investments Srl	-	55,70
Ebenem Limited	55,70	55,70
Ebenem Investments Srl	-	55,70
SPR Real Estate Ltd	-	50,00

31. Borrowings

	Project	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
		€	€	€	€
Principal of bank Loans					
Piraeus Bank SA	Land banking	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten - SPDI RE	-	-	-	510.188
Patria bank	First Phase	-	-	-	3.500.000
Loans from other 3 rd parties and related parties (Note 39.5)		502.130	2.314	1.587.128	183.140
Overdrafts		-	17	-	1.048
Total principal of bank and non-bank Loans		502.130	2.528.269	1.587.128	6.720.314
Interest accrued on bank loans		-	1.492.923	-	1.251.191
Interests accrued on non-bank loans (Note 39.5)		95.227	-	116.438	51.394
Total		597.357	4.021.192	1.703.566	8.022.899

	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
	€	€	€	€
Current portion	-	4.021.192	1.577.500	3.787.614
Non-current portion	597.357	-	126.066	4.235.285
Total	597.357	4.021.192	1.703.566	8.022.899

Continued Operations

Loans from other 3rd parties and related parties under continued operations include among others:

A) Loans from 3 Directors of €375k provided as bridge financing for future property acquisitions. The loans used to bear interest 8% annually (Note 39.5) and were fully repaid during 2023.

B) Safe Growth Investments, a third party company, provided a loan of €1m to the Company in November 2020 to be used for general working capital purposes. The loan used to bear interest of 5,35% per annum and was fully repaid in April 2022.

31. Borrowings (continued)

Discontinued Operations

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank for the acquisition of the GreenLake land in Bucharest Romania. As at the end of the reporting period the balance of the loan was €2.525.938 plus accrued interest €1.492.923 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. During September 2019, the company received a termination notice from Piraeus Bank and a payment order from court in relation to this loan, and currently relevant discussions with the Bank are taking place for a mutual agreed solution.

N-E Real Estate Park First Phase Srl entered in December 2021 into a loan agreement with Patria Bank for a credit facility of €3.500.000 used to refinance the Leasing Contract with Alpha Leasing and to repay some of shareholders loans. As at the end of 2021 the balance of the loan was €3.500.000 and bears interest of EURIBOR 3M plus 3,5%. The repayment is done in monthly installments of principal plus interest. A collateral deposit of €265.000 will be made in monthly installments of €5.000, during the period January 2022 - May 2026. The loan has the maturity date in December 2031 and was secured by a first rank mortgage over EOS building and mortgage over the company's bank accounts and receivables. The SPV has been sold during 2022 to Arcona and as such the loan has also been transferred.

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Bancpost SA Romania. As at 30 June 2022 the balance of the loan was €478.666 and bears interest of Euribor 3m plus 4,6% per annum. The loan is repayable by 2027. During 2022 the SPV was sold and therefore the loan has also been transferred.

Loans from other 3rd parties and related parties under discontinued operations includes borrowings from non-controlling interest parties. During the last nine years and in order to support the GreenLake project the non-controlling shareholders of Moselin Investments Srl and SPDI Real Estate SRL (other than the Group) have contributed their share of capital injections by means of shareholder loans. The loans bear interest 4% annually.

32. Bonds

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument which was in the value of €723.690 (2021: €1.033.842) bears a 6,5% coupon, has a 7 year term and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018.

33. Trade and other payables

The fair value of trade and other payables due within one year approximate their carrying amounts as presented below.

	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
	€	€	€	€
Payables to third parties	3.070.074	389.462	3.303.545	564.810
Payables to related parties	495.157	13.883	881.763	218.359
Deferred income from tenants	-	7.840	-	7.839
Accruals	68.827	20.122	87.735	206.384
Pre-sale advances (Advances received for sale of properties)	97.711	-	123.080	-
Total	3.731.769	431.307	4.396.123	997.392

	31 Dec 2022 Continued operations	31 Dec 2022 Discontinued operations	31 Dec 2021 Continued operations	31 Dec 2021 Discontinued operations
--	--	---	--	---

	operations	operations	operations	operations
	€	€	€	€
Current portion	3.731.769	7.840	4.396.123	989.553
Non-current portion	-	423.467	-	7.839
Total	3.731.769	431.307	4.396.123	997.392

Payables to third parties represents: a) payables due to Bluehouse Capital (under continued operations) as a result of the Redeemable Convertible Class B share redemption (Note 28.3) which is under legal proceedings for a final settlement (Note 40.3) , b) amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group, and c) guarantee amounts collected from tenants.

Payables to related parties under continued operations represent amounts due to directors and accrued management remuneration (Note 39.2). Payables to related parties under discontinued operations represent payables to non-controlling interest shareholders.

Deferred income from tenants represents advances from tenants which will be used as future rental income and utilities charges.

Accruals mainly include the accrued, administration fees, accounting fees, facility management and other fees payable to third parties.

33. Trade and other payables (continued)

Pre-sale advances reflect the advance received in relation to Kiyanovskiy Residence pre-sale agreement, which upon non closing of the said sale, part of which will be returned to the prospective buyer.

34. Deposits from Tenants

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Deposits from tenants non-current	-	23.002	-	64.231
Total	-	23.002	-	64.231

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants in Innovations Logistics Park, EOS Business Park and tenants in residential assets as advances/guarantees and are to be reimbursed to those at the expiration of the lease agreements.

35. Taxation

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax - non current	165.817	41.981	200.295	52.221
Defence tax - non current	14.252	-	27.385	-
Tax provision - non current	399.450	-	399.450	-
Non- current	579.519	41.981	627.130	52.221
Corporate income tax - current	30.631	12.064	127.528	9.085
Other taxes including VAT payable - current	6.943	130.182	128.909	182.004
Current	37.574	142.246	256.437	191.089
Total Provisions and Taxes Payables	617.093	184.227	883.567	243.310

Corporate income tax represents taxes payable in Cyprus and Romania.

Other taxes represent local property taxes and VAT payable in Romania.

36. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €6.168.403 and the current portion of €57.527 (31 December 2021: €6.234.852 and €280.995, accordingly).

Discontinued operations

31 Dec 2022	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2	568.486	287.549	280.937
Between two and five years	&	6.574.889	645.268	5.929.621
More than five years	42.6	21.831	6.529	15.302
		7.165.206	939.346	6.225.860
Accrued Interest				70
Total Finance Lease Liabilities (Note 9d)				6.225.930

31 Dec 2021	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2	582.862	301.868	280.994
Between two and five years	&	7.144.878	934.758	6.210.120
More than five years	42.6	33.844	11.813	22.031
		7.761.584	1.248.439	6.513.145
Accrued Interest				2.702
Total Finance Lease Liabilities (Note 9d)				6.515.847

36. Finance Lease Liabilities (continued)

36.1 Land Plots Financial Leasing

The Group holds land plots in Ukraine under leasehold agreements which in terms of the accounts are classified as finance leases. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as included above. Following the appropriate discounting, finance lease liabilities are carried at €34.210 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Regarding Tsymyanskiy, as of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the executive committee of the municipality, before the final approval by the City

The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as too many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits, and we continue calculate relevant future lease obligations.

36.2 Sale and Lease Back Agreements

A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the end of the reporting period the balance is €6.201.629 (2021: €6.481.637), bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon payment of €5.244.926. At the maturity of the lease agreement and upon payment of the balloon Best Day Real Estate Srl will become owner of the asset.

Under the current finance lease agreement the collaterals for the facility are as follows:

1. Best Day Real Estate Srl pledged its future receivables from its tenants.
2. Best Day Real Estate Srl pledged its shares.
3. Best Day Real Estate Srl pledged all current and reserved accounts opened in Piraeus Leasing, Romania.
4. Best Day Real Estate Srl was obliged to provide cash collateral in the amount of €250.000 in Piraeus Leasing Romania, which had been deposited as follows, half in May 2014 and half in May 2015.
SPDI provided a corporate guarantee in favor of the Leasing company related to the liabilities of Best Day Real Estate Srl arising from the sale and lease back agreement.

B. EOS Business Park

In October 2014 the Group concluded the acquisition of EOS Business Park in Bucharest, owned by the SPV N-E Real Estate Park First Phase Srl, through a sale and lease back agreement with Alpha Bank Romania SA. The leasing facility borne an interest of 3M Euribor plus 5,25% margin. During December 2021 the SPV re-paid fully the leasing facility and acquired the property, through a new loan from Patria Bank of the order of €3,5 million, bearing an interest rate of 3M Euribor plus 3,5% margin. The SPV was sold during 2022 as part of Stage 2 of the transaction with Arcona.

37. Earnings and net assets per share attributable to equity holders of the parent

a. **Weighted average number of ordinary shares**

	31 Dec 2022	31 Dec 2021
Issued ordinary shares capital	129.128.442	129.128.442
Weighted average number of ordinary shares (Basic)	129.128.442	129.128.442
Diluted weighted average number of ordinary shares	129.128.442	129.128.442

b. **Basic diluted and adjusted earnings per share**

Earnings per share	31 Dec 2022	31 Dec 2021
	€	€
Profit/(Loss) after tax attributable to owners of the parent	(1.240.385)	184.405
Basic	(0,01)	0,00
Diluted	(0,01)	0,00

c. **Basic diluted and adjusted earnings per share from discontinued operations**

Earnings per share	31 Dec 2022	31 Dec 2021
	€	€
Loss after tax from discontinued operations attributable to owners of the parent	(8.416.600)	(659.215)
Basic	(0,06)	(0,00)
Diluted	(0,06)	(0,00)

37. Earnings and net assets per share attributable to equity holders of the parent (continued)

d. **Net assets per share**

Net assets per share	31 Dec 2022	31 Dec 2021
	€	€
Net assets attributable to equity holders of the parent	13.111.260	23.253.524
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,10	0,18
Diluted	0,10	0,18

38. Segment information

All commercial and financial information related to the properties held directly or indirectly by the Group is being provided to members of executive management who report to the Board of Directors. Such information relates to rentals, valuations, income, costs and capital expenditures. The individual properties are aggregated into segments based on the economic nature of the property. For the reporting period the Group has identified the following material reportable segments:

Commercial-Industrial

- Warehouse segment -Innovations Logistics Park
- Office segment - Eos Business Park - Delea Nuova (Associate)
- Retail segment - Kindergarten of GreenLake

Residential

- Residential segment

Land Assets

- Land assets

There are no sales between the segments.

Segment assets for the investment properties segments represent investment property (including investment properties under development and prepayments made for the investment properties). Segment liabilities represent interest bearing borrowings, finance lease liabilities and deposits from tenants.

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 10)	-	-	-	-	-	763.242	763.242
Service charges and utilities							

Service charges and utilities income (Note 10)	-	-	-	-	-	276.996	276.996
Property Management income (Note 10)	103.514	-	-	-	-	-	103.514
Impairment of financial investments (Note 26)	-	-	-	-	-	(1.071.119)	(1.071.119)
Gain on disposal of subsidiaries	-	-	-	-	-	1.041	1.041
Share of profit/loss of associated (Note 21)	-	-	-	-	-	(9.040)	(9.040)
Profit from discontinued operation (Note 9b)	(31.359)	(2.285.712)	(120.588)	(64.466)	(3.458.376)	(586.990)	(6.547.491)
Segment profit	72.155	(2.285.712)	(120.588)	(64.466)	(3.458.376)	(625.870)	(6.482.857)
Administration expenses (Note 12)	-	-	-	-	-	-	(1.464.626)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(3.390)
Finance income (Note 16)	-	-	-	-	-	-	361.035
Interest expenses (Note 16)	-	-	-	-	-	-	(192.448)
Other finance costs (Note 16)	-	-	-	-	-	-	(5.883)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(3.856.004)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(17.647)
Income tax expense (Note 18)	-	-	-	-	-	-	17.940
Exchange difference on I/C loan to foreign holdings (Note 29)	-	-	-	-	-	-	(692.906)
Total Comprehensive Income	-	-	-	-	-	-	(12.336.786)

Continued Operations

Profit and Loss for the year 2022

38. Segment information (continued)

Profit and Loss for the year 2021

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 10)	-	-	-	-	-	633.427	633.427
Service charges and utilities income (Note 10)	-	-	-	-	-	232.870	232.870
Property Management income (Note 10)	-	-	-	-	-	180.840	180.840
Impairment of financial investments (Note 26)	-	-	-	-	-	683.478	683.478
Gain on disposal of subsidiaries	-	-	-	-	-	748	748
Profit from discontinued operation (Note 9b)	(214.232)	1.061.290	5.439	271.406	(488.324)	(215.549)	420.030
Segment profit	(214.232)	1.061.290	5.439	271.406	(488.324)	1.515.814	2.151.393
Administration expenses (Note 12)	-	-	-	-	-	-	(1.798.293)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	69.643
Finance income (Note 16)	-	-	-	-	-	-	489.072
Interest expenses (Note 16)	-	-	-	-	-	-	(184.601)
Other finance costs (Note 16)	-	-	-	-	-	-	(5.808)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(1.301.204)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(65.147)
Income tax expense (Note 18)	-	-	-	-	-	-	(51.824)
Exchange difference on I/C loan to foreign holdings (Note 29)	-	-	-	-	-	-	64.299
Total Comprehensive Income	-	-	-	-	-	-	(632.470)

* It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park (Romania) is currently invoiced by the Company as part of a relevant lease agreement with the Innovations SPV and the lender, however the asset, through the SPV, is planned to be transferred as part of the transaction with Arcona Property Fund N.V. Upon a final agreement for such transfer, the Company will negotiate with the lender its release from the aforementioned lease agreement, and if succeeds, upon completion such income will be also transferred.

38. Segment information (continued)

Discontinued Operations

Profit and Loss for the year 2022

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14.1)	-	-	-	-	3.897.608	-	3.897.608
Cost of Property sold (Note 14.1)	-	-	-	-	(4.723.000)	-	(4.723.000)
Rental income (Note 10)	63.940	332.356	90.054	3.303	-	-	489.653
Service charges and utilities income (Note 10)	9.152	-	-	-	6.980	-	16.132
Valuation gains/(losses) from investment property (Note 13)	8.655	-	-	-	(1.253.885)	-	(1.245.230)

[illegible]

38. Segment information (continued)

38. Segment information (continued)

Discontinued Operations

Total Operations

Balance Sheet as at 31 December 2022

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€		€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	824	824
Investment in associate	-	-	-	-	-	1	1
Financial Assets at FV through P&L	-	-	-	-	-	12.078.808	12.078.808
Assets held for sale	10.025.000	1	-	-	1.286.313	2.523.777	13.835.091
Segment assets	10.025.000	1	-	-	1.286.313	14.603.410	25.914.724
Tangible and intangible assets	-	-	-	-	-	-	816
Prepayments and other current assets	-	-	-	-	-	-	4.153.162
Cash and cash equivalents	-	-	-	-	-	-	66.570
Total assets	-	-	-	-	-	-	30.135.272
Liabilities associated with assets classified as held for disposal	6.224.647	-	-	-	4.045.477	615.534	10.885.658
Borrowings	9.630	-	-	-	-	587.727	597.357
Segment liabilities	6.234.277	-	-	-	4.045.477	1.203.261	11.483.015
Trade and other payables	-	-	-	-	-	-	3.731.769
Taxation	-	-	-	-	-	-	617.093
Bonds	-	-	-	-	-	-	822.736
Total liabilities	-	-	-	-	-	-	16.654.613

Balance Sheet as at 31 December 2021

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€		€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	824	824
Financial Assets at FV through P&L	-	-	-	-	-	7.470.722	7.470.722
Assets held for sale	10.015.000	12.176.575	1.338.263	-	12.939.514	2.542.164	39.011.516
Segment assets	10.015.000	12.176.575	1.338.263	-	12.939.514	10.013.710	46.483.062
Tangible and intangible assets	-	-	-	-	-	-	1.628
Prepayments and other current assets	-	-	-	-	-	-	4.510.381
Cash and cash equivalents	-	-	-	-	-	-	2.160.576
Total assets	-	-	-	-	-	-	53.155.647
Liabilities associated with assets classified as held for disposal	6.545.868	3.504.083	696.741	-	3.856.285	1.240.702	15.843.679
Borrowings	-	-	-	-	-	1.703.566	1.703.566
Segment liabilities	6.545.868	3.504.083	696.741	-	3.856.285	2.944.268	17.547.245
Trade and other payables	-	-	-	-	-	-	4.396.123
Taxation	-	-	-	-	-	-	883.567
Bonds	-	-	-	-	-	-	1.327.056
Total liabilities	-	-	-	-	-	-	24.153.991

38. Segment information (continued)

Discontinued operations

Assets and Liabilities held for sale 2022

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	9.710.000	-	-	-	950.779	971.217	11.631.996

Long-term receivables and prepayments	315.000	-	-	-	-	-	315.000
Investments in associates	-	1	-	-	335.533	-	335.534
Segment assets	10.025.000	1	-	-	1.286.313	971.217	12.282.530
Tangible and intangible assets	-	-	-	-	-	-	20
Prepayments and other current assets	-	-	-	-	-	-	1.267.713
Cash and cash equivalents	-	-	-	-	-	-	284.828
Total assets	-	-	-	-	-	-	13.835.091
Borrowings	16	-	-	-	4.021.176	-	4.021.192
Finance lease liabilities	6.201.629	-	-	-	24.301	-	6.225.930
Deposits from tenants	23.002	-	-	-	-	-	23.002
Segment liabilities	6.224.647	-	-	-	4.045.477	-	10.270.124
Trade and other payables	-	-	-	-	-	-	431.307
Taxation	-	-	-	-	-	-	184.227
Total liabilities	-	-	-	-	-	-	10.885.658

Assets and Liabilities held for sale 2021

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	9.700.000	6.700.000	1.320.000	-	12.939.514	895.477	31.554.991
Long-term receivables and prepayments	315.000	-	18.263	-	-	-	333.263
Investments in associates	-	5.476.576	-	-	-	-	5.476.576
Segment assets	10.015.000	12.176.576	1.338.263	-	12.939.514	895.477	37.364.830
Tangible and intangible assets	-	-	-	-	-	-	11.988
Prepayments and other current assets	-	-	-	-	-	-	1.240.028
Cash and cash equivalents	-	-	-	-	-	-	394.670
Total assets	-	-	-	-	-	-	39.011.516
Borrowings	-	3.504.083	696.741	-	3.822.075	-	8.022.899
Finance lease liabilities	6.481.637	-	-	-	34.210	-	6.515.847
Deposits from tenants	64.231	-	-	-	-	-	64.231
Segment liabilities	6.545.868	3.504.083	696.741	-	3.856.285	-	14.602.977
Trade and other payables	-	-	-	-	-	-	997.392
Taxation	-	-	-	-	-	-	243.310
Total liabilities	-	-	-	-	-	-	15.843.679

38. Segment information (continued)

Discontinued operations

Geographical information

	31 Dec 2021	31 Dec 2021	31 Dec 2021	31 Dec 2021
Income (Note 10)	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Ukraine	-	-	-	-
Romania	103.514	505.785	-	939.720
Greece	-	-	-	-
Bulgaria	-	-	-	-
Cyprus *	1.040.238	-	1.047.137	-
Total	1.143.752	505.785	1.047.137	939.720

* It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park (Romania) is currently invoiced by the Company as part of a relevant lease agreement with the Innovations SPV and the lender, however the asset, through the SPV, is planned to be transferred as part of the transaction with Arcona Property Fund N.V. or in the broader market. Upon a final agreement for such transfer, the Company will negotiate with the lender its release from the aforementioned lease agreement, and if succeeds, upon completion such income will be also transferred.

Gain/(loss) from disposal of investment properties (Note 14.1)	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	(825.392)	-	653.567
Total	-	(825.392)	-	653.567

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations

	€	€	€	€
Carrying amount of assets (investment properties and investment in associates)				
Ukraine	-	1.921.996	-	3.619.991
Romania	-	10.045.534	-	33.411.576
Cyprus	1	-	-	-
Total	1	11.967.530	-	37.031.567

39. Related Party Transactions

The following transactions were carried out with related parties:

39.1 Income/ Expense

39.1.1 Income

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income from loan to associates	230	7.972	325	9.366
Total	230	7.972	325	9.366

Interest income from associates relates to interest income from GreenLake Development Srl.

39.1.2 Expenses

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration (Note 12)	155.959	-	244.350	-
Incentives pursuant to RemCo proposal (Note 12)	184.500	-	-	-
Directors fees (Note 12)	-	-	243.823	-
Interest expenses on Director and Management Loans (Note 16)	37.513	-	40.194	-
Total	377.972	-	528.367	-

Management remuneration includes the remuneration of the CEO, the CFO, the Group Commercial Director, and that of the Country Managers of Ukraine and Romania pursuant to the decisions of the Remuneration Committee.

Incentives provided in 2022 to personnel for the successful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the BoD on 01 June 2021.

The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k, while the decision for registering relevant fees for 2022 is still pending by the Board. In 2021 the Company registered also fees from previous periods which were not posted previously in Company's books.

39.2 Payables to related parties (Note 33)

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	218.171	-	373.187	-
Sec South East Continent Unique Real Estate Management Limited	65	-	65	-
Management Remuneration	276.921	-	508.511	-
Total	495.157	-	881.763	-

39.2.1 Board of Directors & Committees

The amount payable represents remuneration and expenses payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the Remuneration Committee and in order to facilitate the Company's cash flow used to receive their payment in shares of the Company. During 2018 the directors received 344.371 ordinary shares in lieu of their 2016 H1 remuneration amounting to GBP 120.530. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to EUR 73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to EUR 74.162,04 in lieu of their before H2 2016 fees. Since H2 2019 it has been decided that relevant fees will be paid in cash.

39.2.2 Management Remuneration

Management Remuneration represents deferred amounts payable to the CEO of the Company.

39. Related Party Transactions (continued)

39.3 Loans from SC Secure Capital Limited to the Group's subsidiaries

SC Secure Capital Limited, the finance subsidiary of the Group provided capital in the form of loans to the Ukrainian subsidiaries of the Company so as to support the acquisition of assets, development expenses of the projects, as well as various operational costs. The following table presents the amounts of such loans which are eliminated for consolidation purposes, but their related exchange difference affects the equity of the Consolidated Statement of Financial Position.

Borrower	Limit -as at 31 Dec 2022	Principal as at 31 Dec 2022	Limit -as at 31 Dec 2021	Principal as at 31 Dec 2021
	€	€	€	€
LLC "Trade Center"	5.800	6.074	5.800	5.707
LLC "Aisi Ukraine"	23.062.351	295.549	23.062.351	220.514
LLC "Almaz-Press-Ukraine"	8.236.554	275.778	8.236.554	259.126
LLC "Aisi Ilvo"	150.537	19.398	150.537	24.435
Total	31.455.242	596.799	31.455.242	509.782

A potential Ukrainian Hryvnia weakening/strengthening by 10% against the US dollar with all other variables held constant, would result in an exchange difference on I/C loans to foreign holdings of €59.680 (2021: €50.978), estimated on balances

Note 30 is an exchange difference on the loans to foreign holdings of €229,629, calculated on balance held at 31 December 2022.

39.4 Loans to associates (Note 25)

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans to GreenLake Development Srl	-	229.629	9.351	310.966
Total	-	229.629	9.351	310.966

The loan was provided to GreenLake Development Srl from Edetrio Holdings Limited (discontinued operations) and from Sc Capital (continued operations). The agreement with Edetrio Holdings Limited was signed on 14 June 2012 and bears interest 5% and the agreement with Sc Capital Limited was signed on 4 December 2017 and bears interest 4% per annum. The loan with Sc Capital was fully repaid during 2022.

39.5 Loans from related parties (Note 31)

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Directors and Management	492.500	-	577.500	-
Interest accrued on loans from related parties	95.227	-	114.060	-
Total	587.727	-	691.560	-

Loans from directors of the order of € 375.000 reflect loans provided from three directors as bridge financing for future property acquisitions. The loans bear interest 8% annually. The loans have been repaid partially during 2023 and current balance is € 100.000.

Rest amount of the order of € 117.500 reflect payables to one director, converted to loan for facilitating Company's cash flow.

40. Contingent Liabilities

40.1 Tax Litigation

The Group performed during the reporting period part of its operations in the Ukraine, within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation, which may be applied retroactively, open to wide and in some cases, conflicting interpretation. Instances of inconsistent opinions between local, regional, and national tax authorities and between the National Bank of Ukraine and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities, which are authorised by law to impose severe fines and penalties and interest charges. Any tax year remains open for review by the tax authorities during the three following subsequent calendar years; however, under certain circumstances a tax year may remain open for longer. Overall following the sales of Terminal Brovary, Balabino and Bela, the exposure of the Group in Ukraine has been significantly reduced.

The Group performed during the reporting and comparative periods part of its operations in Romania. In respect of Romanian tax system, many aspects are subject to varying interpretations and frequent changes, which in many cases have retroactive effects. In certain circumstances it is also possible that tax authorities may act arbitrary.

These facts create tax risks which are substantially more significant than those typically found in countries with more advanced tax systems. Management believes that it has adequately provided for tax liabilities, based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

40.2 Construction related litigation

There are no material claims from contractors due to the postponement of projects or delayed delivery other than those disclosed in the financial statements.

40.3 Bluehouse Accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. (Bluehouse) filed in Cypriot courts in December 2018 lawsuit against the Company for the total amount of €5.042.421,87, in relation to the Praktiker Craiova acquisition in 2015, and the redemption of the Redeemable Preference Class A shares which were issued as part of the transaction to the vendor, plus special compensations of €2.500.000 associated with the related pledge agreement. The redemption of such shares was requested in 2016, and in lieu of such redemption the Company transferred to the vendor the 20% holding in Autounion asset which was used as a guarantee to the transaction for the effective redemption of the Redeemable Preference Class A shares. At the same time the Company has posted in its accounts a relevant payable provision for Bluehouse in the amount of €2.521.211 (Note 33). On the other hand, the Company during 2019, as part of the judicial process, has filed a claim against Bluehouse for concealing certain key information during the Praktiker Craiova transaction, which if revealed would have resulted in a significant reduction of the final acquisition price. Management believes the Company has good grounds of defence and valid arguments and the amount already provided is adequate to cover an eventual final settlement between the parties. The next hearing of the combined cases in front of Cypriot Courts has been set on 16 October 2023.

40.4 Other Litigation

The Group has a number of other minor legal cases pending. Management does not believe that the result of these will have a substantial overall effect on the Group's financial position. Consequently no such provision is included in the current financial statements.

40.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 31 December 2022.

41. Commitments

The Group had no other commitments as at 31 December 2022.

42. Financial Risk Management

42.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity for implementing its strategy to maximize the return to

stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 31), bonds (Note 32), trade and other payables (Note 33) deposits from tenants (Note 34), financial leases (Note 36), taxes payable (Note 35) and equity attributable to ordinary or preferred shareholders.

Management reviews the capital structure on an on-going basis. As part of the review Management considers the differential capital costs in the debt and equity markets, the timing at which each investment project requires funding and the operating requirements so as to proactively provide for capital either in the form of equity (issuance of shares to the Group's shareholders) or in the form of debt. Management balances the capital structure of the Group with a view of maximizing the shareholder's Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

42. Financial Risk Management (continued)

42.2 Categories of Financial Instruments

	Note	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Financial Assets					
Cash at Bank	27	66.570	284.828	2.160.576	394.670
Long-term Receivables and prepayments	24	824	315.000	824	333.263
Financial Assets at FV through P&L	26	12.078.808	-	7.470.722	-
Prepayments and other receivables	25	4.153.162	1.267.713	4.510.381	1.240.028
Total		16.299.364	1.867.541	14.142.503	1.967.961
Financial Liabilities					
Borrowings	31	597.357	4.021.192	1.703.566	8.022.899
Trade and other payables	33	3.731.769	431.307	4.396.123	997.392
Deposits from tenants	34	-	23.002	-	64.231
Finance lease liabilities	36	-	6.225.930	-	6.515.847
Taxation	35	617.093	184.227	883.567	243.310
Bonds	32	822.736	-	1.327.056	-
Total		5.768.955	10.885.658	8.310.312	15.843.679

42.3 Financial Risk Management Objectives

The Group's Treasury function provides services to its various corporate entities, coordinates access to local and international financial markets, monitors and manages the financial risks relating to the operations of the Group, mainly the investing and development functions. Its primary goal is to secure the Group's liquidity and to minimize the effect of the financial asset price variability on the cash flow of the Group. These risks cover market risks including foreign exchange risks and interest rate risk, as well as credit risk and liquidity risk.

The above mentioned risk exposures may be hedged using derivative instruments whenever appropriate. The use of financial derivatives is governed by the Group's approved policies which indicate that the use of derivatives is for hedging purposes only. The Group does not enter into speculative derivative trading positions. The same policies provide for the investment of excess liquidity. As at the end of the reporting period, the Group had not entered into any derivative contracts.

42.4 Economic Market Risk Management

The Group currently operates in Romania and Ukraine. The Group's activities expose it primarily to financial risks of changes in currency exchange rates and interest rates. The exposures and the management of the associated risks are described below. There has been no change in the way the Group measures and manages risks.

Foreign Exchange Risk

Currency risk arises when commercial transactions and recognized financial assets and liabilities are denominated in a currency that is not the Group's functional currency. Most of the Group's financial assets are denominated in the functional currency. Management is monitoring the net exposures and adopts policies to encounter them so that the net effect of devaluation is minimized.

Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant floating interest-bearing assets. On December 31st, 2022, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to €351.398 (2021: €2.555.246) of which approx. €1.208 in UAH and €221.840 in RON (Note 27) while the remaining are mainly denominated in either USD, GBP or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to €4.618.549 (31 December 2021: €9.726.465) as they are issued at variable rates tied to the Libor or Euribor. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

42. Financial Risk Management (continued)

42.4 Economic Market Risk Management (continued)

Interest Rate Risk (continued)

As at 31 December 2022 the weighted average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 5,36% (31 December 2021: 5,07%).

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2022 is presented below:

	Actual as at 31.12.2022	+100 bps	+200 bps
Weighted average interest rate	5,36%	6,36%	7,36%
%Influence on yearly finance costs		30.304	60.608

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2021 is presented below:

	Actual as at 31.12.2021	+100 bps	+200 bps
Weighted average interest rate	5,07%	6,07%	7,07%
%Influence on yearly finance costs		83.074	1466.149

The Group's exposures to financial risk are discussed also in Note 7.

42.5 Credit Risk Management

The Group has no significant credit risk exposure. The credit risk emanating from the liquid funds is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Credit risk of receivables is reduced as the majority of the receivables represent VAT to be offset through VAT income in the future. In respect of receivables from tenants these are kept to a minimum of 2 months and are monitored closely.

42.6 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which applies a framework for the Group's short, medium and long term funding and liquidity management requirements. The Treasury function of the Group manages liquidity risk by preparing and monitoring forecasted cash flow plans and budgets while maintaining adequate reserves. The following table details the Group's contractual maturity of its financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities including interest that will be accrued.

42. Financial Risk Management (continued)

42.6 Liquidity Risk Management (continued)

Continued Operations

31 December 2022	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	66.570	66.570	66.570	-	-
Prepayments and other receivables	4.153.162	4.153.162	4.153.162	-	-
Financial Assets at FV through P&L	12.078.808	12.078.808	12.078.808	-	-
Long-term Receivables and prepayments	824	824	-	-	824
Total Financial assets	16.299.364	16.299.364	16.298.540	-	824
Financial liabilities					
Borrowings	597.357	647.571	120.334	527.237	-
Trade and other payables	3.731.769	3.731.769	3.731.769	-	-
Bonds issued					
	822.736	1.010.896	146.086	47.040	817.770
Taxes payable and provisions	617.093	617.093	37.574	579.519	-
Total Financial liabilities	5.768.955	6.007.329	4.035.763	1.153.796	817.770
Total net assets/(liabilities)	10.530.409	10.292.035	12.262.778	(1.153.796)	(816.946)

Discontinued Operations

31 December 2022	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	284.828	284.828	284.828	-	-
Long-term receivables	315.000	315.000	-	-	315.000
Prepayments and other receivables	1.267.713	1.267.713	1.267.713	-	-
Total Financial assets	1.867.541	1.867.541	1.552.541	-	315.000
Financial liabilities					
Borrowings	4.021.192	4.033.067	4.018.994	14.073	-
Trade and other payables	431.307	431.307	423.467	-	7.840
Deposits from tenants	23.002	23.002	-	-	23.002
Finance lease liabilities	6.225.930	7.165.206	568.486	555.418	6.041.302
Taxation	184.227	184.227	142.246	41.981	-
Total Financial liabilities	10.885.658	11.836.809	5.153.193	611.472	6.072.144

Total net assets/(liabilities)	(9.018.117)	(9.969.269)	(3.600.652)	(611.472)	(5.757.144)
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42. Financial Risk Management (continued)

42.6 Liquidity Risk Management (continued)

Continued Operations

31 December 2021	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	2.160.576	2.160.576	2.160.576	-	-
Prepayments and other receivables	4.510.381	4.510.381	4.510.381	-	-
Financial Assets at FV through P&L	7.470.722	7.470.722	7.470.722	-	-
Long-term Receivables and prepayments	824	824	-	-	824
Total Financial assets	14.142.503	14.142.503	14.141.679	-	824
Financial liabilities					
Borrowings	1.703.566	1.862.279	570.795	1.291.484	-
Trade and other payables	4.396.123	4.396.123	4.396.123	-	-
Bonds issued	1.327.056	1.595.855	360.414	67.200	1.168.241
Taxes payable and provisions	883.567	883.567	312.635	570.932	-
Total Financial liabilities	8.310.312	8.737.824	5.639.967	1.929.616	1.168.241
Total net assets/(liabilities)	5.832.191	5.404.679	8.501.712	(1.929.616)	(1.167.417)

Discontinued Operations

31 December 2021	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	394.670	394.670	394.670	-	-
Long-term receivables	333.263	333.263	-	-	333.263
Prepayments and other receivables	1.240.028	1.240.028	1.240.028	-	-
Total Financial assets	1.967.961	1.967.961	1.634.698	-	333.263
Financial liabilities					
Borrowings	8.022.899	8.537.740	7.534.289	215.460	787.991
Trade and other payables	997.392	997.392	989.553	-	7.839
Deposits from tenants	64.231	64.231	-	-	64.231
Finance lease liabilities	6.515.847	7.761.584	582.862	569.794	6.608.928
Taxation	243.310	243.310	213.540	29.770	-
Total Financial liabilities	15.843.679	17.604.257	9.320.244	815.024	7.468.989
Total net assets/(liabilities)	(13.875.718)	(15.636.296)	(7.685.546)	(815.024)	(7.135.726)

43. Events after the end of the reporting period

a) Operating cost optimization measures

As part of the cost optimization process adopted by the Board, the Company has agreed in 2023 with a Cyprus based advisory company wholly owned by the Company's CEO Lambros Anagnostopoulos, to externalize all existing HR and office costs in all jurisdictions that the Company currently operates in, except Ukraine.

Such externalization will take place by the advisor assuming a) all direct individual personnel contracts, b) the service contracts with local real estate service providers, and c) all HR and office costs in Romania. In return, SPDI will pay fixed monthly fee of EUR 24,000 plus VAT which represents an annual reduction of 35% and 50% vis a vis similar costs incurred by the Company in 2021 and 2020 respectively. Such fee has been set to reflect effectively the reduced personnel time/cost and office costs of the Company during this phase of transformation of the Company. The advisory contract will be able to be terminated by either party with one month's notice, after an initial period of eight months elapses.

b) Bluebigbox3 Srl insolvency procedure

During 2023, against Bluebigbox3 Srl has been opened an insolvency procedure by Bucharest Tribunal, initiated by creditor

Emeu Property Services for a due liability of ~350.000 lei. The case is in strong connection with the main litigation of the Company with Bluehouse (Note 40.3) since the above mentioned creditor is an affiliate to Bluehouse and acted as Property Manager of the Praktiker Craiova asset after its acquisition by the Company. The Company believes that the creditor acted in sync with Bluehouse and concealed certain key information which if revealed would have resulted in a significant reduction of the final acquisition price. Bluebigbox3 Srl currently is idle with no asset in its proceession.



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