

29 September 2023

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

**2023 Interim Results**

Secure Property Development & Investment PLC, the AIM quoted Southern Eastern European focused property company, is pleased to announce its unaudited interim results for the period ended 30 June 2023.

**Overview**

- NAV per share stood at 10p a share as at 30 June 2023 - 66% higher than the current share price
- The process of the sale of the Ukrainian assets included in Stage 2 of the transaction with Arcona Property Fund N.V. ("Arcona") as part of the conditional implementation agreement for the sale of the Company's property portfolio is ongoing, for a cash and share transaction to Arcona

**Micheal Beys, Chairman of the Board, said:** *"In 2023 to date, we have continued to make progress on the Company's strategy of monetizing our assets. While the process of transferring several Ukrainian assets is progressing slowly, as a result of the ongoing war, we continue to work towards overcoming this and aim to finalise all transfers to close Stage 2 over the coming months. In addition, implementation of the announced HR and office cost optimization measures has taken effect resulting in significant annual reductions in costs.*

*"As one of the largest shareholders in Arcona through the combination of asset portfolios, we continue to believe in the value being created for SPDI shareholders."*

**\*\*ENDS\*\***

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.*

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**Notes to Editors**

Secure Property Development and Investment plc is an AIM listed property development and investment company focused on the South East European markets. The Company's strategy is focused on generating healthy investment returns principally derived from: the operation of income generating commercial properties and capital appreciation through investment in high yield real estate assets. The Company is focused primarily on commercial and industrial property in populous locations with blue chip tenants on long term rental contracts. The Company's senior management consists of a team of executives that possess extensive experience in managing real estate companies both in the private and the publicly-listed sector, in various European countries.

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## 1. Management Report

### 1.1 Corporate Overview & Financial Performance

#### Summary

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 H1 2023, management, in line with the Company's strategy to maximise value for shareholders, worked towards closing the sale of the Ukrainian assets included in Stage 2 of the transaction with Arcona as part of the conditional implementation agreement for the sale of the Company's property portfolio, excluding its Greek logistics 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 the Czech Republic, Poland and Slovakia, with the total agreement valuing the SPDI net asset value at ~ EUR 29 million, 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.

#### Corporate Developments

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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.

#### Financial Performance

Net operating income decreased by EUR 0,25 million during H1 2023, as a result of the disposal of the assets as part of Stage 2 of the transaction with Arcona that took place in H1 2022.

The administration expenses, adjusted by the one-off costs associated with non-recurring tasks, remained at the same levels, but recurring EBITDA decreased to losses of EUR 0,5 million as compared to profits of EUR 0,07 million in H1 2022, due to the decrease in net operating income and losses resulted from share of profits from associates. Net finance cost decreased to EUR 0,18 million from EUR 0,23 million in H1 2022 and the operating result after finance and taxes decreased to losses of EUR 0,67 million as compared to losses of EUR 0,19 million in the comparative period.

EUR	H1 2023			H1 2022		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Asset Management fees	788.075	76.009	864.084	509.750	417.610	927.360
<b>Income from Operations</b>	<b>788.075</b>	<b>76.009</b>	<b>864.084</b>	<b>509.750</b>	<b>417.610</b>	<b>927.360</b>
Asset operating expenses	-	(466.390)	(466.390)	-	(276.221)	(276.221)
<b>Net Operating Income</b>	<b>788.075</b>	<b>(390.381)</b>	<b>397.694</b>	<b>509.750</b>	<b>141.389</b>	<b>651.139</b>
Share of profits from associates	-	(335.533)	(335.533)	-	-	-
<b>Net Operating Income from Investments</b>	<b>788.075</b>	<b>(725.914)</b>	<b>62.161</b>	<b>509.750</b>	<b>141.389</b>	<b>651.139</b>
Administration expenses	(510.811)	(44.838)	(555.649)	(504.980)	(70.823)	(575.803)
<b>Operating Result (EBITDA)</b>	<b>277.264</b>	<b>(770.752)</b>	<b>(493.488)</b>	<b>4.770</b>	<b>70.566</b>	<b>75.336</b>

Operating Result (continuing)	2022	2022	2022	2023	2023	2023
Finance Income/(Cost), net	122.465	(303.748)	<b>(181.283)</b>	126.095	(359.407)	<b>(233.312)</b>
Income tax expense	(90)	-	<b>(90)</b>	2,277	(33.251)	<b>(30.974)</b>
<b>Operating Result after Finance and Tax Expenses</b>	<b>399.639</b>	<b>(1.074.500)</b>	<b>(674.861)</b>	<b>133.142</b>	<b>(322.092)</b>	<b>(188.950)</b>
Other income / (expenses), net	(9.901)	(71)	<b>(9.972)</b>	860	(104.116)	<b>(103.256)</b>
One-off costs associated with non-recurring tasks	(92.000)	-	<b>(92.000)</b>	(184.500)	-	<b>(184.500)</b>
One-off costs associated with Arcona transaction	(21.021)	-	<b>(21.021)</b>	(170.192)	-	<b>(170.192)</b>
Fair value adjustments from Investment Properties	-	33.150	<b>33.150</b>	-	(1.793.710)	<b>(1.793.710)</b>
Net gain/(loss) on disposal of investments	-	-	-	-	(3.953.743)	<b>(3.953.743)</b>
Impairment of financial investments	(62.398)	-	<b>(62.398)</b>	(446.671)	-	<b>(446.671)</b>
Foreign exchange differences, net	(34.386)	(19.066)	<b>(53.452)</b>	(11.068)	(30.976)	<b>(42.044)</b>
<b>Result for the year</b>	<b>179.933</b>	<b>(1.060.487)</b>	<b>(880.554)</b>	<b>(678.429)</b>	<b>(6.204.637)</b>	<b>(6,883.066)</b>
Exchange difference on I/C loans to foreign holdings	-	-	-	-	-	-
Exchange difference on translation due to presentation currency	-	1.080.634	<b>1.080.634</b>	-	19.148	<b>19.148</b>
<b>Total Comprehensive Income for the year</b>	<b>179.933</b>	<b>20.147</b>	<b>200.080</b>	<b>(678.429)</b>	<b>(6.185.489)</b>	<b>(6.863.918)</b>

## 2. Regional Economic Developments<sup>[1]</sup>

### 2.1 Romania

Following significant growth of 4,8% in 2022 driven by strong private consumption and robust investment, despite the ongoing war in neighbouring Ukraine and the high inflation rate from the increased energy prices, Romania's economy slowed down in H1 2023 with the relevant GDP growth rate estimated to be 1,7%, prompting local officials to cut forecasts for 2023 to 1,5% from 2,5% that was initially set. This drop came as a result of the ongoing high inflation, weaker consumption, tight financing conditions and declining industrial production. On the other hand, economic activity is expected to be supported by private investment and investment financed by EU funds.

The rate of unemployment for 2023 is projected at 5,5%, slightly lower compared with the rate registered in 2022, while inflation is expected to decrease to 10,3% in 2023, marking a reduction of 3,5% compared with 2022 value.

### 2.2 Ukraine

The invasion of Ukraine by Russia in February 2022 delivered a devastating blow to Ukraine's economy and has caused enormous damage to country's infrastructure, leading to a ~30% drop of GDP for the whole year. However, during 2023, the local economy seems to have absorbed the shock of the invasion and is trying to recover on the back of the financial support provided mainly by the World Bank. The Central Bank of Ukraine has set its forecast for GDP growth in 2023 to 2,9%, although international institutions are more cautious and have set their forecasts at ~0,5%.

At the same time, during H1 2023 the Ukrainian hryvnia remained relatively stable against major foreign currencies, following its sharp devaluation during 2022, also revealing signs of mild recovery of the local economy.

## 3. Real Estate Market Developments<sup>[2]</sup>

### 3.1 Romania

#### General

In H1 2023 the real estate investment volume in Romania reached ~EUR 184 million, a 43% decrease compared with the amount transacted in H1 2022. It is the first period after five consecutive years where investment volume directed to regional areas rather than the capital, Bucharest, with regional cities attracting 61% from total investment volume.

In terms of property use, industrial and office properties registered similar shares from the total volume, 33% and 29% respectively, followed by retail (21%) and hotels (17%).

Romania still has some of the most attractive yields in the EU, increased slightly during H1 2023. 7,5% for the office market, 7,5% for the retail market and 7,75% for the industrial market, are the estimates of the prime yields for local real estate markets.

#### Logistics Market

During H1 2023, industrial and logistics prime stock in Romania reached 6,9 million m<sup>2</sup>, with Bucharest being the region hosting almost half of total space (48%). The vacancy rate of Romania's industrial / logistics prime stock stands at 5%, while for Bucharest stands at 5,8%. Headline rent showed an upward trend, reaching EUR 4,25 m<sup>2</sup>/month at the end of H1 2023.

### 3.1 Ukraine

The real estate market in Ukraine has not functioned normally since the invasion of the country by Russia in February 2022. Given the ongoing conflict, any relevant activity during the period is almost impossible, the country is operating under martial law, there are no available statistics and / or publications, and therefore no meaningful statements and inferences can be made for the local real estate market.

## 4. Property Assets

### 4.1 Innovations Logistics Park, Romania

#### *Property Description*

The park incorporates approximately 8.470 m<sup>2</sup> of multipurpose warehousing space, 6.395 m<sup>2</sup> of cold storage and 1.705 m<sup>2</sup> 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.

#### *Current Status*

The terminal is currently 82% leased. The anchor tenant with 46%, is Favorit Business Srl, a large Romanian logistics operator, which accommodates in the terminal their new business line which involves the end user, Carrefour. Following the last relevant agreement, Favorit's leases has been extended until 2026. During 2023, the Company signed a new lease agreement with Baustoff and Metall for 3.000 m<sup>2</sup> ambient storage space plus office space. The asset is planned to be part of Stage 3 of the Arcona transaction.

### 4.2 Residential portfolio

#### GreenLake, Bucharest, Romania

#### *Property Description*

A residential compound of 40.500 m<sup>2</sup> 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 m 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. Additionally, GreenLake includes land plots totalling 40.360 m<sup>2</sup>. SPDI owns ~43% of this property asset portfolio.

#### *Current Status*

During H1 2023, the remaining seven units were all sold and only auxiliary units (storage areas, parkings) remain to be sold. The asset used to be part of Stage 3 of the Arcona transaction, but since there was no agreement in valuation and therefore delays in the process, the units were sold in the free market at higher prices.

### 4.3 Land Assets

#### Kiyanovski Residence - Kiev, Ukraine

#### *Property Description*

The property consists of 0,55 Ha of freehold and leasehold land located at Kiyanovski Lane, near Kiev city centre. 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.

#### *Current Status*

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, with the Parties trying to conclude the sale during 2023.

#### Tsymlyanski Residence - Kiev, Ukraine

#### *Property Description*

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%.

#### *Current Status*

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

#### *Property Description*

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.

#### *Current Status*

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, with the Parties trying to conclude the sale during 2023.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### For the six months ended 30 June 2023

	Note	30 June 2023	30 June 2022
Continued Operations		€	€
Revenue	10	788.875	588.758

income	10	/88.0/5	509.750
<b>Net Operating Income</b>		<b>788.075</b>	<b>509.750</b>
Administration expenses	12	(623.832)	(859.672)
Other operating income/(expenses), net	15	(9.901)	3.641
Fair value (loss)/gain on financial assets at FV through P&L	25	(62.398)	(446.674)
Gain/(loss) realized on acquisition of assets/subsidiary		-	1.041
Share of profits/(losses) associates	21	-	(3.822)
<b>Operating profit/(Loss)</b>		<b>91.944</b>	<b>(795.736)</b>
Finance income	16	159.777	187.273
Finance costs	16	(37.312)	(61.178)
<b>Profit/ (Loss) before tax and foreign exchange differences</b>		<b>214.409</b>	<b>(669.641)</b>
Foreign exchange (loss), net	17a	(34.386)	(11.065)
<b>Profit/ (Loss) before tax</b>		<b>180.023</b>	<b>(680.706)</b>
Income tax expense	18	(90)	2.277
<b>Profit/ (Loss) for the period from continuing operations</b>		<b>179.933</b>	<b>(678.429)</b>
Profit/(Loss) from discontinued operations	9b	(1.060.487)	(6,204.637)
<b>Profit/ (Loss) for the period</b>		<b>(880.554)</b>	<b>(6.883.066)</b>
<b>Other comprehensive income</b>			
Exchange difference on translation of foreign operations	28	1.080.634	19.148
<b>Total comprehensive income for the period</b>		<b>200.080</b>	<b>(6.863.918)</b>
<b>Profit/ (Loss) for the period from continued operations attributable to:</b>			
Owners of the parent		179.933	(678.429)
Non-controlling interests		-	-
		<b>179.933</b>	<b>(678.429)</b>
<b>Profit/(Loss) for the period from discontinued operations attributable to:</b>			
Owners of the parent		(1.051.053)	(5.982.678)
Non-controlling interests		(9.434)	(221.959)
		<b>(1.060.487)</b>	<b>(6.204.637)</b>
<b>Profit/(Loss) for the period attributable to:</b>			
Owners of the parent		(871.120)	(6.661.107)
Non-controlling interests		(9.434)	(221.959)
		<b>(880.554)</b>	<b>(6.883.066)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		212,877	(6,690.897)
Non-controlling interests		(12.797)	(173.021)
		<b>200.080</b>	<b>(6.863.918)</b>
<b>Earnings/(losses) per share (Euro per share):</b>	36 b,c		
Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent		0,001	(0.005)
Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent		0.001	(0.005)
Basic earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent		(0.008)	(0.05)
Diluted earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent		(0.008)	(0.05)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2023

	Note	30 June 2023 €	31 December 2022 €
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible and intangible assets	22	466	816
Financial Assets at FV through P&L	25	12.016.410	12.078.808
Investments in associates	21	1	1
Long-term receivables and prepayments	23	820	824
		<b>12.017.697</b>	<b>12.080.449</b>
<b>Current assets</b>			
Prepayments and other current assets	24	3.808.506	4.153.162
Cash and cash equivalents	26	88.258	66.570
		<b>3,896,764</b>	<b>4.219.732</b>
Assets classified as held for sale	9d	13.282.670	13,835,091
<b>Total assets</b>		<b>29.197.131</b>	<b>30.135.272</b>
<b>EQUITY AND LIABILITIES</b>			
Issued share capital	27	1.291.281	1.291.281
Share premium		72.107.265	72.107.265
Foreign currency translation reserve	28	9.568.504	8.484.507
Exchange difference on I/C loans to foreign holdings	38.3	(211.199)	(211.199)
Accumulated losses		(69.431.714)	(68.560.594)
<b>Equity attributable to equity holders of the parent</b>		<b>13.324.137</b>	<b>13.111.260</b>
Non-controlling interests	29	356.602	369.399
<b>Total equity</b>		<b>13.680.739</b>	<b>13.480.659</b>
<b>Non current liabilities</b>			
Borrowings	30	113.621	597.357
Bonds issued	31	723.690	723.690
Taxation	34	56.940	579.519
		<b>894.251</b>	<b>1.900.566</b>
<b>Current liabilities</b>			
Bonds issued	31	122.697	99.046
Trade and other payables	32	3.445.708	3.731.769
Tax payable and provisions	34	33.742	37.574

		<b>3.602.147</b>	<b>3.868.389</b>
Liabilities directly associated with assets classified as held for sale	9d	11.019.994	10.885.658
		<b>14.622.141</b>	<b>14.754.047</b>
<b>Total liabilities</b>		<b>15.516.392</b>	<b>16.654.613</b>
<b>Total equity and liabilities</b>		<b>29.197.131</b>	<b>30.135.272</b>

On 28 September 2023 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements

Lambros Anagnostopoulos	Michael Beys	Theofanis Antoniou
Director & Chief Executive Officer	Director & Chairman of the Board	CFO

The notes to the accounts form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company					Total
	Share capital	Share premium, Net <sup>[3]</sup>	Accumulated losses, net of non-controlling interest <sup>[4]</sup>	Exchange difference on I/C loans to foreign holdings <sup>[5]</sup>	Foreign currency translation reserve <sup>[6]</sup>	
	€	€	€	€	€	€
<b>Balance 1 January 2022</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(58.903.610)</b>	<b>(211.199)</b>	<b>8.969.787</b>	<b>23.253.524</b>
Loss for the year	-	-	(6.238.962)	-	-	<b>(6.238.962)</b>
Foreign currency translation reserve	-	-	-	-	(95.179)	<b>(95.179)</b>
<b>Balance 30 June 2022</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(65.142.572)</b>	<b>(211.199)</b>	<b>8.874.608</b>	<b>16.919.873</b>
Loss for the year	-	-	(3.418.022)	-	-	<b>(3.418.022)</b>
Foreign currency translation reserve	-	-	-	-	(390.101)	<b>(390.101)</b>
Disposal of subsidiaries	-	-	-	-	-	-
<b>Balance 31 December 2022</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(68.560.594)</b>	<b>(211.199)</b>	<b>8.484.507</b>	<b>13.110.350</b>
Loss for the year	-	-	(871.120)	-	-	<b>(871.120)</b>
Foreign currency translation reserve	-	-	-	-	1.083.997	<b>1.083.997</b>
<b>Balance 30 June 2023</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(69.431.714)</b>	<b>(211.199)</b>	<b>9.568.504</b>	<b>13.322.233</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Note	30 June 2023 €	30 June 2022 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax and non-controlling interests-continued operations		180.023	(680.706)
Profit/(Loss) before tax and non-controlling interests-discontinued operations	9b	(1.060.487)	(6.171.386)
<b>Profit/(Loss) before tax and non-controlling interests</b>		<b>(880.464)</b>	<b>(6.852.092)</b>
Adjustments for:			
(Gains)/losses on revaluation of investment property	13	(33.150)	1.793.710
Net gain/loss on disposal of investment properties	14	-	982.792
Depreciation/ Amortization charge	12	399	852
Finance income	16	(160.226)	(191.918)
Interest expense	16	338.516	421.551
Share of profit from associates	21	335.533	3.822
(Gain)/loss realized in acquisition of asset/subsidiary		-	(1.041)

(Gain)/loss on disposal of subsidiaries	20.2.1	-	2,970,951
Fair value change on financial investment	A&B		
Effect of foreign exchange differences	25	62,398	446,674
	17a	53,452	42,041
<b>Cash flows from/(used in) operations before working capital changes</b>		<b>(283,542)</b>	<b>(382,658)</b>
Change in prepayments and other current assets	24	169,629	(461,427)
Change in trade and other payables	32	484,194	105,445
Change in VAT and other taxes receivable	24	(42,090)	(27,016)
Change in other taxes payable	34	(88,739)	157,299
Change in provisions	34	(399,410)	-
Change in deposits from tenants	33	-	(41,229)
<b>Cash generated from operations</b>		<b>(159,958)</b>	<b>(649,586)</b>
Income tax paid		(15,313)	(112,321)
<b>Net cash flows provided/(used) in operating activities</b>		<b>(175,271)</b>	<b>(761,907)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales proceeds from disposal of investment property	14	-	774,833
Payment for acquisition of associate	21	-	(6,296)
Dividend received from associates	21	94,952	121,772
Repayment of principle amount of loans receivable	24	591,194	-
Interest received	24	178,194	95,649
(Increase)/Decrease in long term receivable	23	4	(13,809)
<b>Net cash flows from / (used in) investing activities</b>		<b>864,344</b>	<b>972,149</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of principle amount of borrowings	30	(392,500)	(1,224,086)
Interest and financial charges paid	30	(250,270)	(267,725)
Decrease in financial lease liabilities	35	(140,642)	(142,951)
<b>Net cash flows from / (used in) financing activities</b>		<b>(783,412)</b>	<b>(1,634,762)</b>
<b>Net increase/(decrease) in cash at banks</b>		<b>(94,399)</b>	<b>(1,424,520)</b>
Cash:			
At beginning of the period		351,398	2,555,246
<b>At end of the period</b>	26	<b>256,999</b>	<b>1,130,726</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### For the six months ended 30 June 2023

#### 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 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 the reporting date, the companies of the Group employed and/or used the services of 10 full time equivalent people, (2022: 10 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 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).

#### 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 2023. 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

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.

#### 4.2 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 the 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:

	Average for the period	Closing as at
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Currency	1 Jan 2023 - 30 June 2023	1 Jan 2022 - 31 Dec 2022	1 Jan 2022 - 30 June 2022	30 June 2023	31 December 2022	30 June 2022
USD	1,0807	1,0530	1,0934	1,0866	1,0666	1,0387
UAH	39,5226	33,9820	31,7356	40,0006	38,9510	30,7776
RON	4,9335	4,9315	4,9463	4,9634	4,9474	4,9454

#### 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 re-presented 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 as determined annually by external valuers and reviewed by Management who finally decides on reported values. 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 prescribed 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.

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 believes 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 the period ending 30 June 2023:

- 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 wherein the parties had each acted knowledgeably, prudently and without compulsion".

In expressing opinions on Market Value, in certain cases the appraisers have estimated net annual rentals/income from the 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.

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.

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.

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.

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.

#### *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.

#### **4.9.3 Derecognition**

*Financial assets*

#### *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.

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 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.

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.

#### **4.12 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.

#### **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:

##### **4.19.1 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.

##### **4.19.2 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).

##### **4.19.3 Interest income**

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

##### **4.19.4 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.

#### **4.24 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.

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.

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

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

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

### 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

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. For the current period, the Group has used the same fair values as those determined for 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.

Following a ~30% sharp decline in 2022, the Central Bank of Ukraine has set its forecast for GDP growth to 2.9% in 2023, although international institutions are more cautious and set their forecasts at ~0.5%. In any way, it seems that local economy has absorbed the huge impact from the invasion and tries to recover on the back of the financial support provided mainly by World Bank. The Ukrainian hryvnia remained relatively stable during H1 2023 against major foreign currencies, and as at 30 June 2023 the exchange rate to the US dollar was 36.93 hryvnias and to the euro was 40.08 hryvnias (as at 31 December 2022 36.57 and 38.95, respectively). The war has also affected the assessment of Ukraine's solvency by international rating agencies. Currently, Standard & Poor's credit rating for Ukraine stands at CCC with negative outlook. Moody's credit rating for Ukraine stands at 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, has decided to value the Ukrainian assets lower than the last values as provided by the third-party valuers (CBRE Ukraine) at 2022 year end. As a result, the Ukrainian assets contribute €1,87 million in Group's assets, as compared to €3,06 million provided by the valuers as at 31 December 2022.

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 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, which involves the approval of a relevant committee of the municipality, before the final approval by the City Council, has not been obtained yet 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

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 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**

Following significant growth of 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, Romania's economy slowed down in H1 2023 with relevant GDP growth rate estimated to 1,7%, prompting local officials to cut forecasts for 2023 to 1,5% from 2,5% that was initially set. This drop came as a result of weaker consumption and declining industrial production, while 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. In total, the macroeconomic indicators of local economy have become weaker, and therefore the associated risk has been increased.

#### **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 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 political uncertainty in Ukraine, and any probable currency devaluation may affect the Group's financial position.

#### **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 41.1 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	Related Asset	Holding %		
			as at 30 June 2023	as at 31 Dec 2022	as at 30 June 2022
SC Secure Capital Limited	Cyprus		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanskiy	100	100	100
LLC Trade Center	Ukraine	Residence	100	100	100
LLC Almaz Pres Ukraine*	Ukraine	Tsymlyanskiy Residence*	55	55	55
LLC Retail Development Balabino**	Ukraine		100	100	100
LLC Interterminal**	Ukraine		100	100	100
LLC Aisi Ilvo	Ukraine		100	100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100	100
Best Day Real Estate Srl	Romania		100	100	100
Yamano Holdings Limited	Cyprus		100	100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100	100
Bluehouse Accession Project IV Limited**	Cyprus		100	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	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100	100
Diforio Holdings Limited**	Cyprus	Residential and Land portfolio	100	100	100
Demetiva Holdings Limited**	Cyprus		100	100	100
Ketiza Holdings Limited	Cyprus		90	90	90
Frizomo Holdings Limited	Cyprus		100	100	100
SecMon Real Estate Sr	Romania		100	100	100
Ketiza Real Estate Srl	Romania		90	90	90
Edetrio Holdings Limited	Cyprus		100	100	100
Emakei Holdings Limited	Cyprus		100	100	100
RAM Real Estate Management Limited	Cyprus		50	50	50
Iuliu Maniu Limited	Cyprus		45	45	45
Moselin Investments Srl	Romania		45	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	44,30
Jenby Investments Srl	Romania		-	-	44,30
Ebenem Limited**	Cyprus		44,30	44,30	44,30
Ebenem Investments Srl	Romania		-	-	44,30
Sertland Properties Limited	Cyprus		100	100	100
Mofben Investments Limited**	Cyprus		100	100	100
SPDI Management Srl	Romania		100	100	100

\* 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 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.

\*\* 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, which became idle following relevant asset disposals.

As part of Stage 2 of the transaction with Arcona, during the first half of 2022 the Group proceeded with

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 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. The case is associated with the Bluehouse litigation case (Note 39.3) 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

### 9.1 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 Kiyanovskiy 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, Emakei Holdings Limited, Iuliu Maniu Limited, Ram Real Estate Management Limited, Frizomo Holdings Limited and Ketiza 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, SPD I 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).

### 9.2 Results of the Discounted Operations

	Note	30 June 2023 €	30 June 2022 €
Income	10	76.009	417.610
Asset operating expenses	11	(466.390)	(276.221)
<b>Net Operating Income</b>		<b>(390.381)</b>	<b>141.389</b>
Administration expenses	12	(44.838)	(70.823)
Share of profits from associates	21	(335.533)	-
Valuation gains/(losses) from Investment Property	13	33.150	(1.793.710)
Gain/(loss) on disposal of subsidiary	20.2.1 A&B	-	(2.970.951)
Net profit/(loss) on disposal of investment property	14	-	(982.792)
Other operating income/(expenses), net	15	(71)	(104.116)
<b>Operating profit</b>		<b>(737.673)</b>	<b>(5.781.003)</b>
Finance income	16	449	4.645
Finance costs	16	(304.197)	(364.052)
<b>Profit/(Loss) before tax and foreign exchange differences</b>		<b>(1.041.421)</b>	<b>(6.140.410)</b>
Foreign exchange (loss), net	17a	(19.066)	(30.976)
<b>Profit/(Loss) before tax</b>		<b>(1.060.487)</b>	<b>(6.171.386)</b>
Income tax expense	18	-	(33.251)
<b>Profit/(Loss) for the year</b>		<b>(1.060.487)</b>	<b>(6.204.637)</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent		(1.051.053)	(5.982.678)
Non-controlling interests		(9.434)	(221.959)
		<b>(1.060.487)</b>	<b>(6.204.637)</b>

### 9.3 Cash Flows from (used in) discontinued operation

	30 June 2023	30 June 2022
	€	€
Net cash flows provided in operating activities	(348.415)	(2.014.264)
Net cash flows from / (used in) financing activities	94.977	5.473.653
Net cash flows from / (used in) investing activities	(239.742)	(565.587)
<b>Net increase/(decrease) from discontinued operations</b>	<b>(493.180)</b>	<b>2.893.802</b>

### 9.4 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale relation to the discontinued operation as at 30 June 2023:

	Note	30 June 2023	31 December 2022
		€	€
<b>Assets classified as held for sale</b>			
Investment properties	19.4	11.596.620	11.631.996
Tangible and intangible assets	22	20	20
Long-term receivables and prepayments	23	315.000	315.000
Investments in associates	21	1	335.534
Prepayments and other current assets	24	1.202.288	1.267.713
Cash and cash equivalents	26	168.741	284.828

<b>Total assets of group held for sale</b>		<b>13.282.670</b>	<b>13.835.091</b>
<b>Liabilities directly related with assets classified as held for sale</b>			
Borrowings	30	4.225.522	4.021.192
Finance lease liabilities	35	6.085.288	6.225.930
Trade and other payables	32	479.006	431.307
Taxation	34	207.176	184.227
Deposits from tenants	33	23.002	23.002
<b>Total liabilities of group held for sale</b>		<b>11.019.994</b>	<b>10.885.658</b>

## 10. Income

Income from continued operations for the period ended 30 June 2023 represents:

a) 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.

<b>Continued operations</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€
Rental income	384.909	358.514
Service charges and utilities income	403.166	151.236
<b>Total income</b>	<b>788.075</b>	<b>509.750</b>

Income from discontinued operations for the period ended 30 June 2023 represents:

a) 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 H1 2023 is due to the sale of EOS and Kindergarten during the year.

b) rental income and service charges by tenants of the Residential Portfolio, and;

<b>Discontinued operations (Note 9)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€
Rental income	64.265	408.891
Service charges and utilities income	11.744	8.719
<b>Total income</b>	<b>76.009</b>	<b>417.610</b>

Occupancy rates in the various income producing assets of the Group as at 30 June 2023 were as follows:

<b>Income producing assets</b>			
%		<b>30 June 2023</b>	<b>30 June 2022</b>
EOS Business Park	Romania	-	100
Innovations Logistics Park	Romania	80	73
Kindergarten	Romania	-	100

## 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 operation of the assets.

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

<b>Discontinued operations (Note 9)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€
Property related taxes	(24.961)	(82.212)
Repairs and technical maintenance	(12.362)	(13.432)
Utilities	(405.121)	(147.382)
Property security	(21.573)	(17.565)
Property insurance	(329)	(6.208)
Leasing expenses	(2.044)	(3.421)
Other investment property operating expenses	-	(6.001)
<b>Total</b>	<b>(466.390)</b>	<b>(276.221)</b>

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 H1 2023 resulted from the disposal of assets during 2022.

Repairs and technical maintenance reflect the relevant works performed on properties during the period for facilitating their proper use, and / or successful sale, and remained at the same levels during the current period.

Utilities increase came from Innovations Logistics Park in Bucharest, and is matched effectively with the increased service charges and utilities income, as these were 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 Tsymlyanskiy lease extension.

## 12. Administration Expenses

<b>Continued operations</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€

Salaries and Wages	(49.479)	(166.927)
Incentives pursuant to RemCo proposal	-	(184.500)
Advisory and broker fees	(167.593)	(85.107)
Public group expenses	(96.601)	(75.005)
Corporate registration and maintenance fees	(24.618)	(24.395)
Vat Expensed	(3.868)	(10.711)
Audit and accounting fees	(45.991)	(47.468)
Tax advisory services	(70.000)	-
Legal fees	(76.430)	(152.731)
Depreciation/Amortization charge	(349)	(787)
Corporate operating expenses	(88.903)	(112.041)
<b>Total Administration Expenses</b>	<b>(623.832)</b>	<b>(859.672)</b>

<b>Discontinued operations (Note 9)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>€</b>	<b>€</b>
Salaries and Wages	(9.882)	(14.592)
Advisory fees and broker fees	-	(1.918)
Corporate registration and maintenance fees	(12.968)	(22.188)
Vat Expensed	(3.236)	(4.385)
Audit and accounting fees	(13.355)	(21.368)
Legal fees	(1.505)	(432)
Depreciation/Amortization charge	(50)	(65)
Corporate operating expenses	(3.842)	(5.875)
<b>Total Administration Expenses</b>	<b>(44.838)</b>	<b>(70.823)</b>

Salaries and wages include the remuneration of the CEO (H1 2023: €0, H1 2022: €63.123), 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 filing services.

Tax advisory fees are related to ad-hoc fees paid to advisors for applying and succeeding a new tax ruling for the Company, which based on current structure of operations, is estimated to produce significantly lower imposed taxes.

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 ~€11k relevant legal fees associated with the closings as part of Stage 2 of the transaction with Arcona, and ~€57k 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.

The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k, while the decision for registering relevant fees for 2022 and H1 2023 is still pending by the board.

### 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.

<b>Discontinued operations (Note 9)</b>		
<b>Property Name (€)</b>	<b>Valuation gains/(losses)</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>€</b>	<b>€</b>
Kiyanovskiy Residence	11.150	(1.296.510)
Rozny Lane	(9.491)	(485.608)
Innovations Logistics Park	31.491	(5.295)
GreenLake	-	(5.576)
Kindergarten	-	(721)
<b>Total</b>	<b>33.150</b>	<b>(1.793.710)</b>

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, which involves the approval by a relevant committee of the municipality, before the final approval by the City Council, has not been obtained yet 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 decided in H1 2022 accounts to impair the value of those assets at 50% of their reported value and continues 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 EUR for reporting effect in the accounting books of the local entities. Similarly, valuations of

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 Investment properties

During the reporting period the Group has not proceeded with any sale of property classified under Investment Properties. Any gain/ (losses) from disposal of such properties are presented below:

During H1 2022 the Group sold in Moselin (Greenlake Parcel K) 2 villas, Green Lake Phase 2 land, in particular Parcels B,C,F and part of G and additional adjacent land owned by Green Lake Development SRL, in a transaction with a local developer. The results of the part of the transaction which conducted by Green Lake Development SRL are not included in the table below since the selling entity is an associate.

Discontinued operations (Note 9)	30 June 2023	30 June 2022
	€	€
Income from sale of investment property	-	3,495,146
Cost of investment property	-	(4,477,938)
<b>Loss from disposal of investment property</b>	-	<b>(982,792)</b>

#### 15. Other Operating Income/ (expenses) net

Continued operations	30 June 2023	30 June 2022
	€	€
Other income	9,003	9,198
<b>Other income</b>	<b>9,003</b>	<b>9,198</b>
Penalties	(192)	(323)
Other expenses	(18,712)	(5,234)
<b>Other expenses</b>	<b>(18,904)</b>	<b>(5,557)</b>
<b>Other operating income/(expenses), net</b>	<b>(9,901)</b>	<b>3,641</b>

##### Continued operations

Other income represents income from services to an associate company.

##### Discontinued operations

Other expenses in discontinued operations in comparative 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		
<b>Finance income</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€
Interest received from non-bank loans (Note 38.1.1)	159,777	187,273
<b>Total finance income</b>	<b>159,777</b>	<b>187,273</b>

Finance costs	30 June 2023	30 June 2022
	€	€
Interest expenses (non-bank) (Note 38.1.2)	(11,455)	(24,985)
Finance charges and commissions	(2,206)	(2,406)
Bonds interest	(23,651)	(33,787)
<b>Total finance costs</b>	<b>(37,312)</b>	<b>(61,178)</b>
<b>Net finance result</b>	<b>122,465</b>	<b>126,095</b>

Discontinued operations (Note 9)		
<b>Finance income</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	€	€
Interest received from non-bank loans (Note 38.1.1)	424	4,645
Interest received from bank deposits	25	-
<b>Total finance income</b>	<b>449</b>	<b>4,645</b>

Finance costs	30 June 2023	30 June 2022
	€	€
Interest expenses (bank)	(158,792)	(199,643)
Interest expenses (non-bank) (Note 38.1.2)	-	(11,993)
Finance leasing interest expenses	(144,618)	(151,143)
Finance charges and commissions	(787)	(1,273)
<b>Total finance costs</b>	<b>(304,197)</b>	<b>(364,052)</b>
<b>Net finance result</b>	<b>(303,748)</b>	<b>(359,407)</b>

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 30).

Finance leasing interest expenses relate to the sale and lease back agreements of the Group (Note 35).

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



banks.

Bonds interest represents interest calculated for the bonds issued by the Company during 2018 (Note 31).

## 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 30 June 2023 from continued operations amounted to €34.386 (30 June 2022: loss €11.065).

The exchange loss from discontinued operations for the year ended 30 June 2023 amounted to €19.066 (30 June 2022: loss €30.976) (Note 9).

### b. Exchange difference on intercompany loans to foreign holdings

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 38.3). For these intercompany loans the foreign exchange differences are recognized initially in other comprehensive income and in a separate component of equity. During 30 June 2023, the Group recognized a foreign exchange loss of €0 (30 June 2022: loss of €0).

## 18. Tax Expense

Continued operations	30 June 2023	30 June 2022
	€	€
Income and defence tax expense	(90)	2.277
Taxes	(90)	2.277

Discontinued operations (Note 9)	30 June 2023	30 June 2022
	€	€
Income and defence tax expense	-	(33.251)
Taxes	-	(33.251)

For the period ended 30 June 2023 the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, and in Romania 16%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

## 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 2022 the remaining residential portfolio held by Moselin Investments Srl in GreenLake Residential complex. The associate company Green Lake Developments Srl also sold all 7 remaining units during H1 2023 still owning some auxiliary properties (parking and storage spaces), classified under associates (Note 21).

#### Land Assets

- Kiyanovskiy 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.
- 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, which involves the approval of a relevant committee of the municipality, before the final approval by the City Council, has not been obtained yet 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). The land was sold during 2022.

### 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

30 June 2023 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 30/06/2023	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Disposals H1 2023	Additions H1 2023	Carrying amount as at 31/12/2022
Kiy anovskiy Residence	Land	1.380.453	(37.035)	11.150	-	-	1.406.338
Tsymly anskiy Residence	Land	1	-	-	-	-	1
Rozny Lane	Land	506.166	-	(9.491)	-	-	515.657
Total Ukraine		1.886.620	(37.035)	1.659	-	-	1.921.996
Innovations Logistics Park	Warehouse	9.710.000	(31.491)	31.491	-	-	9.710.000
Total Romania		9.710.000	(31.491)	31.491	-	-	9.710.000
Total		11.596.620	(68.526)	33.150	-	-	11.631.996

30 June 2023 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 30/06/2023	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Disposals H1 2023	Additions H1 2023	Carrying amount as at 31/12/2022
Kiyanovskiy Residence	Land	1.380.453	(37.035)	11.150	-	-	1.406.338
Tsymlyanskiy Residence	Land	1	-	-	-	-	1
Rozny Lane	Land	506.166	-	(9.491)	-	-	515.657
Total Ukraine		1.886.620	(37.035)	1.659	-	-	1.921.996
Innovations Logistics Park	Warehouse	9.710.000	(31.491)	31.491	-	-	9.710.000
Total Romania		9.710.000	(31.491)	31.491	-	-	9.710.000
Total		11.596.620	(68.526)	33.150	-	-	11.631.996

### 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			
				30 June 2023		31 Dec 2022	
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€	€	€
Kiy anovskiy Residence	Podil, Kiev City Center	Land for residential development	LLC Aisi Ukraine LLC Trade Center	-	1.380.453	-	1.406.338
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	-	506.166	-	515.657
<b>Total Ukraine</b>				-	<b>1.886.620</b>	-	<b>1.921.996</b>
Innovations Logistics Park	Clineni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	9.710.000	-	9.710.000
<b>Total Romania</b>				-	<b>9.710.000</b>	-	<b>9.710.000</b>
<b>TOTAL</b>				-	<b>11.596.620</b>	-	<b>11.631.996</b>

### 19.4 Investment Property analysis

#### Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park in Romania, and Kiy anovskiy, Tsymlyanskiy and Rozny Lane land assets in Ukraine.

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
<b>At the beginning of the reporting period</b>	-	<b>11.631.996</b>	-	<b>31.554.991</b>
Additions	-	-	-	-
Disposal of investment Property	-	-	-	(18.235.000)
Revaluation (loss)/gain on investment property	-	33.150	-	(1.245.230)
Translation difference	-	(68.526)	-	(442.765)
<b>As at the end of the reporting period</b>	-	<b>11.596.620</b>	-	<b>11.631.996</b>

Disposals in 2022 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.

### 20 Investment Property Acquisitions, Goodwill Movement and Disposals

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

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
<b>Consideration:</b>	
Shares in Arcona	4.292.953
<b>Loss on Disposal</b>	<b>(885.716)</b>

#### 20.2.1 (C) Disposal of Kindergarden

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

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 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
<b>ASSETS</b>	€	€	€	€	€	€	€
<b>Non-current assets</b>							
Investment properties	808.000	-	1.510.000	-	612.000	2.562.000	<b>5.492.000</b>
<b>Current assets</b>							
Prepayments and other current assets	5.789	-	118.695	-	3.406	8.644	<b>136.534</b>
Cash and cash equivalents	62	-	18.982	-	44	40	<b>19.128</b>
<b>Total Assets</b>	<b>813.851</b>	<b>-</b>	<b>1.647.677</b>	<b>-</b>	<b>615.450</b>	<b>2.570.684</b>	<b>5.647.662</b>
<b>LIABILITIES</b>							
Interest bearing borrowings	623	-	1.555	-	12.239	19.757	<b>34.174</b>
Other liabilities	31.622	94.736	26.259	4.626	16.801	25.773	<b>199.817</b>
<b>Total Liabilities</b>	<b>32.245</b>	<b>94.736</b>	<b>27.814</b>	<b>4.626</b>	<b>29.040</b>	<b>45.530</b>	<b>233.991</b>
<b>NET ASSET</b>	<b>781.606</b>	<b>(94.736)</b>	<b>1.619.863</b>	<b>(4.626)</b>	<b>586.410</b>	<b>2.525.154</b>	<b>5.413.671</b>
<b>Group % Holding</b>	<b>70,56%</b>	<b>70,56%</b>	<b>44,24%</b>	<b>44,24%</b>	<b>44,30%</b>	<b>44,30%</b>	
<b>Net share of the group</b>	<b>551.501</b>	<b>(66.846)</b>	<b>716.627</b>	<b>(2.047)</b>	<b>259.780</b>	<b>1.118.643</b>	<b>2.577.658</b>
<b>Consideration:</b>							
Cash							<b>400.000</b>
Variable Compensation							<b>450.000</b>
<b>Total Consideration</b>							<b>850.000</b>
<b>Loss on Disposal</b>							<b>(1.727.658)</b>

During 2022, 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.

<b>Total losses on Disposal (A) &amp; (B) &amp; (C) &amp; (D)</b>	<b>(4.871.809)</b>
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#### 21. Investments in associates

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 2022 with the already 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 30 June 2023, 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
		€	€	€	%	€		
Vic City Project	Equardo Holdings Limited	267.600	(267.080)	(7.349)	50%	-	Romania	Land
Green Lake Project	GreenLake Development Srl	1.365.226	(1.851.214)	(835.741)	40,35%	(335.533)	Romania	Residential assets
		<b>1.632.826</b>	<b>(2.118.294)</b>	<b>(843.090)</b>		<b>(335.533)</b>		

As at 30 June 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	-	-	-	-	-	Romania	Office building

Vic City Project	Construct Srl							
	Eduardo Holdings Limited	273.954	(255.872)	(7.643)	50%	(3.822)	Romania	Land
Green Lake Project	GreenLake Development Srl	3.783.789	(5.426.760)	1.233.492	40,35%	-	Romania	Residential assets
		<b>4.057.743</b>	<b>(5.682.632)</b>	<b>1.225.849</b>		<b>(3.822)</b>		

## 22. Tangible and intangible assets

As at 30 June 2023 the intangible assets were composed of the capitalized expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2022: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (31 Dec 2022: €103.193) and therefore net value amounts to €0 (31 Dec 2022: €0).

As at 30 June 2023 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €466 (31 Dec 2022: €816).

As at 30 June 2023 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 €31.474 (31 Dec 2022 €32.244). Accumulated depreciation as at the reporting date amounts to €31.454 (31 Dec 2022: €32.224).

## 23. Long Term Receivables and prepayments

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	820	315.000	824	315.000
<b>Total</b>	<b>820</b>	<b>315.000</b>	<b>824</b>	<b>315.000</b>

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

## 24. Prepayments and other current assets

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	662.766	1.131.159	603.257	1.019.634
VAT and other tax receivables	156.566	71.131	132.771	52.836
Deferred expenses	299	-	-	128
Receivables due from related parties	43.104	200.529	75.095	195.115
Loan receivables from 3 <sup>rd</sup> parties	3.003.762	-	3.463.985	-
Loan to associates (Note 38.4)	-	80.665	-	229.629
Allowance for impairment of prepayments and other current assets	(57.991)	(281.196)	(121.946)	(229.629)
<b>Total</b>	<b>3.808.506</b>	<b>1.202.288</b>	<b>4.153.162</b>	<b>1.267.713</b>

Trade and other receivables mainly include receivables from tenants and prepayments made for services.

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

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

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 3<sup>rd</sup> 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 (2022: €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 38.4).

## 25. 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:

	30 June 2023	31 Dec 2022
	€	€
Arcona shares	11.920.030	7.330.145
Acquired Arcona shares	-	5.679.202
FV change in Arcona shares	10.729	(1.089.317)
<b>Arcona shares at reporting date</b>	<b>11.930.759</b>	<b>11.920.030</b>
Warrants over Arcona shares	158.778	140.577

WARRANTS OVER ARCONA SHARES	30.06.2023	31.12.2022
Acquired Arcona shares	-	3
FV change in warrants	(73.127)	18.198
<b>Arcona warrants at reporting date</b>	<b>85.651</b>	<b>158.778</b>
<b>Total Financial Assets at FV</b>	<b>12.016.410</b>	<b>12.078.808</b>
FV change in Arcona shares	10.729	(1.089.317)
FV change in warrants	(73.127)	18.198
<b>Fair Value loss on Financial Assets at FV through P&amp;L</b>	<b>(62.398)</b>	<b>(1.071.119)</b>

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 2022 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 gain of €10.729 (2022: loss €1.089.317) 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 2022 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 reporting period end, the warrants are re-valued to fair value and as a result a relevant loss of €73.129 (2022: gain €18.198) is recognized. The terms and assumptions used for such warrant re-valuation are:

Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 5,42 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: 21,25%
- Annualized dividend yield on shares: 0%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 5,322%

## 26. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	553	-	1.472	7.734
Cash with banks in EUR	17.750	23.641	38.704	80.151
Cash with banks in UAH	254	395	395	813
Cash with banks in RON	66.430	144.705	25.710	196.130
Cash with banks in GBP	3.271	-	289	-
<b>Total</b>	<b>88.258</b>	<b>168.741</b>	<b>66.570</b>	<b>284.828</b>

## 27. Share capital

### Number of Shares

	30 June 2023	31 Dec 2022
<b>Authorised</b>		
Ordinary shares of €0,01	989.869.935	989.869.935
<b>Total ordinary shares</b>	<b>989.869.935</b>	<b>989.869.935</b>
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	8.618.997	8.618.997
<b>Total redeemable shares</b>	<b>8.618.997</b>	<b>8.618.997</b>
<b>Issued and fully paid</b>		
Ordinary shares of €0,01	129.191.442	129.191.442
<b>Total ordinary shares</b>	<b>129.191.442</b>	<b>129.191.442</b>
<b>Total</b>	<b>129.191.442</b>	<b>129.191.442</b>

### Nominal value (€)

€	30 June 2023	31 Dec 2022
<b>Authorised</b>		
Ordinary shares of €0,01	9.898.699	9.898.699
<b>Total ordinary shares</b>	<b>9.898.699</b>	<b>9.898.699</b>
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	86.190	86.190
<b>Total redeemable shares</b>	<b>86.190</b>	<b>86.190</b>
<b>Issued and fully paid</b>		
Ordinary shares of €0,01	1.291.281	1.291.281
<b>Total ordinary shares</b>	<b>1.291.281</b>	<b>1.291.281</b>
<b>Total</b>	<b>1.291.281</b>	<b>1.291.281</b>

### 27.1 Authorised share capital

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

- a) 989.869.935 Ordinary Shares of €0,01 nominal value each,  
b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 27.3).

## 27.2 Issued Share Capital

As at the end of 30 June 2023, the issued share capital of the Company was 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.

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

- for the Redeemable Preference Class B Shares, in lieu of redemption the Company gave its 20% holding in Autounion (Note 27.3) 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 39.3). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

## 27.3 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) 30 June 2023	(as at) 31 December 2022	(as at) 31 December 2021
<b>Ordinary shares of €0,01</b>	<b>Issued and Listed on AIM</b>	<b>129.191.442</b>	<b>129.191.442</b>	<b>129.191.442</b>
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442	129.191.442
<b>Total number of Shares</b>	<b>Full Dilutive Basis</b>	<b>129.191.442</b>	<b>129.191.442</b>	<b>129.191.442</b>
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 vendor in respect of a final settlement (Notes 32, 39.3).

## 28. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency to EUR of the Group's subsidiaries are accounted 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 the Company's subsidiaries' functional currencies are not EUR. The Company had foreign exchange gain on translation due to presentation currency of €1.080.634 in H1 2023, compared to €19.148 in H1 2022.

## 29. 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	30 June 2023	31 Dec 2022
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
Jenby Ventures Limited	55,70	55,70
Ebenem Limited	55,70	55,70

## 30. Borrowings

	Project	30 June 2023		31 Dec 2022	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Principal of bank Loans</b>					
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Loans from other 3 <sup>rd</sup> parties and related parties (Note 38.5)		109.599	2.306	502.130	2.314
Overdrafts		-	44	-	17
<b>Total principal of bank and non-bank Loans</b>		<b>109.599</b>	<b>2.528.288</b>	<b>502.130</b>	<b>2.528.269</b>
Interest accrued on bank loans		-	1.697.234	-	1.492.923
Interests accrued on non-bank loans		4.022	-	95.227	-
<b>Total</b>		<b>113.621</b>	<b>4.225.522</b>	<b>597.357</b>	<b>4.021.192</b>

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	-	4.225.522	-	4.201.192
Non-current portion	113.621	-	597.357	-
<b>Total</b>	<b>113.621</b>	<b>4.225.522</b>	<b>597.357</b>	<b>4.201.192</b>

## Continued Operations

Loans from other 3<sup>rd</sup> parties and related parties under continued operations include among others:

A) Loan from one Director of €100k provided as bridge financing for future property acquisitions. The loan bears annual interest of 8% (Note 38.5).

### **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 €1.697.234 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 mutually agreed solution.

Loans from other 3<sup>rd</sup> 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 at 4% annually.

### **31. 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 bond element of the instrument which was in the value of: €723.690 (2022: €723.690) 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.

### **32. Trade and other payables**

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

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	3.055.392	445.063	3.070.074	389.462
Payables to related parties (Note 38.2)	209.732	12.176	495.157	13.883
Deferred income from tenants	-	7.815	-	7.840
Accruals	85.437	13.952	68.827	20.122
Pre-sale advances (Advances received for sale of properties)	95.147	-	97.711	-
<b>Total</b>	<b>3.445.708</b>	<b>479.006</b>	<b>3.731.769</b>	<b>431.307</b>

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	3.445.708	471.191	3.731.769	7.840
Non-current portion	-	7.815	-	423.467
<b>Total</b>	<b>3.445.708</b>	<b>479.006</b>	<b>3.731.769</b>	<b>431.307</b>

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 27.3) which is under legal proceedings for a final settlement (Note 39.3) , 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 38.2). 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.

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.

### **33. Deposits from Tenants**

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Deposits from tenants non-current	-	23.002	-	23.002
<b>Total</b>	<b>-</b>	<b>23.002</b>	<b>-</b>	<b>23.002</b>

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants in Innovations Logistics Park are to be reimbursed to those at the expiration of the lease agreements.



### 34. Provisions and Taxes Payables

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax - non current	39.767	22.099	165.817	41.981
Defence tax - non current	17.173	-	14.252	-
Tax provision - non current	-	-	399.450	-
<b>Non-current</b>	<b>56.940</b>	<b>22.099</b>	<b>579.519</b>	<b>41.981</b>
Corporate income tax - current	30.255	10.146	30.631	12.064
Other taxes including VAT payable - current	3.447	174.931	6.943	130.182
Provisions - current	40	-	-	-
<b>Current</b>	<b>33.742</b>	<b>185.077</b>	<b>37.574</b>	<b>142.246</b>
<b>Total Provisions and Taxes Payables</b>	<b>90.682</b>	<b>207.176</b>	<b>617.093</b>	<b>184.227</b>

Corporate income tax represents taxes payable in Cyprus and Romania.

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

Following the new tax ruling obtained by the Company during H1 2023 in relation to the status of its operations in front of local tax authorities, the tax provisions made in previous periods have been eliminated, since it is no longer estimated that such amounts could be imposed in the future following a relevant tax audit.

### 35. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €6.027.887 and the current portion of €57.401 (31 December 2022: €6.168.403 and €57.527, accordingly).

#### Discontinued operations

30 June 2023	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	41.2 & 41.6	561.820	280.826	280.994
Between two and five years		6.297.405	507.301	5.790.104
More than five years		18.805	5.116	13.689
		<b>6.878.030</b>	<b>793.243</b>	<b>6.084.787</b>
Accrued Interest				501
<b>Total Finance Lease Liabilities</b>				<b>6.085.288</b>

31 Dec 2022	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	41.2 & 41.6	568.486	287.549	280.937
Between two and five years		6.574.889	645.268	5.929.621
More than five years		21.831	6.529	15.302
		<b>7.165.206</b>	<b>939.346</b>	<b>6.225.860</b>
Accrued Interest				70
<b>Total Finance Lease Liabilities</b>				<b>6.225.930</b>

### 35.1 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 €23.663 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 Tsymlyanskiy, 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, which involves the approval by a committee of the municipality, before the final approval by the City Council, has not been obtained yet 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, and we continue calculate relevant future lease obligations.

### 35.2 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 €6.061.625 (2022: €6.201.629), 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.

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

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

	30 June 2023	31 Dec 2022	30 June 2022
Issued ordinary shares capital	129.191.442	129.191.442	129.191.442
Weighted average number of ordinary shares (Basic)	129.191.442	129.191.442	129.191.442
Diluted weighted average number of ordinary shares	129.191.442	129.191.442	129.191.442

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

Earnings per share	30 Jun 2023	30 Jun 2022
	€	€
Profit/(Loss) after tax attributable to owners of the parent	179.933	(678.429)
Basic	0,001	(0,005)
Diluted	0,001	(0,005)

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

Earnings per share	30 Jun 2023	30 Jun 2022
	€	€
Profit/(Loss) after tax from discontinued operations attributable to owners of the parent	(1.060.487)	(6.204.637)
Basic	(0,008)	(0,05)
Diluted	(0,008)	(0,05)

#### d. Net assets per share

Net assets per share	30 Jun 2023	31 Dec 2022
	€	€
Net assets attributable to equity holders of the parent	13.324.137	13.111.260
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,10	0,10
Diluted	0,10	0,10

### 37. 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 in Green Lake

#### 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.

### Continued Operations

#### Profit and Loss for the period ended 30 June 2023

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	-	-	-	-	-	384.909	384.909
Service charges and utilities income (Note 10)	-	-	-	-	-	403.166	403.166
Profit from discontinued operation (Note 9)	46.793	-	-	865	(338.307)	(402.115)	(692.764)
Impairment of financial investments (Note 25)	-	-	-	-	-	(62.398)	(62.398)
<b>Segment profit</b>	<b>46.793</b>	<b>-</b>	<b>-</b>	<b>865</b>	<b>(338.307)</b>	<b>323.562</b>	<b>32.913</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(623.832)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(9.901)
Finance income (Note 16)	-	-	-	-	-	-	159.777
Interest expenses (Note 16)	-	-	-	-	-	-	(35.106)
Other finance costs (Note 16)	-	-	-	-	-	-	(2.206)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(34.386)
Income tax expense (Note 18)	-	-	-	-	-	-	(90)
Profit from discontinued operations (Note 9)	-	-	-	-	-	-	(367.723)
Exchange difference on translation							

Exchange difference on translation foreign holdings (Note 28)	-	-	-	-	-	-	1.080.634
<b>Total Comprehensive Income</b>							<b>200.080</b>

#### Continued Operations

##### Profit and Loss for the period ended 30 June 2022

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	-	-	-	-	-	358.514	358.514
Service charges and utilities income (Note 10)	-	-	-	-	-	151.236	151.236
Profit from discontinued operation (Note 9)	(41.186)	(569.325)	51.266	(510)	(2.819.347)	(2.226.963)	(5.606.065)
Gain realized on acquisition of subsidiary	-	-	-	-	-	1.041	1.041
Gains/(losses) from investments in associates (Note 21)	-	-	-	-	-	(3.822)	(3.822)
Impairment of financial investments (Note 25)	-	-	-	-	-	(446.674)	(446.674)
<b>Segment profit</b>	<b>(41.186)</b>	<b>(569.325)</b>	<b>51.266</b>	<b>(510)</b>	<b>(2.819.347)</b>	<b>(2.166.668)</b>	<b>(5.545.770)</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(859.672)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	3.641
Finance income (Note 16)	-	-	-	-	-	-	187.273
Interest expenses (Note 16)	-	-	-	-	-	-	(58.772)
Other finance costs (Note 16)	-	-	-	-	-	-	(2.406)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(11.065)
Income tax expense (Note 18)	-	-	-	-	-	-	2.277
Profit from discontinued operations (Note 9)	-	-	-	-	-	-	(598.572)
Exchange difference on translation foreign holdings (Note 28)	-	-	-	-	-	-	19.148
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.863.918)</b>

\* 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 agreement between the Company and the lender, with which the Company leases part of the terminal's space. 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.

#### Discontinued Operations

##### Profit and Loss for the period ended 30 June 2023

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	63.062	-	-	1.203	-	-	64.265
Service charges and utilities income (Note 10)	8.749	-	-	-	2.995	-	11.744
Valuation gains/(losses) from investment property (Note 13)	31.491	-	-	-	1.659	-	33.150
Gains/(losses) from investments in associates (Note 21)	-	-	-	-	(335.533)	-	(335.533)
Asset operating expenses (Note 11)	(56.509)	-	-	(338)	(7.428)	(402.115)	(466.390)
<b>Segment profit</b>	<b>46.793</b>	<b>-</b>	<b>-</b>	<b>865</b>	<b>(338.307)</b>	<b>(402.115)</b>	<b>(692.764)</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(44.838)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(71)
Finance income (Note 16)	-	-	-	-	-	-	449
Interest expenses (Note 16)	-	-	-	-	-	-	(303.410)
Other finance costs (Note 16)	-	-	-	-	-	-	(787)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(19.066)
Income Tax (Note 18)	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.060.487)</b>

##### Profit and Loss for the period ended 30 June 2022

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Property Sales income (Note 14)	-	-	-	-	3.495.146	-	3.495.146
Cost of Property sold (Note 14)	-	-	-	-	(4.477.938)	-	(4.477.938)
Rental income (Note 10)	16.930	331.363	59.998	600	-	-	408.891
Service charges and utilities income (Note 10)	2.393	-	-	-	6.326	-	8.719
Valuation gains/(losses) from investment property (Note 13)	(5.295)	-	(721)	-	(1.787.694)	-	(1.793.710)
Loss on disposal of subsidiary (Note 20.2.1 A&B)	-	(885.614)	-	-	-	(2.085.337)	(2.970.951)
Asset operating expenses (Note 11)	(55.214)	(15.072)	(8.011)	(1.112)	(55.186)	(141.626)	(276.221)
<b>Segment profit</b>	<b>(41.186)</b>	<b>(569.323)</b>	<b>51.266</b>	<b>(512)</b>	<b>(2.819.346)</b>	<b>(2.226.963)</b>	<b>(5.606.064)</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(70.823)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(104.116)
Finance income (Note 16)	-	-	-	-	-	-	4.645
Interest expenses (Note 16)	-	-	-	-	-	-	(362.779)
Other finance costs (Note 16)	-	-	-	-	-	-	(1.273)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(30.976)
Income Tax (Note 18)	-	-	-	-	-	-	(33.251)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.204.637)</b>

#### Total Operations

[illegible][illegible][illegible][illegible]

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
<b>Segment liabilities</b>	<b>6,224.647</b>	-	-	-	<b>4,045.477</b>	-	<b>10,270.124</b>
Trade and other payables	-	-	-	-	-	-	431.307
Taxation	-	-	-	-	-	-	184.227
<b>Total liabilities</b>	-	-	-	-	-	-	<b>10,885.658</b>

#### Geographical information

	30 June 2023		30 June 2022	
Income (Note 10)	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	76.009	-	417.610
Cyprus *	788.075	-	509.750	-
<b>Total</b>	<b>788.075</b>	<b>76.009</b>	<b>509.750</b>	<b>417.610</b>

\* 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 agreement between the Company 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 successful, upon completion such income will be also transferred.

Gain/(loss) from disposal of investment properties (Note 14)	30 June 2023		30 June 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	-	-	(982.792)
<b>Total</b>	-	-	-	<b>(982.792)</b>

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
<b>Carrying amount of assets</b> (investment properties and associates)				
Ukraine	-	1.886.620	-	1.921.996
Romania	1	9.710.001	1	10.045.534
<b>Total</b>	<b>1</b>	<b>11.596.621</b>	<b>1</b>	<b>11.967.530</b>

### 38. Related Party Transactions

The following transactions were carried out with related parties:

#### 38.1 Income/ Expense

##### 38.1.1 Income

	30 June 2023		30 June 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income from loan to associates (Note 16)	-	424	161	4.645
<b>Total</b>	-	<b>424</b>	<b>161</b>	<b>4.645</b>

Interest income from loan to related parties represent interest income from GreenLake Development Srl (associate).

##### 38.1.2 Expenses

	30 June 2023		30 June 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration and incentives (Note 12)	10.657	-	298.843	-
Interest expenses on Director and Management Loans (Note 16)	11.454	-	19.100	-
<b>Total</b>	<b>22.111</b>	-	<b>317.943</b>	-

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.

The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k, while the decision for registering relevant fees for H1 2023 and 2022 is still pending by the Board.

#### 38.2 Payables to related parties (Note 32)

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	75.149	-	218.171	-
Sec South East Continent Unique Real Estate Management Limited	65	-	65	-
Management Remuneration	134.518	-	276.921	-
<b>Total</b>	<b>209.732</b>	-	<b>495.157</b>	-

##### 38.2.1 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. The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k, while the decision for registering relevant fees for H1 2023 and 2022 is still pending by the Board.

NOTE 127K, while the decision for registering relevant fees for FY 2023 and 2024 is still pending by the Board.

### 38.2.2 Management Remuneration

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

### 38.3 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	Principal as at 30 June 2023	Principal as at 31 Dec 2022
	€	€	€
LLC "Trade Center"	-	5.915	6.074
LLC "Aisi Ukraine"	23.062.351	306.579	295.549
LLC "Almaz-Press-Ukraine"	8.236.554	268.542	275.778
LLC "Aisi Ilvo"	150.537	18.889	19.398
<b>Total</b>	<b>31.449.442</b>	<b>599.925</b>	<b>596.799</b>

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 €59.993, estimated on balances held at 30 June 2023.

### 38.4 Loans to associates (Note 24)

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans to GreenLake Development Srl	-	80.665	-	229.629
<b>Total</b>	-	<b>80.665</b>	-	<b>229.629</b>

The loan was provided to GreenLake Development Srl from Edetrio Holdings Limited (discontinued operations) and was signed on 14 June 2012. It bears interest 5% and it was partially repaid during the current period.

### 38.5 Loans from related parties (Note 30)

	30 June 2023		31 Dec 2022	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Directors and Management	100.000	-	492.500	-
Interest accrued on loans from related parties	4.022	-	95.227	-
<b>Total</b>	<b>104.022</b>	-	<b>587.727</b>	-

Loan from Directors and Management reflect a loan from one director of the order of € 100.000 as bridge financing for future property acquisitions. The loan bears interest 8% annually. During the period the Company proceeded to full repayment of similar loans from other two directors.

## 39. Contingent Liabilities

### 39.1 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.

### 39.2 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.

### 39.3 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

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 that 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.

### 39.4 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.

### 39.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2023.

### 40. Commitments

The Group had no other commitments as at 30 June 2023.

## 41. Financial Risk Management

### 41.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be available to implement its stated growth strategy in order 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 30), bonds (Note 31), trade and other payables (Note 32) deposits from tenants (Note 33), financial leases (Note 35), taxes payable (Note 34) 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 shareholders' Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

### 41.2 Categories of Financial Instruments

	Note	30 June 2023		31 Dec 2022	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Financial Assets</b>					
Cash at Bank	26	88.258	168.741	66.570	284.828
Long-term Receivables and prepayments	23	820	315.000	824	315.000
Financial Assets at FV through P&L	25	12.016.410	-	12.078.808	-
Prepayments and other receivables	24	3.808.506	1.202.288	4.153.162	1.267.713
<b>Total</b>		<b>15.913.994</b>	<b>1.686.029</b>	<b>16.299.364</b>	<b>1.867.541</b>
<b>Financial Liabilities</b>					
Borrowings	30	113.621	4.225.522	597.357	4.021.192
Trade and other payables	32	3.445.708	479.006	3.731.769	431.307
Deposits from tenants	33	-	23.002	-	23.002
Finance lease liabilities	35	-	6.085.288	-	6.225.930
Taxes payable and provisions	34	90.682	207.176	617.093	184.227
Bonds	31	846.387	-	822.736	-
<b>Total</b>		<b>4.496.398</b>	<b>11.019.994</b>	<b>5.768.955</b>	<b>10.885.658</b>

### 41.3 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.

### 41.4 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 interest-bearing assets. On June 30<sup>th</sup>, 2023, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to € 256.999 (31 December 2022: € 351.398) of which approx. €649 in UAH and €211.135 in RON (Note 26) while the remaining are mainly denominated in either GBP, USD or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to € 4.339.143 (31 December 2022: €4.618.549) 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.

As at 30 June 2023 the weighted average interest rate for all the interest bearing borrowings of the Group stands at 5,41% (31 December 2022: 5,36%).

The sensitivity analysis for EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 30 June 2023 is presented below:

	Actual as at 30.06.2023	+100 bps	+200 bps
Weighted average interest rate	5,41%	6,41%	7,41%
Influence on yearly finance costs		26.283	52.566

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

#### **41.5 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.

#### **41.6 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.

#### **Continued Operations**

30 June 2023	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	88.258	88.258	88.258	-	-
Financial Assets at FV through P&L	12.016.410	12.016.410	12.016.410	-	-
Prepayments and other receivables	3.808.506	3.808.506	3.808.506	-	-
Long-term Receivables and prepayments	820	820	-	-	820
<b>Total Financial assets</b>	<b>15.913.994</b>	<b>15.913.994</b>	<b>15.913.174</b>	<b>-</b>	<b>820</b>
<b>Financial liabilities</b>					
Borrowings	113.621	123.621	18.621	105.000	-
Trade and other payables	3.445.708	3.445.708	3.445.708	-	-
Bonds issued	846.387	1.034.546	169.736	47.040	817.770
Taxes payable and provisions	90.682	90.682	33.741	56.940	-
<b>Total Financial liabilities</b>	<b>4.496.398</b>	<b>4.694.557</b>	<b>3.667.807</b>	<b>208.980</b>	<b>817.770</b>
<b>Total net (liabilities)/ assets</b>	<b>11.417.596</b>	<b>11.219.437</b>	<b>12.245.367</b>	<b>(208.980)</b>	<b>(816.950)</b>

#### **Discontinued Operations**

30 June 2023	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	168.741	168.741	168.741	-	-



Prepayments and other receivables	1.202.288	<b>1.202.288</b>	1.202.288	-	-
Long-term Receivables and prepayments	315.000	<b>315.000</b>	-	-	315.000
<b>Total Financial assets</b>	<b>1.686.029</b>	<b>1.686.029</b>	<b>1.371.029</b>	-	<b>315.000</b>
<b>Financial liabilities</b>					
Borrowings	4.225.522	<b>4.237.397</b>	4.223.331	14.066	-
Trade and other payables	479.006	<b>479.006</b>	471.191	-	7.815
Deposits from tenants	23.002	<b>23.002</b>	-	-	23.002
Finance lease liabilities	6.085.288	<b>6.878.030</b>	561.821	548.752	5.767.457
Taxes payable and provisions	207.176	<b>207.176</b>	185.077	22.099	-
<b>Total Financial liabilities</b>	<b>11.019.994</b>	<b>11.824.611</b>	<b>5.441.420</b>	<b>584.917</b>	<b>5.798.274</b>
<b>Total net liabilities</b>	<b>(9.333.965)</b>	<b>(10.138.582)</b>	<b>(4.070.391)</b>	<b>(584.917)</b>	<b>(5.483.274)</b>

### Continued Operations

31 December 2022	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	66.570	<b>66.570</b>	66.570	-	-
Prepayments and other receivables	4.153.162	<b>4.153.162</b>	4.153.162	-	-
Financial Assets at FV through P&L	12.078.808	<b>12.078.808</b>	12.078.808	-	-
Long-term Receivables and prepayments	824	<b>824</b>	-	-	824
<b>Total Financial assets</b>	<b>16.299.364</b>	<b>16.299.364</b>	<b>16.298.540</b>	-	<b>824</b>
<b>Financial liabilities</b>					
Borrowings	597.357	<b>647.571</b>	120.334	527.237	-
Trade and other payables	3.731.769	<b>3.731.769</b>	3.731.769	-	-
Bonds issued	822.736	<b>1.010.896</b>	146.086	47.040	817.770
Taxes payable and provisions	617.093	<b>617.093</b>	37.574	579.519	-
<b>Total Financial liabilities</b>	<b>5.768.955</b>	<b>6.007.329</b>	<b>4.035.763</b>	<b>1.153.796</b>	<b>817.770</b>
<b>Total net assets/(liabilities)</b>	<b>10.530.409</b>	<b>10.292.035</b>	<b>12.262.777</b>	<b>(1.153.796)</b>	<b>(816.946)</b>

### Discontinued Operations

31 December 2022	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	284.828	<b>284.828</b>	284.828	-	-
Long-term receivables	315.000	<b>315.000</b>	-	-	315.000
Prepayments and other receivables	1.267.713	<b>1.267.713</b>	1.267.713	-	-
<b>Total Financial assets</b>	<b>1.867.541</b>	<b>1.867.541</b>	<b>1.552.541</b>	-	<b>315.000</b>
<b>Financial liabilities</b>					
Borrowings	4.021.192	<b>4.033.067</b>	4.018.994	14.073	-
Trade and other payables	431.307	<b>431.307</b>	423.467	-	7.840
Deposits from tenants	23.002	<b>23.002</b>	-	-	23.002
Finance lease liabilities	6.225.930	<b>7.165.206</b>	568.486	555.418	6.041.302
Taxation	184.227	<b>184.227</b>	142.246	41.981	-
<b>Total Financial liabilities</b>	<b>10.885.658</b>	<b>11.836.809</b>	<b>5.153.193</b>	<b>611.472</b>	<b>6.072.144</b>
<b>Total net assets/(liabilities)</b>	<b>(9.018.117)</b>	<b>(9.969.268)</b>	<b>(3.600.652)</b>	<b>(611.472)</b>	<b>(5.757.144)</b>

## 42. Events after the end of the reporting period

### a) New lease agreement in Innovations Terminal

On 27 July 2023 the Company signed a new lease agreement in Innovations Terminal in Bucharest for 3.000 m<sup>2</sup> of ambient warehousing space plus relevant office space. The agreement was made with BAUSTOFF and METALL SRL, a multinational construction materials distributor, present in 14 European countries, operating 7 production units, 125 commercial units and distribution centers and employing over 2400 employees. The lease term is 5 years starting August 2023 and maturing August 2028. Following this new lease, occupancy of the Terminal stands at 82%.

### b) Implementation of operating cost optimisation measures

As part of the operating expenses reduction plan which has been adopted, announced and described by the Company in previous periods, during July and August 2023 all HR and local office costs (except Ukraine) have been effectively externalized through a related third party advisory company owned by CEO Lambros Anagnostopoulos. Following the signing of all relevant agreements, currently the Company employs its CEO and an administrator in Ukraine.

[2] Eurobank, CBRE Research, Colliers International, Cushman & Wakefield, Crosspoint Real Estate, Knight Frank, Coldwell Banker Research, National Institute of Statistics- Romania, State Statistics Service-Ukraine, JLL

[3] Share premium is not available for distribution.

[4] Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (31.12.2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

[5] 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 38.3).

[6] 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 38.3).



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