

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

28 June 2024

**Secure Property Development & Investment PLC ('SPDI' or 'the Company')**  
**2023 Annual Results**

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its full year audited financial results for the year ended 31 December 2023.

**Highlights**

- Advanced strategy to maximise shareholder value by working towards the contribution of Ukrainian assets to Arcona Property Fund N.V. as part of the larger transaction, with finalisation expected in Q3 2024.
- The Company externalised HR and office costs, through an agreement with a Cyprus-based advisory company, expected to further reduce annual costs by 35% to 50% compared to 2021 and 2020 levels.
- The Company settled the longstanding claim vis a vis Bluehouse Capital, removing the relevant provision, thus generating a one-off profit of ~€2 million.
- Consequently, NAV per share increased by 40% to €0.14 from €0.10.
- The Romanian economy saw strong growth of 2.1%, a decrease in inflation to 9.7%, and a marginal reduction in unemployment to 5.5%.

Copies of the Annual report and Accounts are being posted to Shareholders today and are available on the Company's website at [www.secure-property.eu](http://www.secure-property.eu).

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

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

For further information please visit [www.secure-property.eu](http://www.secure-property.eu) or contact:

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**1. Letter to Shareholders**

2023 experienced further market disruption with one war continuing and another one commencing in our South East Europe / East Mediterranean Region. On the other hand global (and European) inflation seems to have been tamed and interest rate reduction is expected to hit the markets within 2024. In this difficult environment, SPDI succeeded in lightening its balance sheet eliminating both a number of liabilities, including settling the Bluehouse legal dispute, which in itself allowed the Company to get rid of the relative provision from its books, as well as a number of subsidiary SPVs.

In parallel, SPDI's Management increased its effort to monetize the remaining assets that had not yet been sold to Arcona

In parallel, SPD's management increased its effort to monetize the remaining assets that had not yet been sold to Arcona Property Fund N.V. (Arcona) ("APF") while it commenced discussions about the future of the Company, after it reduces its capital and distributes the APF shares it owns to its shareholders.

We expect 2024 will be a pivotal year for SPD as its shareholders will receive the APF shares concluding the effective merger of the two entities, and any new strategy for the future of the Company is put forward. Management and directors of SPD are confident that the effective merger with Arcona which generates a pan-East European property company listed in Amsterdam will help our shareholders generate further value from their investment while also facilitating monetization for those that would like to do so. In any case, we believe we have followed through our promise to deliver on both options and are happy to see our long standing efforts nearing realization.

Best regards,

Lambros G. Anagnostopoulos, Chief Executive Officer

## **2. Management Report**

### **2.1 Corporate Overview & Financial Performance**

SPD'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 2023, in line with the Company's strategy to maximise value for shareholders, management worked towards closing 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 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 Czech Republic, Poland and Slovakia, the combination of two complementary asset portfolios is expected to create a significant European property company, benefiting both the Company's and Arcona's respective shareholders.

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

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

Although, the invasion of Ukraine by Russia during February 2022, suspended the transfer process of the relevant Ukrainian assets included in Stage 2 of the transaction, during 2023 the Management has worked intensively to resolve all relevant issues for the sale to be concluded, and as at today the transactions are expected to finally close during Q3 2024.

Furthermore, during 2023, as part of the cost optimization process adopted by the Board, the Company has started the implementation of the externalization of all existing HR and office costs in all jurisdictions that it currently operates, except Ukraine. As previously announced, the cost optimization plan involves an agreement with a Cyprus based advisory company wholly owned by the Company's CEO Lambros Anagnostopoulos, which has assumed all direct individual personnel contracts, all service contracts with local real estate service providers and all HR and office costs in Romania, for a fixed monthly fee of € 24.000 plus VAT. All relevant agreements related to this plan were signed during the period, and currently the Company has externalized all HR costs. It has been estimated that the plan will result in an annual reduction of 35% and 50% compared to similar costs incurred by the group in 2021 and 2020 respectively. The agreed monthly fee has been set to effectively reflect the reduced personnel time/cost and office expenses of the Company during the current phase of the transformation.

Moreover, during 2023, as part of the joint venture agreement with Myrian Nes Limited for converting €2,5 million of a loan into equity for developing logistics properties in Romania, the parties have identified and appraised relevant potential deals, and currently concentrate into one transaction involving the development of two different properties for the same tenant in two regional Romanian cities. The main terms have been in principle agreed and due diligence on relevant properties has been finalized, while the legal teams are currently engaging with drafting the required documentation.

Finally, during the period the Company sold its interests in all the corporate vehicles associated with Phase I of the GreenLake project in Bucharest, Romania, which remained idle following the sale of all Phase I units.

Regarding the economic environment in which the Company operates, the Romanian economy which constitutes the main operating market of the Company, grew by 2,1% in 2023. The economy decelerated during the year due to higher inflation and weaker external demand. Growth was driven by strong consumer spending, which increased significantly year-on-year on the back of the increased wages. The inflation rate dropped to 9,7% in 2023, while unemployment showed a marginal decrease to 5,5%, keeping the labor market relatively tight and wage increases high. Real estate investment volume reached in 2023 €0,5 billion, 60% lower than the volume registered in the previous year, with retail assets representing 57% of the annual volume, while office assets attracted 17% and industrial/logistics 14%.

Income from operations increased by 92% during 2023 as a result of new tenant agreements and increased energy costs re-charged to tenants, and similarly net operating income from operations increased by 90%.

**Table 1**

EUR	2023			2022		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Management & Sale of electricity Income	1,430,588	156,016	<b>1,586,604</b>	1,143,752	505,785	<b>1,649,537</b>
Net gain/(loss) on disposal of investment property	-	-	-	-	(825,392)	<b>(825,392)</b>
<b>Income from Operations</b>	<b>1,430,588</b>	<b>156,016</b>	<b>1,586,604</b>	<b>1,143,752</b>	<b>(319,607)</b>	<b>824,145</b>
Asset operating expenses	-	(867,484)	<b>(867,484)</b>	-	(446,380)	<b>(446,380)</b>
<b>Net Operating Income</b>	<b>1,430,588</b>	<b>(711,468)</b>	<b>719,120</b>	<b>1,143,752</b>	<b>(765,987)</b>	<b>377,765</b>
Share of profit/(loss) and gains from associates	-	(245,316)	<b>(245,316)</b>	(7,999)	335,533	<b>327,534</b>
Dividends income	160,937	-	<b>160,937</b>	-	-	-
<b>Net Operating Income from investments</b>	<b>1,591,525</b>	<b>(956,784)</b>	<b>634,741</b>	<b>1,135,753</b>	<b>(430,454)</b>	<b>705,299</b>
Administration expenses	(1,208,698)	(201,344)	<b>(1,410,042)</b>	(1,097,873)	(242,157)	<b>(1,340,030)</b>
Finance result, net	241,966	(604,360)	<b>(362,394)</b>	162,704	(652,987)	<b>(490,283)</b>
Income tax expense	(2,434)	(4,955)	<b>(7,389)</b>	17,940	(74,340)	<b>(56,400)</b>
Other income / (expenses), net	2,034,104	5,792	<b>2,039,896</b>	(3,390)	(2,721,353)	<b>(2,724,743)</b>
One off costs associated with Arcona transaction	(49,850)	-	<b>(49,850)</b>	(182,253)	-	<b>(182,253)</b>
Personnel incentives	(151,370)	-	-	(184,500)	-	-
One off costs associated with new tax ruling	(70,000)	-	<b>(70,000)</b>	-	-	-
One off costs associated with Bluehouse legal motions	(152,364)	-	<b>(152,364)</b>	-	-	-
Fair value adjustments from Investment Properties	-	(223,730)	<b>(223,730)</b>	-	(1,245,230)	<b>(1,245,230)</b>
Result on disposal of subsidiaries	7,629,679	(946,792)	<b>6,682,887</b>	-	(4,871,809)	<b>(4,871,809)</b>
Fair Value adjustment on financial investments	(392,210)	-	<b>(392,210)</b>	(1,071,119)	-	<b>(1,071,119)</b>
Foreign exchange differences, net	(26,824)	(55,699)	<b>(82,523)</b>	(17,647)	(165,165)	<b>(182,812)</b>
<b>Result for the year</b>	<b>9,443,524</b>	<b>(2,987,872)</b>	<b>6,455,652</b>	<b>(1,240,385)</b>	<b>(10,403,495)</b>	<b>(11,643,880)</b>

Roundness differences

exchange difference on translation due to presentation currency	-	(931,988)	(931,988)	-	(692,906)	(692,906)
<b>Total Comprehensive Income for the year</b>	<b>9,443,524</b>	<b>(3,919,860)</b>	<b>5,523,664</b>	<b>(1,240,385)</b>	<b>(11,096,401)</b>	<b>(12,336,786)</b>

## 2.2 property Holdings

The Company's portfolio at the year-end, and as at the date of this report, consists of commercial income producing property in Romania, as well as land plots in Ukraine.

### Innovations Logistics Park

Bucharest, Romania	Gross Leaseable Area:	16.570 sqm
	Anchor Tenant:	Favorit Business Srl
	Occupancy Rate:	82%

### Land & Residential Assets

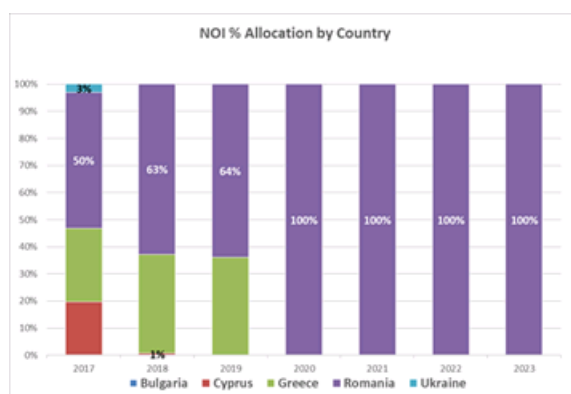
	Location	Key Features	
Kiyanovskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	6
Tsymlyanskiy Residence*	Kiev, Ukraine	Plot of land (~ th. sqm):	4
Rozny Lane	Kiev, Ukraine	Plot of land (~ th. sqm):	420

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

In 2023, the Company's accredited valuers, namely CBRE Ukraine for the Ukrainian Assets, and NAI RealAct for the Romanian Asset, remained appointed. The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation - Global Standards (2017) (the "Red Book") and are also compliant with the International Valuation Standards (IVS).

Following disposals of previous periods, SPDI's portfolio, excluding the Arcona shares, has become more concentrated in terms of geography. At the end of the reporting period, Romania remains the prime country of operations (86%) in terms of Gross Asset Value, excluding the Arcona shares, while in Ukraine (14%) the Company still has interests in land plots intended to be sold as part of the Arcona transaction.

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



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

**Table 2**

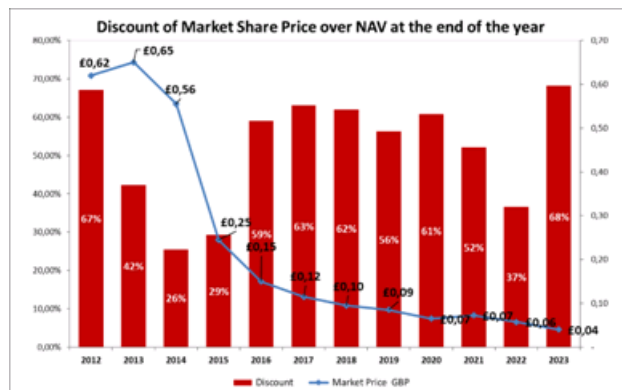
Innovations Logistics Park	Rom	9,7	5,9	3,8
Land banking	Ukr	1,5	0	1,5
<b>Total Value</b>		<b>11,2</b>	<b>5,9</b>	<b>5,3</b>
Other balance sheet items, net **				+13,4

Market Cap in EUR as at 31/12/2023 (Share price at €0,97) 3,77  
Market Cap in EUR as at 19/06/2024 (Share price at €0,04) 6,09  
Discount of Market Cap in EUR at 19/06/2024 vs NAV at 31/12/2023 -68%

\* Reflects the Company's participation at each asset

\*\*Among other items including Arcona shares. Refer to balance sheet and related notes of the financial statements.

The Net Equity attributable to the shareholders as at 31 December 2023 stood at ~€18,7 million. The table below depicts the discount of Market Share Price over NAV since 2012.



The NAV per share as at 31 December 2023

stood at GBP 0,125 and the discount of the Market Value vis a vis the Company's NAV denominated in GBP stands at 68% at year-end.

### 2.3 Financial and Risk Management

The Group's overall bank debt exposure at the end of the reporting period was ~€5,9 million being the balance of the financial lease of Innovations Logistics park.

Throughout 2023, the Company focused on managing and preserving liquidity through cash flow optimization. In this context, Management secured a) collection of scheduled re-payments of loans provided to third parties, b) complete sale of residential assets and c) advancement of discussions related to transaction with Arcona Property Fund N.V

### 2.4 2024 and beyond

During 2024 the Company intends to complete the repositioning of its remaining property assets as well as the distribution of its Arcona shares to its shareholders, with main operations already being minimized, including the externalization of all HR and relevant costs. Management is working along the guidelines of the board for the closing of the transaction with Arcona Property Fund N.V., which will mark effectively the maximization of Company's value and will give our shareholders the opportunity to gain direct exposure to an entity of considerably larger size, with a strong dividend distribution policy, and active in a more diversified and faster growing region (Central and South Eastern Europe) of the European property market.

At the same time, the Company along with the JV partner for the logistics platform in Romania, are evaluating different opportunities throughout the country, expecting the venture to materialize during 2024.

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

The Romanian economy experienced in 2023 a growth of ~2,1% marking a slower y-o-y pace compared to previous years. Growth resulted from strong private consumption, despite the ongoing conflict in neighboring Ukraine and the high inflation rate from the increased energy prices.

The rate of unemployment is estimated marginally lower but still in low levels at 5,5% from 5,6% in 2022, keeping the labor market relatively tight and wage increases high. Inflation closed at ~9,7% at year end, marking a significant decline when compared to 2022 peak rate at 13,8%.

Macroeconomic data							
Romania	2017	2018	2019	2020	2021	2022	2023f
GDP (EUR bn)	188	203	223	218	241	280	285
Population (mn)	19,6	19,5	19,5	19,3	19,3	19,6	19,5
Real GDP (y-o-y %)	7,0	4,1	4,1	-3,7	5,9	4,6	2,1
CPI (average, y-o-y %)	1,3	4,6	3,3	2,3	4,1	13,8	9,7
Unemployment rate (%)	4,3	3,6	3,1	6,1	5,4	5,6	5,5

Ukraine's economy grew by 5,3% in 2023 after contracting by almost a third in the first year of Russia's full-scale invasion. The economy is dependent on the financial aid received from Western countries and the World Bank, which reached during 2023 a total of \$37,5 billion. Ukraine's trade deficit increased by c.30% during the year due to a ban on exporting agricultural products into Eastern Europe, despite the resumption of the maritime corridor for sea exports.

During 2023, the consumer price index (CPI) experienced a significant decline to ~14% from ~25% in 2022. The reduction was greater than the anticipated one by NBU, and came as a result of the successfully applied measures for the stabilization of the foreign exchange market, which limited the growth of prices for imported goods.

According to predictions of international financial institutions and agencies, the expected GDP will fluctuate in the range of 3-5% in 2024, and the pre-war GDP level is expected to be reached no sooner than 2030 provided average growth of 4% in 2025-2029.

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

### 4.1 Romania

Total real estate investment volume in Romania reached in 2023 €0,5 billion, representing a 60% y-o-y decrease, but reflecting cautious optimism in the face of all underlying issues, such as neighboring conflict, high energy prices and broader European economic considerations. Investment in 2023 spread beyond the capital Bucharest, with main drivers the tourist destinations of Brasov, Cluj, and Constanta. For the first time, Bucharest accounted for 25% of total volume, with 75% attributed to regional cities. After many years, retail emerged as the most attractive asset class, reaching 57% of total investment volume. Office and industrial/logistics segments represented 17% and 14% respectively of the annual volume, while hotel segment secured 8% of the market.

Prime yields registered a moderate adjustment in 2024, with office and retail yields settling at 7,75% from 7,5%, while industrial yields remained steady at ~7,75%. Local investors represent 23% of total investment volume, while foreign investment was driven by UK (44%) and Czech investors (12%).

With c.1.000.000 sq m delivered during 2023, the total modern industrial/ logistics stock reached c.7,6 million sq m. Almost 50% of the new deliveries were in Bucharest area, being by far the largest consumer market in the country. The following most important industrial/logistics hub in the country are Timisoara (11%), Brasov (7%), Ploiesti (5%) and Cluj (5%). At the end of 2023 the vacancy rate in Romania's industrial modern stock stood at ~4,8%, while the vacancy rate for Bucharest was ~5,5%. Headline rent in logistic parks is on an ascending trend and stands at €4,5/sqm/month mainly as a result of the robust demand.

### 4.2 Ukraine

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.

## 5. Property Assets

### 5.1 Innovations Logistics Park, Romania

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



As at the year end the terminal was 82% leased. Anchor tenant with 46% is Favorit Business Srl, a large Romanian logistics operator, which accommodates in the terminal their new business line which involves as end user Carrefour. Following last relevant agreement, Favorit's leases extended until 2026. During 2023, the Company signed a new lease agreement with Baustoff + Metall for 3.000 sq m ambient storage space plus office space.

### 5.2 Residential portfolio, GreenLake Bucharest, Romania

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



During 2023 all the units of the complex have been sold.

### 5.3 Land Assets

#### Kiyanovskiy Residence - Kiev, Ukraine

The property consists of 0,55 Ha of freehold and leasehold land located at Kiyanovskiy Lane, near Kiev city center. It is destined for the development of businesses and luxury residences with beautiful protected views overlooking the scenic Dnipro River, St. Michaels' Spires and historic Podil. Leasehold has been recently extended for a 10-year period.

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 Russia in Ukraine, with the parties trying to conclude the transaction in 2024

#### Tsymlyanskit Residence - Kiev, Ukraine

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

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

#### **Rozny Lane - Kiev Oblast, Kiev, Ukraine**

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

The asset is part of Stage 2 of the Arcona transaction and relevant SPA for its disposal has already been signed in June 2021 while closing has been postponed due to the invasion of Russia in Ukraine, with the parties trying to conclude the transaction during 2024.

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December 2023**

#### **Continued Operations**

Income	10	1.430.588	1.143.752
<b>Net Operating Income</b>		<b>1.430.588</b>	<b>1.143.752</b>

Administration expenses	12	(1.632.282)	(1.464.626)
Gain on disposal of Investment	20.2.3	5.604.752	-
Gain on disposal of subsidiary/associate	20.2.2	2.024.927	-
Fair Value loss on Financial Assets at FV through P&L	25	(392.210)	(1.071.119)
Gain realized on acquisition on associate		-	1.041
Share of loss of associates	21	-	(9.040)
Other operating income/ (expenses), net	15	2.034.104	(3.390)

Dividend income	25	160.937	-
Finance income	16	308.466	361.035
Finance costs	16	(66.500)	(198.331)

Foreign exchange loss, net	17	(26.824)	(17.647)
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Income tax expense	18	(2.434)	17.940
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<b>Profit/(Loss) for the year from continuing operations</b>		<b>9.443.524</b>	<b>(1.240.385)</b>
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Loss from discontinued operations	9b	(2.987.872)	(10.403.495)
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<b>Profit/ (Loss) for the year</b>		<b>6.455.652</b>	<b>(11.643.880)</b>
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#### **Other comprehensive income**

Exchange difference on translation of foreign operations	28	(931.988)	(692.906)
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#### **Profit/ (Loss) for the year from continued operations attributable to:**

Owners of the parent		9.443.524	(1.240.385)
Non-controlling interests		-	-
		<b>9.443.524</b>	<b>(1.240.385)</b>

#### **Profit/ (Loss) for the year from discontinued operations attributable to:**

Owners of the parent		(2.966.646)	(8.416.599)
Non-controlling interests		(21.226)	(1.986.896)
		<b>(2.987.872)</b>	<b>(10.403.495)</b>

#### **Profit/ (Loss) for the year attributable to:**

Owners of the parent		6.476.878	(9.656.984)
Non-controlling interests		(21.226)	(1.986.896)
		<b>6.455.652</b>	<b>(11.643.880)</b>

#### **Total comprehensive income attributable to:**

Owners of the parent		5.546.471	(10.142.264)
Non-controlling interests		(22.807)	(2.194.522)
		<b>5.523.664</b>	<b>(12.336.786)</b>

#### **Earnings/(Losses) per share (Euro per share):**

Basic earnings/(losses) for the year attributable to ordinary equity owners of the parent	36b	0,07	(0,01)
Diluted earnings/(losses) for the year attributable to ordinary equity owners of the parent	36b	0,07	(0,01)
Basic earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	36c	(0,02)	(0,06)
Diluted earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	36c	(0,02)	(0,06)

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**For the year ended 31 December 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>€</b>	<b>€</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible and intangible assets	22	164	816
Long-term receivables and prepayments	23	818	824
Investment in associate	21	-	1
Financial Assets at FV through P&L	25	11.686.598	12.078.808
		<b>11.687.580</b>	<b>12.080.449</b>
<b>Current assets</b>			
Prepayments and other current assets	24	4.034.537	4.153.162
Cash and cash equivalents	26	152.241	66.570
		<b>4.186.778</b>	<b>4.219.732</b>
Assets classified as held for sale	9d	12.327.462	13.835.091
<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	7.554.101	8.484.507
Exchange difference on I/C loans to foreign holdings	38.3	(211.199)	(211.199)
Accumulated losses		(62.083.716)	(68.560.594)
Non-controlling interests	29	113.668	369.399
<b>Total equity</b>		<b>18.771.400</b>	<b>13.480.659</b>
<b>Non current liabilities</b>			
Borrowings	30	-	597.357
Bonds issued	31	-	723.690
Tax payable and provisions	34	17.173	579.519
		<b>17.173</b>	<b>1.900.566</b>
<b>Current liabilities</b>			
Borrowings	30	114.794	-
Bonds issued	31	870.373	99.046
Trade and other payables	32	1.795.884	3.731.769
Tax payable and provisions	34	21.438	37.574
		<b>2.802.489</b>	<b>3.868.389</b>
Liabilities directly associated with assets classified as held for sale	9d	6.610.758	10.885.658
		<b>9.413.247</b>	<b>14.754.047</b>
<b>Total liabilities</b>		<b>9.430.420</b>	<b>16.654.613</b>
<b>Net Asset Value (NAV) € per share:</b>			
	36d		
Basic NAV attributable to equity holders of the parent		0,14	0,10
Diluted NAV attributable to equity holders of the parent		0,14	0,10

Lambros Anagnostopoulos  
Director & Chief Executive Officer

Michael Beys  
Director & Chairman of the Board

Antonios Kaffas  
Director



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company					Total
	Share capital	Share premium, Net <sup>1</sup>	Accumulated losses, net of non-controlling interest <sup>2</sup>	Exchange difference on I/C loans to foreign holdings <sup>3</sup>	Foreign currency translation reserve <sup>4</sup>	
	€	€	€	€	€	€
Loss for the year	-	-	(9.656.984)	-	-	(9.656.984)
Foreign currency translation reserve	-	-	-	-	(485.280)	(485.280)
Disposals of subsidiaries	-	-	-	-	-	-
Profit for the year	-	-	6.476.878	-	-	6.476.878
Foreign currency translation reserve	-	-	-	-	(930.406)	(930.406)
Disposals of subsidiaries	-	-	-	-	-	-

<sup>1</sup> Share premium is not available for distribution.

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

<sup>3</sup> 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).

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	2023 €	2022 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before tax and non-controlling interests-continued operations		9.445.958	(1.258.325)
Profit/(Loss) before tax and non-controlling interests-discontinued operations	9b	(2.982.917)	(10.329.155)
<b>Profit/(Loss) before tax and non-controlling interests</b>		<b>6.463.041</b>	<b>(11.587.480)</b>
Adjustments for:			
(Gain)/Loss on revaluation of investment property	13	223.730	1.245.230
Net loss on disposal of investment property	14	-	825.392
Fair Value (gain)/loss on Financial Assets at FV through P&L	25	392.210	1.071.119
(Reversal) /Impairment of prepayments and other current assets	15	-	2.721.151
Accounts payable written off	15	(2.045.485)	(4.401)
Depreciation/ Amortization charge	12	792	7.292
Interest income	16	(308.938)	(369.017)
Interest expense	16	666.324	850.400
Share of profit from associates	21	245.316	(326.493)
Gain on disposal of Investments	20	(6.682.887)	4.870.768
Effect of foreign exchange differences	17	82.523	182.812
<b>Cash flows from/(used in) operations before working capital changes</b>		<b>(963.374)</b>	<b>(513.227)</b>

Change in prepayments and other current assets	24	215.871	(531.409)
Change in trade and other payables	32	1.363.311	(1.230.439)
Change in VAT and other taxes receivable	24	(89.362)	141.751
Change in provisions	34	(399.500)	-
Change in other taxes payables	34	14.084	(173.788)
Change in deposits from tenants	33	-	(41.229)
<b>Cash generated from operations</b>		<b>141.030</b>	<b>(2.348.341)</b>
Income tax paid		(228.860)	(117.762)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales proceeds from disposal of investment property	14	-	1.164.133
Cash inflow from sale of subsidiaries	20	-	382.750
Dividend received	21	255.889	219.190
Payment on acquisition of associate		-	(8.000)
Increase/(Decrease) in long term receivables	23	6	(18.263)
Repayment of principal and interest of loan receivable	24	850.053	821.891
		<b>1.105.948</b>	<b>2.561.701</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank and non-bank loans	30	(392.500)	(1.618.403)
Interest and financial charges paid		(107.667)	(391.126)
Repayment of financial lease principal and interest	35	(371.960)	(289.917)
<b>Net increase/(decrease) in cash at banks</b>		<b>145.991</b>	<b>(2.203.848)</b>
Cash:			
At beginning of the year	26	351.398	2.555.246
<b>At end of the year</b>	<b>26</b>	<b>497.389</b>	<b>351.398</b>

## Notes to the Consolidated Financial Statements

For the ended 31 December 2023

### Country of incorporation

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

### 1. Principal activities

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

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

As at 31 December 2023, the companies of the Group employed and/or used the services of 2 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) .

Going concern basis

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

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

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

Management believes that the Company will be able to finance its needs given the fact that the additional corporate receivables, as well as the consideration received in the form of Arcona shares is estimated that it

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

### **3. Adoption of new and revised Standards and Interpretations**

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 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 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 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		31 December		
Currency	2023	2022	2023	2022	2021
USD	1,0813	1,0530	1,1050	1,0666	1,1326
UAH	39,5582	33,9820	42,2079	38,9510	30,9226
RON	4,9465	4,9315	4,9746	4,9474	4,9481

#### 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 determined annually by external valuers. Changes in fair values are recorded in the statement of comprehensive income and are included in other operating income.

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

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.

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 property

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

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

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

#### Subsequent measurement

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

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

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

#### Basis of valuation

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

#### **4.6 Property, Plant and equipment and intangible assets**

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

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

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

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

No depreciation is charged on land.

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

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

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

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

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

#### **4.7 Cash and Cash equivalents**

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

#### **4.8 Assets held for sale**

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

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

#### **4.9 Financial Instruments**

##### **4.9.1 Recognition and initial measurement**

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

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

##### **4.9.2 Classification and subsequent measurement**

###### ***Financial assets***

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

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

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

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

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

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

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

###### ***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

- duration of any related business or expected cash flows 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***

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



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

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:

##### **4.20.1 Income from investing activities**

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

##### **4.20.2 Dividend income**

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

##### **4.20.3 Interest income**

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

##### **4.20.4 Rental income**

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

#### **4.20 Service charges and expenses recoverable from tenants**

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

#### **4.21 Other property expenses**

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

#### **4.22 Borrowing costs**

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

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

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

#### **4.23 Asset Acquisition Related Transaction Expenses**

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

#### **4.24 Taxation**

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

##### **4.24.1 Current tax**

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

##### **4.24.2 Deferred tax**

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

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

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

#### 4.24.3 Current and deferred tax for the year

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

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

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

#### 4.24.4 Withholding Tax

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

#### 4.24.5 Dividend distribution

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

### **4.25 Value added tax**

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

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

### **4.26 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:

<b>Commercial-Industrial</b>	<b>Land Assets</b>
<ul style="list-style-type: none"><li>• Warehouse 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 individual assets.

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. The fair value has been estimated as at 31 December 2023 (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

In 2023, growth in Ukraine had been supported by a record harvest, reaching 5,3%. However, recent war damage to the country's electricity infrastructure is among factors seen likely to constrain even higher growth in 2024.

The economy was boosted not only by bumper crops but also increased defense spending, which supported domestic demand, while net exports continued to decline as a result of the ongoing conflict.

Other supportive factors of 2023 economic performance, included the Ukrainian authorities' success in restoring electrical supply after the previous winter's Russian attacks on civilian infrastructure, and the resilience and adaptability of Ukrainian business. Moreover, timely external financing in 2023 was a further stabilizing factor, helping to reduce inflation to target levels. These lifted official foreign reserves to record levels as public debt surged to close to 90% of GDP.

However, in 2024, the prospect of a prolonged war of attrition and renewed doubts about external financing for this year, which persisted for several months before being resolved, have raised new challenges. Limited domestic demand, labour shortages and insufficient investments are also among factors that will likely constrain further growth prospects.

On the positive side, a new Ukrainian Black Sea export corridor along the coastline has been opened, removing some of the wartime uncertainty about the safety of using the Black Sea to export Ukraine's vast offerings of agricultural produce and other bulk good such as metals and ores.

After a slow start, this corridor's usage has been picking up, boosting not only agriculture but also the metal industry and mining, which have been among the hardest hit industries over the last two years. A recovery in exports and higher domestic military production will likely generate economic growth of +3% in 2024, accelerating to 6 per cent in 2025. However, risks remain high, in particular related to the damages in port and electricity infrastructure.

##### 7.1.1.2 Romania

Romanian economy grew by 2,1% in 2023 despite the slow start made during the first two quarters, marking however a significant slower y-o-y pace compared to the previous periods.

Growth succeeded mainly due to strong private consumption, and despite the ongoing war in neighboring Ukraine and the high, although significantly lower than 2022, inflation rates.

Fiscal and current account deficits remain elevated as a result of the social politics adopted by the Government for the support of low income citizens, while unemployment rate is estimated marginally lower to 5,5%. Taking into account the European economic considerations and the international political circumstances, 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;

#### 7.1.2 Risks associated with property holding and development associated risks (continued)

- 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 war in Ukraine causing economic and political problems, as well as any probable currency devaluation may affect 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 of incorporation	Related Asset	Holding %	
			as at 31 Dec 2023	as at 31 Dec 2022
SC Secure Capital Limited	Cyprus		100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Trade Center	Ukraine		100	100
LLC Almaz Pres Ukraine	Ukraine	Tsymlyanskiy Residence*	55	55
LLC Retail Development Balabino**	Ukraine		100	100
LLC Interterminal**	Ukraine		100	100
LLC Aisi Ilvo	Ukraine		100	100
Myrnes Innovations Park Limited	Cyprus	Innovations	100	100
Best Day Real Estate Srl	Romania	Logistics Park	100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	-	100
Bluehouse Accession Project IX Limited	Cyprus		100	100
BlueBigBox 3 Srl ***	Romania		-	-
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		-	100
Ketiza Holdings Limited	Cyprus		90	90
Frizomo Holdings Limited	Cyprus		100	100
SecMon Real Estate Srl	Romania		100	100
Ketiza Real Estate Srl	Romania		90	90
Edetrio Holdings Limited	Cyprus		-	100
Emakei Holdings Limited	Cyprus		-	100
RAM Real Estate Management Limited	Cyprus		-	50
Iuliu Maniu Limited	Cyprus		-	45
Moselin Investments Srl	Romania		-	45
Jenby Ventures Limited**	Cyprus		44,30	44,30
Ebenem Limited**	Cyprus		44,30	44,30
Sertland Properties Limited	Cyprus		-	100
SPDI Management Srl	Romania		100	100

\* As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of 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 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to

property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian 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. Bluehouse Accession Project IV Limited, Demetiva Holdings Limited, Diforio Holdings Limited and Mofben Investments Limited were already deleted from registrar of Companies. Jenby Ventures Limited and Ebenem Limited are still expected relevant official clearance from local Trade Registry and Tax Authorities 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.

\*\*\* 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). Following the settlement made with BLUEHOUSE ACCESSION PROPERTY HOLDING III S.A.R.L. pursuant to a consensual order issued by the District Court of Nicosia in action no. 3362/2018, relevant legal motions against Bluebigbox3 Srl have been withdrawn. In relation to the insolvency procedure of the company, next hearing has been set on 17 September 2024, when the judicial administrator will file the request to close the bankruptcy procedure before the court. Following this, SPDI will re-gain control and will start the process of an ordinary liquidation, since the entity does no longer hold any assets.

## 9. Discontinued operations

### 9.(a) Description

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

During 2023, the Company sold through a third-party transaction, SEC South East Continent Unique Real Estate (Secured) Investments Limited along with its subsidiaries, which no longer possessed any asset.

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

- **Cyprus:** Frizomo Holdings Limited and Ketiza Holdings Limited
- **Romania:** Best Day Real Estate Srl, Ketiza 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.(b) Results of discontinued operations

#### For the year ended 31 December 2023

	Note	2023 €	2022 €
Income	10	156.016	505.785
Asset operating expenses	11	(867.484)	(446.380)
<b>Net Operating Income</b>		<b>(711.468)</b>	<b>59.405</b>
Administration expenses	12	(201.344)	(242.157)
Share of profits/(losses) from associates	21	(245.316)	335.533
Valuation gains/(losses) from Investment Property	13	(223.730)	(1.245.230)
Net gain/(loss) on disposal of investment property	14	-	(825.392)
Loss on Disposal of subsidiaries	20.2.4	(946.792)	(4.871.809)
Other operating income/(expenses), net	15	5.792	(2.721.353)
<b>Operating profit / (loss)</b>		<b>(2.322.858)</b>	<b>(9.511.003)</b>
Finance income	16	472	7.982
Finance costs	16	(604.832)	(660.969)
<b>Profit/(Loss) before tax and foreign exchange differences</b>		<b>(2.927.218)</b>	<b>(10.163.990)</b>
Foreign exchange (loss), net	17	(55.699)	(165.165)
<b>Profit/(Loss) before tax</b>		<b>(2.982.917)</b>	<b>(10.329.155)</b>
Income tax expense	18	(4.955)	(74.340)
<b>Profit/(Loss) for the year</b>		<b>(2.987.872)</b>	<b>(10.403.495)</b>
<b>Loss attributable to:</b>			
Owners of the parent		(2.966.646)	(8.416.599)
Non-controlling interests		(21.226)	(1.986.896)

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

	31 Dec 2023	31 Dec 2022
	€	€
Net cash flows provided in operating activities	(635.218)	5.569.628
Net cash flows from / (used in) financing activities	472	(939.540)
Net cash flows from / (used in) investing activities	(886.067)	1.754.358
<b>Net increase/(decrease) from discontinued operations</b>	<b>(1.520.813)</b>	<b>6.384.446</b>

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

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2023:

	Note	31 Dec 2023	31 Dec 2022
		€	€
<b>Assets classified as held for sale</b>			
Investment properties	19.4a	11.257.513	11.631.996
Tangible and intangible assets	22	25	20
Long-term receivables and prepayments	23	315.000	315.000
Investments in associates	21	-	335.534
Prepayments and other current assets	24	409.776	1.267.713
Cash and cash equivalents	26	345.148	284.828
<b>Total assets of group held for sale</b>		<b>12.327.462</b>	<b>13.835.091</b>
<b>Liabilities directly related with assets classified as held for sale</b>			
Borrowings	30	71	4.021.192
Finance lease liabilities	35	5.943.201	6.225.930
Trade and other payables	32	488.612	431.307
Taxation	34	155.872	184.227
Deposits from tenants	33	23.002	23.002
<b>Total liabilities of group held for sale</b>		<b>6.610.758</b>	<b>10.885.658</b>

**10. Income**

Income from continued operations for the year ended 31 December 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.

The increase in the service charge and utility income in 2023 is due to the increased energy costs of the park re-invoiced to tenants.

<b>Continued operations</b>	31 Dec 2023	31 Dec 2022
	€	€
Rental income	761.683	763.242
Service charges and utilities income	668.905	276.996
Asset & property management income	-	103.514
<b>Total income</b>	<b>1.430.588</b>	<b>1.143.752</b>

Income from discontinued operations 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) for the year ended 31 December 2023, while for 2022 there was relevant income from Kindergarten (Romania) and EOS Business Park (Romania) which were sold during this year.

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

<b>Discontinued operations (Note 9)</b>	31 Dec 2023	31 Dec 2022
	€	€
Rental income	130.678	489.653
Service charges and utilities income	25.338	16.132
<b>Total income</b>	<b>156.016</b>	<b>505.785</b>

Occupancy rates as at 31 December 2023 were as follows:

<b>Income producing assets</b>			
%		31 Dec 2023	31 Dec 2022
Innovations Logistics Park	Romania	82	80

**11. Asset operating expenses**

The Group incurs expenses related to the proper operation and maintenance of all properties in Kiev and

Bucharest. Part of these expenses is recovered from the tenants through the service charges and utilities recharge process (Note 10).

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

Under **discontinued operations** all such expenses related to Innovations Logistics Park (Romania), EOS Business Park (Romania) in 2022, Residential Portfolio (Romania) in 2022, GreenLake (Romania), and all Ukrainian properties.

<b>Discontinued operations (Note 9)</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Property related taxes	(49.800)	(112.420)
Property management fees	-	(3.758)
Repairs and technical maintenance	(77.505)	(30.595)
Utilities	(688.775)	(251.507)
Property security	(43.388)	(35.527)
Property insurance	(3.971)	(7.695)
Leasing expenses	(4.045)	(4.878)
<b>Total</b>	<b>(867.484)</b>	<b>(446.380)</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 2023 resulted from the assets sold during 2022.

Repairs and technical maintenance increased in 2023 due to required works conducted in Innovations Logistics Park, bringing the property in line with newly adopted Fire and Environmental legislation.

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

Leasing expenses reflect expenses related to long term land leasing.

## 12. Administration Expenses

<b>Continued operations</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Salaries and Wages	(84.464)	(263.477)
Incentives pursuant to RemCo proposal	(151.370)	(184.500)
Advisory and broker fees	(415.049)	(270.457)
Public group expenses	(164.085)	(138.908)
VAT expensed	(3.989)	(89.315)
Corporate registration and maintenance fees	(32.085)	(32.458)
Audit fees	(67.275)	(67.332)
Tax advisory services	(70.000)	-
Accounting and related fees	(16.383)	(15.529)
Legal fees	(170.657)	(233.098)
Depreciation/Amortization charge	(651)	(2.784)
Directors Remuneration	(75.020)	-
Provision for Director fees	(250.000)	-
Corporate operating expenses	(131.254)	(166.768)
<b>Total Administration Expenses</b>	<b>(1.632.282)</b>	<b>(1.464.626)</b>

<b>Discontinued operations (Note 9)</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Salaries and Wages	(18.763)	(30.221)
Advisory and broker fees	(111.311)	(99.323)
Corporate registration and maintenance fees	(21.155)	(33.142)
Audit fees	(15.554)	(26.230)
Accounting and related fees	(13.350)	(20.973)
Legal fees	(3.009)	(4.488)
Depreciation/Amortization charge	(141)	(4.508)
Corporate operating expenses	(18.061)	(23.272)
<b>Total Administration Expenses</b>	<b>(201.344)</b>	<b>(242.157)</b>

Salaries and wages include the remuneration of the CEO (2023: €1, 2022: €63.123), the CFO, the Group Commercial Director and the Country Managers in Ukraine and Romania, as well as the salary cost of personnel employed in the various Company's offices. Relevant decrease came as a result of the externalization of all HR costs after April 2023, except those in Ukraine, as part of the cost reduction plan adopted by the board.

Incentives provided to personnel refer for the successful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the board 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. The increase during the current period resulted from the externalization of HR and related costs, as well as from the increased fees to consultants in Ukraine in relation to the extension of Company's leaseholds in the country.

Accounting and related fees include fees from external accounting 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 expected to produce significantly lower imposed taxes, while its application has produced beneficial retrospective results.

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. Relevant increase in current period resulted from ad hoc advice in respect of listing rule transaction opinion of the order of ~€25k.

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 advice in relation to due diligence processes and transactions. During the current period, the Group incurred ~€152k relevant legal fees associated with the Bluehouse litigation and its eventual settlement.

Following relevant confirmation by the board, the Company registered in 2023 the remuneration of the board associated with H1 2022 (€75k) which remained pending from previous year, as well as a provision of a remuneration to cover the period including H2 2022 and 2023 (€250k).

Corporate operating expenses include D&O insurance, travel expenses, (tele)communication and conference expenses, software fees and other general expenses in Cyprus, Romania and Ukraine.

Summary of Directors' Total Remuneration	31 Dec 2023				31 Dec 2022			
	€	€	€	€	€	€	€	€
	Base remuneration	Chairman/Committee Fees	Deferred Amounts	Total	Base remuneration	Chairman/Committee Fees	Deferred Amounts	Total
Michael Beys	19.191	-	19.191	19.191	-	-	-	-
Harin Thaker	18.028	-	18.028	18.028	-	-	-	-
Ian Domaille	19.773	-	19.773	19.773	-	-	-	-
Anthonios Kaffas	18.028	-	18.028	18.028	-	-	-	-
<b>Total</b>	<b>75.020</b>	<b>-</b>	<b>75.020</b>	<b>75.020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 13. Valuation gains / (losses) from investment properties

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

Discontinued operations (Note 9)			
Property Name (€)		Valuation gains/(losses)	
		31 Dec 2023	31 Dec 2022
		€	€
Kiyanskiy Residence		(177.757)	(798.325)
Rozny Lane		(99.367)	(455.560)
Innovations Logistics Park		53.394	8.655
<b>Total</b>		<b>(223.730)</b>	<b>(1.245.230)</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 whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits.

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

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

### 14. Gain/ (Loss) from disposal of properties

During 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 was an associate.

Discontinued operations (Note 9)		31 Dec 2023	31 Dec 2022
		€	€
Income from sale of investment property		-	3.897.608
Cost of investment property		-	(4.723.000)
<b>Profit/(Loss) from disposal of investment property</b>		<b>-</b>	<b>(825.392)</b>

### 15. Other operating income/(expenses), net

Continued operations	31 Dec 2023	31 Dec 2022
	€	€

Other income	10.657	18.834
Accounts payable written off	2.027.275	3.022
<b>Other income</b>	<b>2.037.932</b>	<b>21.856</b>
Penalties	(302)	(348)
Impairment of prepayments and other current assets	-	(19.648)
Other expenses	(3.526)	(5.250)
<b>Other expenses</b>	<b>(3.828)</b>	<b>(25.246)</b>
<b>Other operating income/(expenses), net</b>	<b>2.034.104</b>	<b>(3.390)</b>

<b>Discontinued operations (Note 9)</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Accounts payable written off	18.210	1.379
Other income	4.290	4.571
<b>Other income</b>	<b>22.500</b>	<b>5.950</b>
Penalties	-	(215)
Impairments	-	(2.701.503)
Other expenses	(16.708)	(25.585)
<b>Other expenses</b>	<b>(16.708)</b>	<b>(2.727.303)</b>
<b>Other operating income/(expenses), net</b>	<b>5.792</b>	<b>(2.721.353)</b>

#### Continued operations

Other income represents income from services to an associate company.

Account payable written off under continued operations, represents the reversal of the provision made in the past for the Bluehouse litigation case, as a result of the Redeemable Class B share redemption (Note 32). Pursuant to a consensual order issued by the District Court of Nicosia in action no.3362/2018, the Company paid €494.000, and as a result the surplus provision was reversed since it is no longer necessary.

#### Discontinued operations

Account payable written off in 2023 refer to old payable balances of Secmon for which local legislation allows for their effective elimination.

Other expenses in discontinued operations represent mainly property tax penalties incurred by a Romanian company from Local Tax Authorities.

### 16. Finance costs and income

<b>Continued operations</b>		
<b>Finance income</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Interest received from non-bank loans	308.466	361.035
<b>Total finance income</b>	<b>308.466</b>	<b>361.035</b>

<b>Finance costs</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Interest expenses (non-bank)	(15.348)	(127.748)
Finance charges and commissions	(3.515)	(5.883)
Bonds interest	(47.637)	(64.700)
<b>Total finance costs</b>	<b>(66.500)</b>	<b>(198.331)</b>
<b>Net finance result</b>	<b>241.966</b>	<b>162.704</b>

<b>Discontinued operations (Note 9)</b>		
<b>Finance income</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Interest received from-bank loans	48	10
Interest received from non-bank loans (Note 38.1.1)	424	7.972
<b>Total finance income</b>	<b>472</b>	<b>7.982</b>

<b>Finance costs</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Interest expenses (bank)	(317.586)	(353.428)
Interest expenses (non-bank)	-	(4.892)
Finance leasing interest expenses	(285.753)	(299.632)
Finance charges and commissions	(1.493)	(3.017)
<b>Total finance costs</b>	<b>(604.832)</b>	<b>(660.969)</b>
<b>Net finance result</b>	<b>(604.360)</b>	<b>(652.987)</b>

#### Continued operations

Interest income from non-bank loans, reflects 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 24). The remaining principal plus the interest is repaid in installments, expected to be fully repaid by the end of 2024. 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.

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

#### **Discontinued operations**

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates.

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.

### **17. Foreign exchange profit / (losses)**

#### **Non realised foreign exchange loss**

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 31 December 2023 from continued operations is €26.824 (2022: loss €17.647).

The exchange loss from discontinued operations for the year ended 31 December 2023 is €55.699 (2022: loss €165.165) (Note 9).

### **18. Tax Expense**

<b>Continued operations</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Reversal of tax/(Income and defence tax expense)	(2.434)	17.940
<b>Taxes</b>	<b>(2.434)</b>	<b>17.940</b>

<b>Discontinued operations (Note 9)</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Income and defence tax expense	(4.955)	(74.340)
<b>Taxes</b>	<b>(4.955)</b>	<b>(74.340)</b>

For the year ended 31 December 2023, the corporate income tax rate for the Group's subsidiaries is 18% in Ukraine, and 16% in Romania. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

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

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	€	€
Profit / (loss) before tax	<b>6.463.041</b>	<b>(11.587.480)</b>
Tax calculated on applicable rates	(154.218)	(318.782)
Expenses not recognized for tax purposes	521.478	592.568
Tax effect of allowances and income not subject to tax	(452.550)	(221.122)
Tax effect on tax losses for the year	742	2.644.670
Tax effect on tax losses brought forward	91.113	(2.617.009)
10% additional tax	596	8.057
Tax effect of Group tax relief	-	-
Defence contribution current year	228	17.173
Prior year tax	-	(161.955)
<b>Total Tax</b>	<b>(7.389)</b>	<b>(56.400)</b>

### **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 at the end of the reporting period is 82% leased.

#### **Residential Assets**

- At the end of the reporting period the Company does not own any more residential units, having sold during the period the remaining **residential portfolio**.

#### **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. The Company recently secured for the leasehold part of the property a 10-year extension.
- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex. As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian 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 in GreenLake which 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**

<b>2023 (€)</b>		<b>Fair Value movements</b>			<b>Asset Value at the Beginning of the period or at Acquisition/Transfer date</b>			
<b>Asset Name</b>	<b>Type</b>	<b>Carrying amount as at 31/12/2023</b>	<b>Foreign exchange translation difference (a)</b>	<b>Fair value gain/(loss) based on local currency valuations (b)</b>	<b>Disposals 2023</b>	<b>Transfer to Assets held for sale</b>	<b>Additions 2023</b>	<b>Carrying amount as at 31/12/2022</b>
Kiyanovskiy Residence	Land	1.131.222	(97.359)	(177.757)	-	-	-	1.406.338
Tsymlyanskiy Residence	Land	1	-	-	-	-	-	1
Rozny Lane	Land	416.290	-	(99.367)	-	-	-	515.657
<b>Total Ukraine</b>		<b>1.547.513</b>	<b>(97.359)</b>	<b>(277.124)</b>	-	-	-	<b>1.921.996</b>
Innovations Logistics Park	Warehouse	9.710.000	(53.394)	53.394	-	-	-	9.710.000
<b>Total Romania</b>		<b>9.710.000</b>	<b>(53.394)</b>	<b>53.394</b>	-	-	-	<b>9.710.000</b>
<b>TOTAL</b>		<b>11.257.513</b>	<b>(150.753)</b>	<b>(223.730)</b>	-	-	-	<b>11.631.996</b>

<b>2022 (€)</b>		<b>Fair Value movements</b>			<b>Asset Value at the Beginning of the period or at Acquisition/Transfer date</b>			
<b>Asset Name</b>	<b>Type</b>	<b>Carrying amount as at 31/12/2022</b>	<b>Foreign exchange translation difference (a)</b>	<b>Fair value gain/(loss) based on local currency valuations (b)</b>	<b>Disposals 2022</b>	<b>Transfer to Assets held for sale</b>	<b>Additions 2022</b>	<b>Carrying amount as at 31/12/2021</b>
Kiyanovskiy Residence	Land	1.406.338	(444.110)	(798.325)	-	-	-	2.648.773
Tsymlyanskiy Residence	Land	1	-	-	-	-	-	1
Rozny Lane	Land	515.657	-	(455.560)	-	-	-	971.217
<b>Total Ukraine</b>		<b>1.921.996</b>	<b>(444.110)</b>	<b>(1.253.885)</b>	-	-	-	<b>3.619.991</b>
Innovations Logistics Park	Warehouse	9.710.000	1.345	8.655	-	-	-	9.700.000
EOS Business Park	Office	-	-	-	(6.700.000)	-	-	6.700.000
Residential portfolio	Residential	-	-	-	-	-	-	-



GreenLake	Land & Resi	-	-	-	(10.215.000)	-	-	10.215.000
Kindergarten	Retail	-	-	-	(1.320.000)	-	-	1.320.000
<b>Total Romania</b>		<b>9.710.000</b>	<b>1.345</b>	<b>8.655</b>	<b>(18.235.000)</b>	-	-	<b>27.935.000</b>
<b>TOTAL</b>		<b>11.631.996</b>	<b>(442.765)</b>	<b>(1.245.230)</b>	<b>(18.235.000)</b>	-	-	<b>31.554.991</b>

### Discontinued Operations

Due to the situation in Ukraine and the associated uncertainty, the Management has decided in H1 2022 to proceed with valuing those assets 50% lower than the values provided by the third-party valuers (CBRE Ukraine), and in turn decided to keep the same decision in all subsequent periods, including the current one. As a result, the Ukrainian assets contribute €1,5 million in Group's assets, as compared to €3,1 million provided by the valuers and €3,1 million in 2022 accounts.

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

- The translation loss due to the devaluation of local currencies of €150.753 (a) (2022: loss €442.765) is presented as part of the exchange difference on translation of foreign operations in other comprehensive income in the statement of comprehensive income and then carried forward in the Foreign currency translation reserve; and,
- The fair value loss in terms of the local functional currencies amounting to €223.730 (b) (2022: loss €1.245.230), is presented as Valuation gains/(losses) from investment properties in the statement of comprehensive income and is carried forward in Accumulated losses.

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

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

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€	€	€
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Aisi Ukraine LLC Trade Center	-	1.131.222	-	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	-	416.290	-	515.657
<b>Total Ukraine</b>				-	<b>1.547.513</b>	-	<b>1.921.996</b>
Innovations Logistics Park	Clinчени, 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>11.257.513</b>	-	<b>11.631.996</b>

### 19.4 Investment Property analysis

#### a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park and all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residence and Rozny Lane in Ukraine.

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations (Note 9)	Continued operations	Discontinued operations (Note 9)
	€	€	€	€
<b>At 1 January</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	-	(223.730)	-	(1.245.230)
Translation difference	-	(150.753)	-	(442.765)
<b>At 31 December</b>	-	<b>11.257.513</b>	-	<b>11.631.996</b>

Disposals of Investment Properties in 2022 represent the sale of EOS, Kindergarten and GreenLake Phase 2 land.

### 19.5 Investment Property valuation method presentation

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

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

into this valuation approach is price per sqm.

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

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

Fair value measurements at 31 Dec 2023 (€)	(Level 1)	(Level 2)	(Level 3)	Total
<i>Recurring fair value measurements</i>				
Tsymlyanskiy Residence - Podil, Kiev City Center*	-	1	-	1
Kiyanovskiyy Residence - Podil, Kiev City Center*	-	1.131.222	-	1.131.222
Rozny Lane - Brovary district, Kiev *	-	416.290	-	416.290
Innovations Logistics Park - Bucharest	-	-	9.710.000	9.710.000
<b>Totals</b>	-	<b>1.547.513</b>	<b>9.710.000</b>	<b>11.257.513</b>

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

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

Level 3 Fair value measurements at 31 Dec 2023 (€)	Innovations Logistics Park	Total
<b>Opening balance</b>	<b>9.710.000</b>	<b>9.710.000</b>
Profit/(loss) on revaluation	53.394	<b>53.394</b>
Disposal	-	-
Translation difference	(53.394)	<b>(53.394)</b>
<b>Closing balance</b>	<b>9.710.000</b>	<b>9.710.000</b>

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

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

	Fair value at 31 Dec 2023	Fair value at 31 Dec 2022	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	€	€	€	€	€
<b>Innovations Logistics Park - Bucharest</b>	9.710.000	9.710.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
<b>Total</b>	<b>9.710.000</b>	<b>9.710.000</b>			

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

### 20.1 Acquisition of asset

In 2022, the Company 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 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 Limited so as to retain some of the value originally destined to be part of its asset portfolio. During 2023, the Company acquired the remaining 50% of Equardo Limited for a consideration of €90.000.

## 20.2 Disposals of subsidiaries and associates

### 20.2.1 (A) Disposal of EOS Business Park

In June 2022 the Company closed the agreement for the sale 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>
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During 2022, 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
ASSETS	€	€	€	€	€	€	€
<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>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>5.416.671</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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#### 20.2.2 Acquisition and disposal of associate Equardo Holding Limited.

The Company in 2023 acquired the remaining 50% of the share capital of Equardo Holdings Limited (Note 21) for the consideration price of €90.000 increasing its participation in the company to 100% having a NAV of €180.218. Equardo has an indirect investment in a large land plot in Bucharest with a substantially higher value, yet the monetization of such investment is of increased risk and is expected to take substantial time. As such the Company sold this investment to the subsidiary Sertland Properties Limited in exchange of intra group payables of € 2.205.145, i.e. generating a book profit on disposal of €2.024.927.

#### 20.2.3 Acquisition and disposal of Nottin Holdings Limited

The Company in 2023 acquired the 33,3% of Nottin Holding Limited and a receivable from the company amounted to €93.300 for a consideration of €1. Nottin Holdings Limited has an indirect investment in a large property and land plot in Belgrade with a substantially higher value, yet the monetization of such investment is of increased risk and is expected to take substantial time. As such the Company sold this investment to the subsidiary Zirimon Properties Limited in exchange of intra group payables of € 5.604.753, i.e. generating a book profit on disposal of €5.604.752.

#### 20.2.4 Disposal of SEC I.

The Company in 2023 proceeded to the sale of SEC I group to a 3<sup>rd</sup> party.

	SEC I LTD	Sertland LTD	Zirimon LTD	Ram LTD	Emakei LTD	Edetrio LTD	Iuliu Maniu LTD	Moselin Investments srl	Total
ASSETS	€	€	€	€	€	€			€
<b>Non-current assets</b>									
Investment in shares	-	1.543.602	3.923.327	-	-	90.218	-	-	<b>5.557.147</b>
<b>Current assets</b>									
Prepayments and other current assets	2.384	-	93.300	-	-	-	-	527.248	<b>622.932</b>
Cash and cash equivalents	-	-	-	-	-	-	-	18.814	<b>18.814</b>
<b>Total Assets</b>	<b>2.384</b>	<b>1.543.602</b>	<b>4.016.627</b>	<b>-</b>	<b>-</b>	<b>90.218</b>	<b>-</b>	<b>546.062</b>	<b>6.198.893</b>
<b>LIABILITIES</b>									
Interest bearing borrowings	4.381.964	-	-	-	-	-		1.183	<b>4.383.147</b>

borrowings									
Other liabilities	9.025	10.764	8.098	3.987	3.169	13.193	3.180	114.578	165.994
<b>Total Liabilities</b>	<b>4.390.989</b>	<b>10.764</b>	<b>8.098</b>	<b>3.987</b>	<b>3.169</b>	<b>13.193</b>	<b>3.180</b>	<b>115.761</b>	<b>4.549.141</b>
<b>NET ASSET</b>	<b>(4.388.605)</b>	<b>1.532.838</b>	<b>4.008.529</b>	<b>(3.987)</b>	<b>(3.169)</b>	<b>77.025</b>	<b>(3.180)</b>	<b>430.301</b>	<b>1.649.752</b>
<b>Group % Holding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>50%</b>	<b>100%</b>	<b>100%</b>	<b>45%</b>	<b>45%</b>	
<b>Net share of the group</b>	<b>(4.388.605)</b>	<b>1.532.838</b>	<b>4.008.529</b>	<b>(1.994)</b>	<b>(3.169)</b>	<b>77.025</b>	<b>(1.431)</b>	<b>193.635</b>	<b>1.416.828</b>
<b>Consideration:</b>									
Payable write off									470.036
<b>Total Consideration</b>									470.036
<b>Loss on Disposal</b>									<b>(946.792)</b>

## 21. Investments in associates

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	1	335.534	-	5.476.576
Acquisition of Investment in associates	-	90.000	9.041	-
Share of profits/(losses) from associates (Note 9)	-	(245.316)	(9.040)	335.533
Dividend Income	-	-	-	(297.906)
Disposal of Investment (Note 20.2.1 B)	(1)	(180.218)	-	(5.178.669)
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>335.534</b>

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.

During 2023 and as part of the sale of SEC I group, the Company sold GreenLake Development Srl which at that time had no remaining asset for sale in its portfolio, as well as Equardo Holdings Limited (Note 20.2.4).

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 31 December 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
		€	€	€	%	€		
GreenLake Project - Phase A	GreenLake Development Srl	-	-	(607.969)	40,35	(245.316)	Romania	Residential assets
Vic City Project	Equardo Holdings Limited	-	-	(11.288)	50	-	Romania	Land
<b>Total</b>		<b>-</b>	<b>-</b>	<b>(619.257)</b>		<b>(245.316)</b>		

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

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

## 22. Tangible and intangible assets

As at 31 December 2023 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €164 (2022: €816).

As at 31 December 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 €29.997 (2022: €32.244). Accumulated depreciation as at the reporting date amounts to €29.972 (2022: €32.224).

### 23. Long Term Receivables and prepayments

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	818	315.000	824	315.000
<b>Total</b>	<b>818</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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	691.296	396.245	603.257	1.019.634
VAT and other tax receivables	219.790	55.179	132.771	52.836
Deferred expenses	40	1.605	-	128
Receivables due from related parties	30.168	6.679	75.095	195.115
Loan receivables from 3 <sup>rd</sup> parties	3.152.450	-	3.463.985	-
Loan to associates (Note 39.4)	-	-	-	229.629
Allowance for impairment of prepayments and other current assets	(59.207)	(49.932)	(121.946)	(229.629)
<b>Total</b>	<b>4.034.537</b>	<b>409.776</b>	<b>4.153.162</b>	<b>1.267.713</b>

#### Continued operations

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.

Loan receivables from 3<sup>rd</sup> parties include an amount of €2.909.115 (2022: €3.404.467) provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The accrued interest was €243.335 (2022: €59.517). 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 conversion will take place upon identifying and agreeing on the specific project to be undertaken by the JV. The parties have evaluated many opportunities and currently are in the final negotiations stage with a tenant for developing two different properties in two different regional cities in Romania. 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 2024.

#### Discontinued operations

Trade and other receivables decrease due to the sale of associate company during the year.

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.

Loan to associates reflects a loan receivable from GreenLake Development Srl, which was sold during the year as part of the sale of SEC I group (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:

	31 Dec 2023	31 Dec 2022
	€	€
Arcona shares at the beginning of the period	11.920.030	7.330.145
Acquired Arcona shares during the period	-	5.679.202
FV change in Arcona shares	(259.781)	(1.089.317)
<b>Arcona shares at reporting date</b>	<b>11.660.249</b>	<b>11.920.030</b>

Warrants over Arcona shares at the beginning of the period	158.778	140.577
Acquired Arcona Warrants during the period	-	3
FV change in warrants	(132.429)	18.198
<b>Arcona warrants at reporting date</b>	<b>26.349</b>	<b>158.778</b>
<b>Total Financial Assets at FV</b>	<b>11.686.598</b>	<b>12.078.808</b>
FV change in Arcona shares	(259.781)	(1.089.317)
FV change in warrants	(132.429)	18.198
<b>Fair Value (loss)/ gain on Financial Assets at FV through P&amp;L</b>	<b>(392.210)</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 loss of €259.781 (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 year end, the warrants are re-valued to fair value and as a result a relevant loss of €132.429 (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 4,99 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: 20,88%
- Annualized dividend yield on shares: 3,01%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 5,05%

During 2023, the Company realized dividend income from the shareholding in Arcona of the order of €160.937, as part of the dividend distribution policy of Arcona.

## 26. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	399	-	1.472	7.734
Cash with banks in EUR	144.760	89	38.704	80.151
Cash with banks in UAH	46	455	395	813
Cash with banks in RON	7.008	344.604	25.710	196.130
Cash with banks in GBP	28	-	289	-
<b>Total</b>	<b>152.241</b>	<b>345.148</b>	<b>66.570</b>	<b>284.828</b>

## 27. Share capital

### Number of Shares during 2023 and 2022

	31 December 2023	31 December 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 (€) for 2023 and 2022

€	31 December 2023	31 December 2022
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<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:

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

### 27.2 Issued Share Capital

As at the end of 2023, the issued share capital of the Company was as follows:

- 129.191.442 Ordinary Shares of €0,01 nominal value each,
- 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:

- in lieu of redemption transferred 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., while final settlement has also been reached pursuant to a consensual order issued by the District Court of Nicosia in action no.3362/2018 (Note 39.3). As a result the Company has planned to cancel these shares and has included relevant resolution in the forthcoming Extraordinary General Meeting to be held on 10 July 2024.

### 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) 31 December 2023	(as at) 31 December 2022
<b>Ordinary shares of €0,01</b>	<b>Issued and Listed on AIM</b>	<b>129.191.442</b>	<b>129.191.442</b>
Total number of Shares	Non-Dilutive Basis	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>
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 and the Company plans to cancel them.

### 28. Foreign Currency Translation Reserve

Exchange differences relate to the translation from the functional currency to EUR of Group's subsidiaries' accounts and are recognized by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where Company's subsidiaries' functional currencies are not EUR. The Company had €931.988 loss on foreign exchange losses/gains on translation due to presentation currency for 2023, in comparison to €692.906 relevant loss in 2022.

### 29. Non-Controlling Interests

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

%	<b>Non-controlling interest portion</b>	
<b>Group Company</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
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
Iuliu Maniu Limited	-	55,00
Moselin Investments Srl	-	55,00
Jenby Ventures Limited	-	55,70
Jenby Investments Srl	-	-
Ebenem Limited	-	55,70



### 30. Borrowings

	Project	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Principal of bank Loans</b>					
Piraeus Bank SA	Land banking	-	-	-	2.525.938
Loans from other 3 <sup>rd</sup> parties and related parties (Note 38.5)		106.682	-	502.130	2.314
Overdrafts		-	71	-	17
<b>Total principal of bank and non-bank Loans</b>		<b>106.682</b>	<b>71</b>	<b>502.130</b>	<b>2.528.269</b>
Interest accrued on bank loans		-	-	-	1.492.923
Interests accrued on non-bank loans (Note 38.5)		8.112	-	95.227	-
<b>Total</b>		<b>114.794</b>	<b>71</b>	<b>597.357</b>	<b>4.021.192</b>

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	114.794	71	-	4.021.192
Non-current portion	-	-	597.357	-
<b>Total</b>	<b>114.794</b>	<b>71</b>	<b>597.357</b>	<b>4.021.192</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. As at the end of the previous period the balance of the loan was €2.525.938 plus accrued interest €1.492.923 bearing 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. During 2023, the Company sold SEC South East Continent Unique Real Estate (Secured) Investments Limited.

### 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 loan element of the instrument has been redeemed by 30% and at the end of the reporting period the balance stands at €723.690 (2022: €723.690). The instrument bears a 6,5% coupon, has a 7 year term, maturing in July 2024, and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018. The Company plans to extend the maturity of the bond and for that purpose the consent of most of the bondholders has already been received. As at 31 December 2023, the balance of the bonds with interest amounts to €870.373.

### 32. Trade and other payables

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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	1.095.564	484.786	3.070.074	389.462
Payables to related parties	536.867	-	495.157	13.883
Deferred income from tenants	-	-	-	7.840
Accruals	73.281	3.826	68.827	20.122
Pre-sale advances (Advances received for sale of properties)	90.172	-	97.711	-
<b>Total</b>	<b>1.795.884</b>	<b>488.612</b>	<b>3.731.769</b>	<b>431.307</b>

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	1.795.884	-	3.731.769	7.840
Non-current portion	-	488.612	-	423.467
<b>Total</b>	<b>1.795.884</b>	<b>488.612</b>	<b>3.731.769</b>	<b>431.307</b>

#### Continued Operations

Payables to third parties represents: a) payable provision due to Bluehouse Capital as a result of the Redeemable Class B share redemption (Note 27.3) which was under legal proceedings and resolved during the

current period (Note 39.3). As a result the remaining payable provision was written off through the profit and loss account; 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).

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.

### **Discontinued Operations**

Payables to related parties under discontinued operations represent payables to non-controlling interest shareholders.

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

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

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

Deposits from tenants appearing under non-current liabilities include the amounts received from tenants in Innovations Logistics Park.

### **34. Taxation**

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax - non current	-	-	165.817	41.981
Defence tax - non current	17.173	-	14.252	-
Tax provision - non current	-	-	399.450	-
<b>Non-current</b>	<b>17.173</b>	<b>-</b>	<b>579.519</b>	<b>41.981</b>
Corporate income tax - current	21.146	4.955	30.631	12.064
Other taxes including VAT payable - current	292	150.917	6.943	130.182
<b>Current</b>	<b>21.438</b>	<b>155.872</b>	<b>37.574</b>	<b>142.246</b>
<b>Total Provisions and Taxes Payables</b>	<b>38.611</b>	<b>155.872</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.

During 2023, the prior year taxes due were re-assessed downwards by the tax authorities following relevant motion by the Company.

### **35. Finance Lease Liabilities**

As at the reporting date the finance lease liabilities consist of the non-current portion of €5.885.895 and the current portion of €57.306 (31 December 2022: €6.168.403 and €57.527, accordingly).

#### **Discontinued operations**

31 Dec 2023	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	41.2	555.030	274.004	281.026
Between two and five years	&	6.022.565	372.190	5.650.375
More than five years	41.6	15.496	3.773	11.723
		<b>6.593.091</b>	<b>649.967</b>	<b>5.943.124</b>
Accrued Interest				77
<b>Total Finance Lease Liabilities (Note 9d)</b>				<b>5.943.201</b>

31 Dec 2022	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	41.2	568.486	287.549	280.937
Between two and five years	&	6.574.889	645.268	5.929.621
More than five years	41.6	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 €21.580 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 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 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian 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 €5.921.621 (2022: €6.201.629), 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.

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

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

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

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

Earnings per share	31 Dec 2023	31 Dec 2022
	€	€
Profit/(Loss) after tax attributable to owners of the parent	9.443.524	(1.240.385)
Basic	0,07	(0,01)
Diluted	0,07	(0,01)

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

Earnings per share	31 Dec 2023	31 Dec 2022
	€	€
Loss after tax from discontinued operations attributable to owners of the parent	(2.966.646)	(8.416.599)
Basic	(0,02)	(0,06)
Diluted	(0,02)	(0,06)

#### d. Net assets per share

Net assets per share	31 Dec 2023	31 Dec 2022
	€	€
Net assets attributable to equity holders of the parent	18.657.732	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	0,14	0,10
Diluted	0,14	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

**Commercial-industrial**

- Warehouse segment -Innovations Logistics Park
- Office segment - Eos Business Park - Delea Nuova (Associate) - 2022 only
- Retail segment - Kindergarten of GreenLake - 2022 only

**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 year 2023**

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	-	-	-	-	-	761.683	761.683
Service charges and utilities income (Note 10)	-	-	-	-	-	668.905	668.905
Impairment of financial investments (Note 25)	-	-	-	-	-	(392.210)	(392.210)
Result from disposal of Investment	-	-	-	-	-	5.604.752	5.604.752
Result from disposal of associate (Note 21)	-	-	-	-	-	2.024.927	2.024.927
Profit from discontinued operation (Note 9b)	33.736	-	-	5.773	(535.101)	(1.631.714)	(2.127.306)
<b>Segment profit</b>	<b>33.736</b>	<b>-</b>	<b>-</b>	<b>5.773</b>	<b>(535.101)</b>	<b>(7.036.343)</b>	<b>6.540.751</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(1.632.282)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	2.034.104
Dividend Income (Note 25)	-	-	-	-	-	-	160.937
Finance income (Note 16)	-	-	-	-	-	-	308.466
Interest expenses (Note 16)	-	-	-	-	-	-	(62.985)
Other finance costs (Note 16)	-	-	-	-	-	-	(3.515)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(860.566)
Foreign exchange losses, net (Note 17)	-	-	-	-	-	-	(26.824)
Income tax expense (Note 18)	-	-	-	-	-	-	(2.434)
Exchange difference on I/C loan to foreign holdings (Note 28)	-	-	-	-	-	-	(931.988)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.523.664</b>

**Profit and Loss for the year 2022**

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	-	-	-	-	-	763.242	763.242
Service charges and utilities income (Note 10)	-	-	-	-	-	276.996	276.996
Property Management income (Note 10)	103.514	-	-	-	-	-	103.514
Impairment of financial investments (Note 25)	-	-	-	-	-	(1.071.119)	(1.071.119)
Gain on disposal of subsidiaries	-	-	-	-	-	1.041	1.041
Share of profit/loss of associate (Note 21)	-	-	-	-	-	(9.040)	(9.040)
Profit from discontinued operation (Note 9b)	(31.359)	(2.285.712)	(120.588)	(64.466)	(3.458.376)	(586.990)	(6.547.491)
<b>Segment profit</b>	<b>72.155</b>	<b>(2.285.712)</b>	<b>(120.588)</b>	<b>(64.466)</b>	<b>(3.458.376)</b>	<b>(625.870)</b>	<b>(6.482.857)</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(1.464.626)
Other (expenses)/income							

(expenses)/income, net (Note 15)	-	-	-	-	-	-	(3.390)
Finance income (Note 16)	-	-	-	-	-	-	361.035
Interest expenses (Note 16)	-	-	-	-	-	-	(192.448)
Other finance costs (Note 16)	-	-	-	-	-	-	(5.883)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(3.856.004)
Foreign exchange losses, net (Note 17)	-	-	-	-	-	-	(17.647)
Income tax expense (Note 18)	-	-	-	-	-	-	17.940
Exchange difference on I/C loan to foreign holdings (Note 28)	-	-	-	-	-	-	(692.906)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>(12.336.786)</b>

\* It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park in Romania is currently invoiced by the Company as part of a relevant lease agreement with the Innovations SPV and the lender. However the asset, which is held 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 year 2023

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	128.878	-	-	1.800	-	-	130.678
Service charges and utilities income (Note 10)	17.497	-	-	7.841	-	-	25.338
Valuation gains/(losses) from investment property (Note 13)	53.394	-	-	-	(277.124)	-	(223.730)
Share of profits/(losses) from associates (Note 21)	-	-	-	-	(245.316)	-	(245.316)
Loss on disposal of subsidiaries (Note 20.2.4)	-	-	-	-	-	(946.792)	(946.792)
Asset operating expenses (Note 11)	(166.032)	-	-	(3.868)	(12.661)	(684.923)	(867.484)
<b>Segment profit</b>	<b>33.737</b>	-	-	<b>5.773</b>	<b>(535.101)</b>	<b>(1.631.715)</b>	<b>(2.127.306)</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(201.344)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	5.792
Finance income (Note 16)	-	-	-	-	-	-	472
Interest expenses (Note 16)	-	-	-	-	-	-	(603.339)
Other finance costs (Note 16)	-	-	-	-	-	-	(1.493)
Foreign exchange losses, net (Note 17)	-	-	-	-	-	-	(55.699)
Income tax expense (Note 18)	-	-	-	-	-	-	(4.955)
<b>Loss for the year</b>	-	-	-	-	-	-	<b>(2.987.872)</b>

### Profit and Loss for the year 2022

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Property Sales income (Note 14)	-	-	-	-	3.897.608	-	3.897.608
Cost of Property sold (Note 14)	-	-	-	-	(4.723.000)	-	(4.723.000)
Rental income (Note 10)	63.940	332.356	90.054	3.303	-	-	489.653
Service charges and utilities income (Note 10)	9.152	-	-	-	6.980	-	16.132
Valuation gains/(losses) from investment							



## Discontinued operations

### Assets and Liabilities held for sale 2023

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Assets</b>							
Investment properties	9.710.000	-	-	-	1.547.513	-	11.257.513
Long-term receivables and prepayments	315.000	-	-	-	-	-	315.000
Investments in associates	-	-	-	-	-	-	-
<b>Segment assets</b>	<b>10.025.000</b>	-	-	-	<b>1.547.513</b>	-	<b>11.572.513</b>
Tangible and intangible assets	-	-	-	-	-	-	25
Prepayments and other current assets	-	-	-	-	-	-	409.776
Cash and cash equivalents	-	-	-	-	-	-	345.148
<b>Total assets</b>	-	-	-	-	-	-	<b>12.327.462</b>
Borrowings	71	-	-	-	-	-	71
Finance lease liabilities	5.921.621	-	-	-	21.580	-	5.943.201
Deposits from tenants	23.002	-	-	-	-	-	23.002
<b>Segment liabilities</b>	<b>5.944.694</b>	-	-	-	<b>21.580</b>	-	<b>5.966.274</b>
Trade and other payables	-	-	-	-	-	-	488.612
Taxation	-	-	-	-	-	-	155.872
<b>Total liabilities</b>	-	-	-	-	-	-	<b>6.610.758</b>

### Assets and Liabilities held for sale 2022

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Assets</b>							
Investment properties	9.710.000	-	-	-	950.779	971.217	11.631.996
Long-term receivables and prepayments	315.000	-	-	-	-	-	315.000
Investments in associates	-	1	-	-	335.533	-	335.534
<b>Segment assets</b>	<b>10.025.000</b>	<b>1</b>	-	-	<b>1.286.313</b>	<b>971.217</b>	<b>12.282.530</b>
Tangible and intangible assets	-	-	-	-	-	-	20
Prepayments and other current assets	-	-	-	-	-	-	1.267.713
Cash and cash equivalents	-	-	-	-	-	-	284.828
<b>Total assets</b>	-	-	-	-	-	-	<b>13.835.091</b>
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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
Income (Note 10)	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Ukraine	-	-	-	-
Romania	-	156.016	103.514	505.785
Greece	-	-	-	-
Bulgaria	-	-	-	-
Cyprus *	1.430.588	-	1.040.238	-
<b>Total</b>	<b>1.430.588</b>	<b>156.016</b>	<b>1.143.752</b>	<b>505.785</b>

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

Gain/(loss) from disposal of investment properties (Note 14)	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	-	-	(825.392)
<b>Total</b>	-	-	-	<b>(825.392)</b>

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
<b>Carrying amount of assets</b> (investment properties and investment in associates)				
Ukraine	-	1.547.513	-	1.921.996
Romania	-	9.710.000	-	10.045.534
Cyprus	-	-	1	-
<b>Total</b>	-	<b>11.257.513</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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income from loan to associates	-	424	230	7.972
<b>Total</b>	-	<b>424</b>	<b>230</b>	<b>7.972</b>

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

##### 38.1.2 Expenses

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration (Note 12)	10.657	-	155.959	-
Incentives pursuant to RemCo proposal (Note 12)	151.370	-	184.500	-
Directors fees (Note 12)	75.020	-	-	-
Provision for Director fees (Note 12)	250.000	-	-	-
Interest expenses on Director and Management Loans (Note 16)	15.348	-	37.513	-
<b>Total</b>	<b>502.395</b>	-	<b>377.972</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. During 2023 the Company externalized most of the related HR cost as part of the cost minimization plan adopted by the board.

Incentives provided 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 1st June 2021.

The annual Directors fees including Chairman and Committee remunerations have been set at GBP 129k. Following relevant confirmation by the board, the Company registered in 2023 the remuneration of the board associated with H1 2022 (€75k) which remained pending from previous year, as well as a provision of a remuneration to cover the period including H2 2022 and 2023 (€250k).

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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	148.879	-	218.171	-
Provision for director fees	250.000	-	-	-
Sec South East Continent Unique Real Estate Management Limited	-	-	65	-
Management Remuneration	137.988	-	276.921	-
<b>Total</b>	<b>536.867</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.

##### 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 -as at 31 Dec 2023	Principal as at 31 Dec 2023	Limit -as at 31 Dec 2022	Principal as at 31 Dec 2022
	€	€	€	€
LLC " Trade Center"	5.800	5.822	5.800	6.074
LLC "Aisi Ukraine"	23.062.351	315.524	23.062.351	295.549
LLC "Almaz-Press-Ukraine"	8.236.554	264.338	8.236.554	275.778
LLC "Aisi Ilvo"	150.537	19.398	150.537	19.398
<b>Total</b>	<b>31.455.242</b>	<b>605.082</b>	<b>31.455.242</b>	<b>596.799</b>

### 38.3 Loans from SC Secure Capital Limited to the Group's subsidiaries (continued)

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 €60.508 (2022: €59.680), estimated on balances held at 31 December 2023.

### 38.4 Loans to associates (Note 24)

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

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

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

	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans from Directors and Management	100.000	-	492.500	-
Interest accrued on loans from related parties	8.112	-	95.227	-
<b>Total</b>	<b>108.112</b>	<b>-</b>	<b>587.727</b>	<b>-</b>

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

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

## 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 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 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 posted in its accounts a relevant payable provision for Bluehouse in the amount of €2.521.211 (Note 32). On the other hand, the Company during 2019, as part of the judicial process, 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. Following relevant negotiations and taking into account the timeline and the costs associated with these legal motions, the Company proceeded to a settlement against a payment of €494.000 pursuant to consensual order issued by the District Court of Nicosia in action no. 3362/2018.

### 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 31 December 2023.

## 40. Commitments

The Group had no other commitments as at 31 December 2023.

## 41. Financial Risk Management

### 41.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity for implementing its strategy to maximize the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 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 shareholder's Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

### 41.2 Categories of Financial Instruments

	Note	31 Dec 2023	31 Dec 2023	31 Dec 2022	31 Dec 2022
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Financial Assets</b>					
Cash at Bank	26	152.241	345.148	66.570	284.828
Long-term Receivables and prepayments	23	818	315.000	824	315.000
Financial Assets at FV through P&L	25	11.686.598	-	12.078.808	-
Prepayments and other receivables	24	4.034.537	409.776	4.153.162	1.267.713
<b>Total</b>		<b>15.874.194</b>	<b>1.069.924</b>	<b>16.299.364</b>	<b>1.867.541</b>
<b>Financial Liabilities</b>					
Borrowings	30	114.794	71	597.357	4.021.192
Trade and other payables	32	1.795.884	488.612	3.731.769	431.307
Deposits from tenants	33	-	23.002	-	23.002
Finance lease liabilities	35	-	5.943.201	-	6.225.930
Taxation	34	38.611	155.872	617.093	184.227
Bonds	31	870.373	-	822.736	-
<b>Total</b>		<b>2.819.662</b>	<b>6.610.758</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

#### 41.1 Economic Market Risk Management

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

##### Foreign Exchange Risk

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

##### Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant floating interest-bearing assets. On December 31<sup>st</sup>, 2023, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to €497.389 (2022: €351.398) of which approx. €501 in UAH and €351.612 in RON (Note 26) while the remaining are mainly denominated in either USD, GBP or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to €114.865 (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 31 December 2023, the weighted average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 4,7% (31 December 2022: 5,36%).

The sensitivity analysis changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2023 is presented below:

	<b>Actual as at 31.12.2023</b>	+100 bps	+200 bps
Weighted average interest rate	4,7%	5,7%	6,7%
%Influence on yearly finance costs		60.284	120.567

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

	<b>Actual as at 31.12.2022</b>	+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 discussed also 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**

<b>31 December 2023</b>	Carrying amount	<b>Total Contractual Cash Flows</b>	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	152.241	<b>152.241</b>	152.241	-	-
Prepayments and other receivables	4.034.537	<b>4.034.537</b>	4.034.537	-	-
Financial Assets at FV through P&L	11.686.598	<b>11.686.598</b>	11.686.598	-	-
Long-term Receivables and prepayments	818	<b>818</b>	-	-	818
<b>Total Financial assets</b>	<b>15.874.194</b>	<b>15.874.194</b>	<b>15.873.376</b>	<b>-</b>	<b>818</b>
<b>Financial liabilities</b>					
Borrowings	114.794	<b>125.461</b>	13.445	112.016	-

Trade and other payables	1.795.884	<b>1.795.884</b>	1.795.884	-	-
Bonds issued	870.373	<b>870.373</b>	870.373	-	-
Taxes payable and provisions	38.611	<b>38.611</b>	21.438	17.173	-
<b>Total Financial liabilities</b>	<b>2.819.662</b>	<b>2.830.329</b>	<b>2.701.140</b>	<b>129.189</b>	-
<b>Total net assets/(liabilities)</b>	<b>13.054.532</b>	<b>13.043.865</b>	<b>13.172.236</b>	<b>(129.189)</b>	<b>818</b>

#### Discontinued Operations

31 December 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	345.148	<b>345.148</b>	345.148	-	-
Long-term receivables	315.000	<b>315.000</b>	-	-	315.000
Prepayments and other receivables	409.776	<b>409.776</b>	409.776	-	-
<b>Total Financial assets</b>	<b>1.069.924</b>	<b>1.069.924</b>	<b>754.924</b>	-	<b>315.000</b>
<b>Financial liabilities</b>					
Borrowings	71	<b>11.831</b>	71	11.760	-
Trade and other payables	488.612	<b>488.612</b>	488.612	-	-
Deposits from tenants	23.002	<b>23.002</b>	-	-	23.002
Finance lease liabilities	5.943.201	<b>6.593.092</b>	555.030	541.962	5.496.100
Taxation	155.872	<b>155.872</b>	155.872	-	-
<b>Total Financial liabilities</b>	<b>6.610.758</b>	<b>7.272.409</b>	<b>1.199.585</b>	<b>553.722</b>	<b>5.519.102</b>
<b>Total net assets/(liabilities)</b>	<b>(5.540.834)</b>	<b>(6.202.485)</b>	<b>(444.661)</b>	<b>(553.722)</b>	<b>(5.204.102)</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>12.262.778</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>(9.969.269)</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) Stage 2 of Arcona transaction

During 2024, the Company has worked extensively towards the closing of Stage 2 of the transaction with Arcona, which involves the sale of Rozhny and Kyianivskiy assets in Ukraine. To that end, the commercial terms of the transactions have been finally agreed, and the relevant valuations, for use as reference of the price, have been ordered and issued by the third-party local valuer. At this point, the two legal teams are finalizing the required documentation for execution, and it is estimated that, albeit the constraints in force, the transactions will materialize during the third quarter of the year.

#### **b) Bluebigbox3 Srl insolvency procedure**

Following the settlement made with BLUEHOUSE ACCESSION PROPERTY HOLDING III S.A.R.L. pursuant to a consensual order issued by the District Court of Nicosia in action no. 3362/2018, relevant legal motions against Bluebigbox3 Srl have been withdrawn. In relation to the insolvency procedure of the company, next hearing has been set on 17 September 2024, when the judicial administrator will file the request to close the bankruptcy procedure before the court, considering that this proposal was already confirmed by creditors in accordance with the Creditors Assembly held on 15 March 2024.

#### **c) Liquidation of Romanian entities**

During the first quarter of 2024, the Company initiated the process for liquidating two Romanian entities of the Group, without the appointment of a liquidator, according to the provisions of art.236 of Company law 31/1990. The entities are SPDI Management Srl and Secmon Srl, and their liquidation has been emerged from the fact that they are currently idle, the former following the externalization of all local HR and office costs, and the latter following the sale of its entire portfolio of assets.

#### **d) Bond maturity extension**

Regarding the Bond instrument issued by the Company on 19 December 2017 and for which 30% of the original amount has already been redeemed, the Company has at the date of this report secured the agreement of most of the bondholders to the extension of the maturity date of the instrument for one year, namely to 19 July 2025.

#### **e) Extraordinary General Meeting of the Shareholders**

On 17 June 2024, the Company announced the release of a Notice of Extraordinary General Meeting (EGM) to be held at the registered address of the Company on 10 July 2024. The purpose of the EGM is to make the necessary changes to the Company's share capital structure in order to proceed with the distribution to holders of SPDI ordinary shares their pro rata allocation of shares of Arcona Property Fund N.V. held by the Company, or by a bank transfer of readily available funds, or both as the board of directors in their absolute discretion may decide. To do this, the Company's redeemable preference Class B shares need to be cancelled (Resolution 1) and the Company's share premium account needs to be reduced (Resolution 2 and 3). Shareholders are encouraged to read the Notice of EGM in full for further detail. Both resolutions are to be proposed as special resolutions, and therefore require 75% of those present to vote in favour to pass.

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

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



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