30 September 2019

Secure Property Development & Investment PLC ('SPDI' or 'the Company')
Half-year Report

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its unaudited half-year report for the period ended 30 June 2019.

Realising value from a portfolio of prime South Eastern European real estate

Financial Highlights

Positive financial trend in:

- EBITDA – increased to €0.47m compared to €0.31m in H1 2018, an increase of 52%
- Operating loss after finance and tax expenses – reduced to -€0.09m (H1 2018: -€0.29m)

Significant asset backing behind the Company:

- Net Equity of €35.7million as at 30 June 2019 (H1 2018: €35.6million)
- €0.28 NAV per share as at 30 June 2019 represents a c. 250% premium to current share price

Recent Operational Development Highlights

Sale of Non-Greek assets at a premium to SPDI's total current market capitalisation

- Progressing staged completion process of conditional sale of the Company's Non-Greek asset portfolio to Arcona Property Fund N.V, an Amsterdam-listed company focused on Central Eastern European commercial property, in exchange for the issue of shares and warrants in ARCONA
- Closing of Stage 1 now expected in October 2019
- Progress continues on Stage 2 and further updates will be provided as and when appropriate

Ongoing discussions regarding the Olympians logistics portfolio in Romania

Lambros Anagnostopoulos, Chief Executive Officer of SPDI, said; *"Much progress has been made during the summer towards completing the exchange of our non-Greek assets for shares and warrants in the Amsterdam listed property fund Arcona. We expect closing of Phase one and signing of Phase 2 to take place in the months to come. At this point, SPDI will be issued with equity in a dividend-paying Central East European fund with a diversified portfolio of income producing properties."*

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Notes to Editors

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

1. Management Report

In Summary

SPDI's core property asset portfolio currently consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases.

In 2018 the Company, in line with its strategy to maximise value for shareholders, entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics property, in an all-share transaction to Arcona Property Fund N.V, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona currently holds high yielding real estate investments in Czech Republic, Poland and Slovakia.

Such a sale of the Company's non-Greek portfolio, together with existing debt, is to be settled through the issuance of new Arcona Property Fund N.V. shares and warrants which will be distributed to existing SPDI shareholders pro-rata to their shareholding in the Company's shares.

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

During H1 2019, and thereafter, management engaged together with the Company's consultants in the implementation of the aforementioned transaction, which among others, included structuring of each asset transaction individually, conducting due diligence on Arcona's assets, drafting relevant framework and sale and purchase agreements, and negotiating with Banks for relevant consents and approvals.

During the same period, the Company enjoyed strong interest from potential buyers of its Greek logistics property, and management engaged in evaluating relevant offers and discussions for the best utilization of the property. Finally, the property sold during early H2 2019 at a valuation of €12,5m. This excludes a receivable of €0,6m due to be received by the Company within the next 18 months from the property's previous owner.

Regarding the economic environment in which the Company operates, the Romanian economy continued to grow strongly with a 5,1% increase. Whilst maintaining record low unemployment. Bucharest is bustling with property development and it is expected that this year will set new records especially in Logistics and Office markets, backed by international and domestic investor interest.

Greece, which exited the financing and stabilisation programme, experiences economic growth for the third consecutive year and, following recent elections, has a strong new government in place. The country maintains a strong primary surplus, and with considerably lower spreads, entered the markets for debt re-financing in 2019. As a result, Greece is now back on the radar for a number of property investors.

P&L

The table below presents the operating performance for H1 2019 compared to H1 2018. EBITDA reached €0,47m compared to €0,31m in H1 2018, net finance costs reduced by 3% to €0,54m, and operating result after finance and tax expenses increased by 61% to -€0,09m from -€0,29m in H1 2018.

EUR	**30 June 2019**			**30 June 2018**		
	Continued Operations	**Discontinued Operations**	**Total**	**Continued Operations**	**Discontinued Operations**	**Total**
Rental, Utilities, Management & Sale of electricity Income	150.041	1.203.928	**1.353.969**	371.724	1.094.433	**1.466.157**
Net gain/(loss) on disposal of investment property	-	120.022	**120.022**	-	162.731	**162.731**
Income from Operations of Investments	**150.041**	**1.323.950**	**1.473.991**	**371.724**	**1.257.164**	**1.628.888**
Asset operating expenses	-	(319.445)	**(319.445)**	(45.789)	(212.419)	**(258.208)**
Net Operating Income from Investments	**150.041**	**1.004.505**	**1.154.546**	**325.935**	**1.044.745**	**1.370.680**

Share of profits from associates	-	224.177	**224.177**	-	138.637	**138.637**
Impairment allowance for inventory and provisions	-	-	**-**	-	(297.200)	**(297.200)**
Total Income	**150.041**	**1.228.682**	**1.378.723**	**325.935**	**886.182**	**1.212.117**
Administration expenses	(800.710)	(111.352)	**(912.062)**	(800.186)	(100.478)	**(900.664)**
Operating Result (EBITDA)	**(650.669)**	**1.117.330**	**466.661**	**(474.251)**	**785.704**	**311.453**
Finance Cost, net	165.067	(701.091)	**(536.024)**	247.117	(797.826)	**(550.709)**
Income tax expense	(2.212)	(16.368)	**(18.580)**	(9.923)	(37.364)	**(47.287)**
Operating Result after Finance and Tax Expenses	**(487.814)**	**399.871**	**(87.943)**	**(237.057)**	**(49.486)**	**(286.543)**
Other income / (expenses), net	66.056	237.474	**303.530**	(370)	26.937	**26.567**
Income Tax - One off	-	-	**-**	-	-	**-**
Fair value adjustments from Investment Properties	-	286.595	**286.595**	(999.313)	(791.721)	**(1.791.034)**
Gain realized on acquisition of subsidiaries	-	-	**-**	-	-	**-**
Foreign exchange differences, net	(43.865)	(274.005)	**(317.870)**	(14.311)	(1.369)	**(15.680)**
Result for the year	**(465.623)**	**649.935**	**184.312**	**(1.251.051)**	**(815.639)**	**(2.066.690)**
Exchange difference on I/C loans to foreign holdings	-	21.828	**21.828**	-	14.449	**14.449**
Exchange difference on translation due to presentation currency	-	(183.153)	**(183.153)**	-	880.539	**880.539**
Total Comprehensive Income for the year	**(465.623)**	**488.610**	**22.987**	**(1.251.051)**	**79.349**	**(1.171.702)**

2. Regional Economic Developments

Romania

Following annual growth of 4,1% in 2018, real GDP growth in Romania accelerated in the first quarter of 2019 to 5,1% year-on-year. Private consumption remained the main driver, increasing 7,0% year on-year thanks to still double-digit wage growth. Investment picked up, mainly due to the recovery in construction, and by recent fiscal stimulus.

The strong real GDP growth in the first months of the year led to an upward revision of growth for the whole year. Annual real GDP growth is forecast to reach 4% in 2019 and 3,7% in 2020. However, it is important that the composition of growth is now expected to be more balanced as a pick-up in private investment will strengthen total investment.

In 2018, HICP inflation stood at 4,1%, one of the the highest in the EU. Inflation remained strong in the first quarter of 2019, at 3,8%, and is expected to have exceeded 4% in the second quarter, before decelerating again during the next period. Rising food prices led to upward price dynamics coupled by a depreciation of the currency at the beginning of the year and strong consumption and wage growth. As a result, annual inflation is expected to average 4,2% in 2019, before decreasing to 3,7% in 2020. The decrease in 2020 is expected to follow moderate wage pressures and softer domestic demand.

Bulgaria

Real GDP growth strengthened from 3,1% in 2018 to 3,5% year-on-year in the first quarter of 2019. The recovery in exports that had begun in the second half of 2018 continued in the first months of 2019 and contributed strongly to the economic expansion. Private consumption continued to exhibit strong growth, underpinned by favourable labour market outcomes and strong lending activity.

Investment increased only slightly but positive expectations about future economic activity and high capacity utilisation in industry, imply increases in private investment. As a result, real GDP growth is forecast to recover to 3,3% in 2019 and 3,4% in 2020.

Inflation dropped at the end of 2018 as the effects of high energy prices dissipated closing at 2,6% at a year-on-year basis. In the first five months of 2019, however, inflation gathered pace again due to higher fuel prices and the continued rise of food prices. In the second half of the year, the effects from energy and services price increases will gradually disappear, and inflation is expected to ease to 2,4% in 2019 and 1,7% in 2020.

Greece

The Greek economy experienced 1,9% growth in terms of Real GDP in 2018 for the second consecutive year (2017: 1,5%), primarily due to a rise in exports, but also due to an increase in domestic demand. In the first quarter of 2019 the growth rate weakened to 1,3% (year-on-year), down from 1,5% in the previous quarter. This slowdown highlights the fragile nature of Greece's recovery. Growth in the first quarter was mainly driven by a rebound in investment, particularly in non-residential construction and equipment investment, while the external sector was a considerable drag on growth, and public consumption declined as well.

Private consumption is expected to pick up in the rest of the year and thus compensate for some of the unfavourable developments in the external sector. In addition to the positive effect of the minimum wage increase to household disposable income, which may be more pronounced in the second quarter, fiscal measures legislated in May 2019 should provide further support to private consumption. Overall, real GDP growth is forecast to reach 2,1% in 2019 and accelerate slightly to 2,2% in 2020 as private investment picks up.

Downside risks are related to the stronger-than-expected pass-through of the weakening external environment and underexecution of the budget. Price pressures remain muted, with consumer price inflation at 0,6% in May, which corresponds to a 0,8% rise over the first five months of the year. Recent decreases in the VAT rate indicate downside risks to the inflation forecast, but the effect of the tax changes could be offset by the consumption stimulus.

Ukraine

The Ukrainian economy recovered from the economic and political crisis of previous years, achieving Real GDP (GDP adjusted for price changes – inflation/deflation) growth for the third consecutive year (2018: 3,3%, 2017: 2,5% & 2016: 2,3%). According to the estimates, GDP growth increased to a more than two-year high in the second quarter of 2019, marking one of the highest readings seen in the past decade. This was based on robust household spending as a result of rising wages and reviving consumer confidence. GDP growth is forecasted to reach 2,9% in 2019 and 3,0% in 2020.

On the political front, the new government was sworn in on 29 August, targeting a full political cycle that should allow it to focus on implementing IMF-mandated reforms. Securing a new deal will be at the top of the government's agenda to maintain sentiment, as the current arrangement expires at the end of this year. In March 2015, Ukraine signed a four-year Extended Fund Facility ("EFF") with the IMF with the total programme amounting to US$17,5 billion. In 2018, Ukraine renewed its cooperation with the International Monetary Fund (IMF), EU, and WBG to cover is current account deficit and to rebuild international reserves that reached US$20,8 billion.

3. Real Estate Market Developments

3.1 Romania

General

The first half of 2019 saw property investment volume in Romania closed at almost €345 million, slightly lower than last year's €357 million. 2017. Market volumes were dominated by the office segment which accounted for c.62% of the total investment volumes.

Prime office and retail yields are at 7,25% and 6,5% respectively, while prime industrial yields are at 8,25%. Yields for office remained unchanged while retail and industrial yields have compressed by 50 and 25 bps, respectively, since H1 2018.

Logistics Market

Approximately 300.000 sqm of new modern storage space came onto the market in the first half of 2019. Bucharest accounted for over 40% of the total deliveries. Outside the capital, investments continue to be mostly geared towards cities in the region of Transylvania, which accounted for over one third of new industrial and logistics space. The market absorbed 240,000 sqm in the first semester, more than double the H1 2018 figure of 110,000 sqm.

Office Market

The first half of 2019 saw deliveries of some 185.000 sqm in Bucharest, taking the city's modern office stock to 2,6 million sqm. This is an increase of over 10% compared to last year's end-June stock, making Bucharest the most dynamic among CEE capitals. Total demand for modern office buildings stood at 188.000 sqm in Bucharest in the January-June period, the best first semester in the post-crisis period.

Residential Market

In 2019, the main drivers of the Romanian residential market are expected to be developments in the local economy, and also the National Bank's decision to limit the population's level of indebtedness to 40% of net incomes. Effects will come also from the application of 5% VAT to any number of residential acquisitions by individuals (max. 120 sqm usable and 100.000 Euro value). Major developers continue to show optimism especially as the "First House" programme will continue unchanged throughout 2019. Prices have the potential to register a stable / up evolution in 2019, depending on product availability from one area to another.

3.2 Bulgaria

General

During the first half of 2019, the total value of investment transactions was slightly above €167 million. Development land transactions constituted about 42% of the volume, followed by offices (32%), and hotels (19%).

Prime yields retained their 2018 year-end values: 8% for office space, 7,25% for retail and 9,5% for industrial space properties.

Residential Market

Growth in the economy, low interest rates and an increase in the availability of credit all play a key role in the residential market and are estimated to continue to do so.

In the first half of 2019, the mid-plus and high-end residential segment of the market recorded 11% supply growth thus raising the total stock to c.10.000 residential units. An insignificant 1% decline in vacant residential units contributed to 6% total market vacancy.

The shortage in the supply of completed projects continued during the reported period, and as a result, 60% of the residential units under construction in the segment were pre-sold.

Average sales and rental prices remained stable in the first half of 2019. It is estimated that the mid-plus and high-end residential market will remain stable until the end of 2019, while average sales and rental prices in the segment will be stable.

3.3 Greece

General

Following the upwards trend of the Greek economy, the local real estate market has shown signs of solid growth during the last two years. A number of projects, from privatization to long term leases of infrastructure, moved ahead, revitalizing a subdued sector, which is deemed instrumental in disengaging the state's resources and attracting privately held funds, local and international alike. Office, retail and residential property segments followed positive trends during 2018 and this trend continued during the first six months of 2019.

Logistics Market

Greece's geographic location offers high potential to the logistics sector which, is considered to be one of the pillars of the country's economic development. New business opportunities have been created upon the granting of management concessions including for Piraeus port to COSCO, Thessaloniki port to the Deutsche Invest- Terminal Link-Belterrra consortium, and TRAINOSE to Italian Stet owned company Ferrovie Delo Stato, as well as the development of new logistic centers in Athens (Thriasio) and Thessaloniki (Str. Gonou), all of which are in progress.

In Athens the average yields for quality logistics properties are around 10.5%, and in Thessaloniki around 11,5%, while the vacancy rate for Grade A properties is as low as 5%. In Aspropyrgos, the investment yields range from 9,75% to 10,25% and the average vacancy rate is 10%, while for Grade A properties this falls to 5%. Rental values marginally increased during H1 2019. Nevertheless, the low vacancy rates, along with the slow, yet substantial, increase in demand and the lack of large, high quality logistics properties, due to bureaucratic barriers, lack of an effective urban planning system and the defined land uses, will eventually result in rental values increasing and investment yields decreasing.Xxxx

3.4 Ukraine

General

The economic growth the country has experienced in recent years has affected the real estate market, creating an upwards trend, despite many problems created during the economic crisis being still in place.

Low development activity and increased demand in the office segment has led to a decrease in primary vacancies and an increase in prime rents. Continued low levels of new supply and strengthening occupier demand in the warehousing and logistics segment forced the market-wide vacancy to significantly low levels. Likewise, scant new supply and rising absorption of previously vacant space in the retail segment has led to a substantial decline in average market vacancy rates and to noticeable rental growth.

Land Market

With regards to the Ukrainian land market, due to lack of finance, many potential investors are placing unfinished projects in the market. However, particularly in Kiev, there is scarcity of undeveloped land plots near the city center with access to public transportation and especially to metro stations. On the supply side, the sellers pool consists of development companies, unable to develop due to the lack of finance, companies or individuals having speculatively acquired land plots prior to the crisis with the intention to sell on and banks possessing mortgaged land upon default of previous owners. The demand for land plots has started increasing since 2016, especially for ones suitable for commercial development, reflecting the existing positive investment trend.

Devaluation of the national currency had led to land price decreases during the previous years. Since 2017, the supply of high quality land plots mainly for residential, but also for commercial, development near Kiev has led the land market up. That, along with the growth of the economy and the business activity in the country forced prices in the city up during 2018, while outside the city prices remained relatively stable. This trend continued during H1 2019 and no significant alterations are expected in land prices during the year.

4. Property Assets

4.1 Victini (ex GED) Logistics center, Athens Greece

Property description

The 17.756 sqm complex that consists of industrial and office space is situated on a 44.268 sqm land plot in the West Attica Industrial Area (Aspropyrgos). It is located at exit 4 of Attiki Odos (the Athens ring road) and is 20 minutes from the port of Piraeus (where Cosco runs a container port handling more than 4 million containers a year) and the National Road connecting Athens to the north of the country. The roof of the warehouse buildings houses a photovoltaic park of 1,000 KWp.

The buildings are characterized by high construction quality and state-of-the-art security measures. The complex includes 100 car parking spaces, as well as two central gateways (south and west).

Current status

Currently, Kuehne & Nagel (the German transportation and logistics company), occupies all the warehouse space and almost all of the office space until 2023.The asset was sold during early H2 2019.

4.2 EOS Business Park - Danone headquarters, Romania

Property description

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

Current status

The Company acquired the office building in November 2014. The complex is fully let to Danone Romania, the French multinational food company, until 2025. The asset is planned to be part of the Arcona transaction.

4.3 Delenco office building, Romania

Property description

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

Current status

The Company acquired 24,35% of the property in May 2015. Currently, the building is 100% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA). The asset is planned to be part of the Arcona transaction.

4.4 Innovations Logistics Park, Romania

Property description

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, 200 m from the city's ring road and 6km from Bucharest-Pitesti (A1) highway. Its construction was completed in 2008 and was tenant specific. It comprises four separate warehouses, two of which offer cold storage.

Current status

In April 2017, the Company signed a lease agreement with Aquila Srl, a large Romanian logistics operator, for 5.740 sqm of ambient space in the warehouse which expired during April 2018 without being extended. During Q3 2018 the Company signed a short term lease agreement for 2.000 sqm of ambient storage space with Chipita Romania Srl, one of the fastest growing regional food companies, currently extended until 31/10/2019. During Q1 2019 the Company signed with Favorit Business Srl a lease agreement for 3.000 sqm of cold storage space, 506 sqm of ambient storage space, and 440 sqm of office space. In Q2 2019 the Company agreed with Favorit Business Srl a lease of an extra 3.000 sqm of cold storage space, and an extra 210 sqm of office space to accommodate their new business line which involves as end user Carrefour. As at the end of the current period, the terminal was ~83% leased. The asset is planned to be part of the Arcona transaction.

4.5 Kindergarten , Romania

Property description

Situated on the GreenLake compound on the banks of Grivita Lake, a standalone building on ground and first floor, is used as a nursery by one of the Bucharest's leading private schools. The building is erected on 1.428,59 sqm plot with a total gross area of 1.198 sqm.

Current status

The property is 100% leased to International School for Primary Education until 2032. The asset is planned to be part of the Arcona transaction.

4.6 Residential portfolio

Romfelt Plaza, Bucharest, Romania

Property description

Romfelt Plaza is a residential complex located in Bucharest, Sector 2, relatively close to the city center, easily accessible by public transport and nearby supporting facilities and green areas.

Current status

During H1 2019, 1 unit was sold and, at the end of June 2019, 3 apartments were available. The asset is planned to be part of the Arcona transaction.

Monaco Towers, Bucharest, Romania

Property description

Monaco Towers is a residential complex located in South Bucharest, Sector 4, enjoying good car access due to the large boulevards, public transportation, and a shopping mall (Sun Plaza) reachable within a short driving distance or easily accessible by subway.

Current status

At the end of H1 2019, 19 apartments were available, 4 of which were rented. Following extended negotiations for the last two years with the company which acquired Monaco's loan, the SPV holding Monaco units entered into insolvency status in order to protect itself from its creditors. During 2019, based on regulatory procedures for disposing assets held by the debtor and upon agreement of all involved parties and the judicial administrator's approval, 3 units were sold. The asset is planned to be part of the Arcona transaction.

Blooming House, Bucharest, Romania

Property description

Blooming House is a residential development project located in Bucharest, Sector 3, a residential area with the biggest development and property value growth in Bucharest, offering a number of supporting facilities such as access to Vitan Mall, kindergartens, café, schools and public transportation (both bus and tram).

Current status

During H1 2019 2 units were sold and at the end of the period, 6 apartments were available while 1 was rented. The asset is planned to be part of the Arcona transaction.

GreenLake, Bucharest, Romania

Property description

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 meter frontage to a lake. The compound also includes facilities such as one of Bucharest's leading private schools (International School for Primary Education), outdoor sports courts and a mini-market. Additionally GreenLake includes land plots totaling 40.360 sqm. SPDI owns ~43% of this property asset portfolio.

Current status

During H1 2019, 1 apartment was sold while at the end of June 2019, of the 49 units that were unsold, 11 were let. The asset is planned to be part of the Arcona transaction.

Boyana Residence, Sofia, Bulgaria

Property description

A residential compound, which consisted at the date of acquisition (May 2015) of 67 apartments plus 83 underground parking slots developed on a land surface of 5.700 sqm, situated in the Boyana high end suburb of Sofia, at the foot of Vitosha mountain with Gross Buildable Area ("GBA") totaling 11.400 sqm. The complex includes adjacent land plots available for sale or development of ~22.000 sqm of gross buildable area.

Current status

At the end of June 2019, 34 remaining unsold at the end of June 2019. The asset is planned to be part of the Arcona transaction.

4.7 Land Assets

Aisi Bela – Bela Logistic Park, Odessa, Ukraine

Property description

The site consists of a 22,4 Ha plot of land with zoning allowance to construct up to 103.000 sqm GBA industrial properties and is situated on the main Kiev – Odessa highway, 20 km from Odessa port, in an area of high demand for logistics and distribution warehousing.

Current status

Development has been put on hold. The asset is planned to be part of the Arcona transaction

Kiyanovskiy Residence – Kiev, Ukraine

Property description

The property consists of 0,55 Ha of 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.

Current status

Discussions are ongoing with interested parties with view to sale the property. The asset is planned to be part of the Arcona transaction.

Tsymlyanskiy Residence – Kiev, Ukraine

Property description

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

Current status

Discussions are ongoing with interested parties with a view to partnering in the development or sale of this property. The asset is planned to be part of the Arcona transaction.

Balabino Project - Zaporozhye, Ukraine

Property description

The 26,38 Ha site is situated on the south entrance of Zaporozhye city, 3km away from the administrative border of Zaporozhye. It borders the Kharkov-Simferopol Highway (which connects eastern Ukraine and Crimea and runs through the two largest residential districts of the city), as well as another major artery accessing the city center.

Current status

The site is zoned for retail and entertainment. Development has been put on hold. The asset is planned to be part of the Arcona transaction.

Rozny Lane – Kiev Oblast, Kiev, Ukraine

Property description

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

Current status

The Company is evaluating potential commercialization options to maximize the property's value. The asset is planned to be part of the Arcona transaction.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Note	30 June 2019	30 June 2018
		€	€
Continued Operations			
Income	9	150.041	371.724
Asset operating expenses	10	-	(45.789)
Net Operating Income		**150.041**	**325.935**
Administration expenses	11	(800.710)	(800.186)
Valuation gains from investment property	12	-	2.256
Allowance recognized for investment property	14	-	(1.001.569)
Other operating income/(expenses), net	15	66.056	(370)
Operating profit loss		**(584.613)**	**(1.473.934)**
Finance income	16	232.715	449.210
Finance costs	16	(67.648)	(202.093)
Loss before tax and foreign exchange differences		**(419.546)**	**(1.226.817)**
Foreign exchange (loss), net	17a	(43.865)	(14.311)
Loss before tax		**(463.411)**	**(1.241.128)**
Income tax expense	18	(2.212)	(9.923)
Loss for the period from continuing operations		**(465.623)**	**(1.251.051)**
Profit/(Loss) from discontinued operations	8b	649.935	(815.639)
Profit/(Loss) for the period		**184.312**	**(2.066.690)**
Other comprehensive income			
Exchange difference on I/C loans to foreign holdings	17b	21.828	14.449
Exchange difference on translation of foreign operations	28	(183.153)	880.539
Total comprehensive income for the period		**22.987**	**(1.171.702)**
Loss for the period from continued operations attributable to:			
Owners of the parent		(465.623)	(1.251.051)
Non-controlling interests		-	-
		(465.623)	**(1.251.051)**
Profit/(Loss) for the period from discontinued operations attributable to:			
Owners of the parent		513.193	(745.657)
Non-controlling interests		136.742	(69.982)
		649.935	**(815.639)**

Profit/(Loss) for the period attributable to:			
Owners of the parent		47.570	(1.996.708)
Non-controlling interests		136.742	(69.982)
		184.312	**(2.066.690)**
Total comprehensive income attributable to:			
Owners of the parent		73.392	(1.033.480)
Non-controlling interests		(50.405)	(138.222)
		22.987	**(1.171.702)**
Earnings/(losses) per share (Euro per share):	37b		
Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent		0,0004	(0,02)
Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent		0,0004	(0,02)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2019

	Note	30 June 2019	31 December 2018 €
ASSETS			
Non-current assets			
Investment Properties	19.4a	-	-
Tangible and intangible assets	22	2.272	3.674
Long-term receivables and prepayments	23	860	850
		3.132	**4.524**
Current assets			
Prepayments and other current assets	25	5.649.333	5.585.408
Cash and cash equivalents	26	175.785	282.713
		5.825.118	**5.868.121**
Assets classified as held for sale	8d	79.647.565	79.678.738
		85.472.683	**85.546.859**
Total assets		**85.475.815**	**85.551.383**
EQUITY AND LIABILITIES			
Issued share capital	27	1.272.702	1.272.702
Share premium		71.381.259	71.381.259
Foreign currency translation reserve	28	9.878.750	9.874.757
Exchange difference on I/C loans to foreign holdings	39.3	(193.992)	(215.820)
Accumulated losses		(46.657.052)	(46.704.622)
Equity attributable to equity holders of the parent		**35.681.667**	**35.608.276**
Non-controlling interests	29	7.485.286	7.535.691
Total equity		**43.166.953**	**43.143.967**
Non-current liabilities			
Borrowings	30	919.502	380.256
Trade and other payables	32	-	-
Bonds issued	31	1.033.842	1.033.842
Taxes payables	34	307.622	362.010
Provision on taxes	34	399.450	399.450
		2.660.416	**2.175.558**
Current liabilities			
Borrowings	30	7.815	22.034
Bonds issued	31	122.414	88.628
Trade and other payables	32	4.411.052	4.174.936
Taxes payable	34	601.933	652.324
Provisions on taxes	34	42	43
		5.143.256	**4.937.965**
Liabilities directly associated with assets classified as held for sale	8d	34.505.190	35.293.893
		39.648.446	**40.231.858**
Total liabilities		**42.308.862**	**42.407.416**
Total equity and liabilities		**85.475.815**	**85.551.383**

Net Asset Value (NAV) € per share: 37c

Basic NAV attributable to equity holders of the parent	0,28	0,28
Diluted NAV attributable to equity holders of the parent	0,28	0,28

On 27 September 2019 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

	Attributable to owners of the Company							
	Share capital	Share premium, Net[1]	Accumulated losses, net of non-controlling interest[2]	Exchange difference on I/C loans to foreign holdings[3]	Foreign currency translation reserve[4]	**Total**	Non-controlling interest	**Total**
	€	**€**	**€**	**€**	**€**	**€**	**€**	**€**
Balance - 31 December 2017	**1.035.893**	**123.126.328**	**(96.888.569)**	**(217.670)**	**9.294.576**	**36.350.558**	**8.401.414**	**44.751.972**
Adjustment on initial application of IFR9, net of tax	-	-	(339.495)	-	-	**(339.495)**	-	**(339.495)**
Balance 1 January 2018 as restated	**1.035.893**	**123.126.328**	**(97.228.064)**	**(217.670)**	**9.294.576**	**36.011.063**	**8.401.414**	**44.412.477**
Loss for the year	-	-	(1.996.708)	-	-	**(1.996.708)**	(69.982)	**(2.066.690)**
Issue of share capital (Note 27)	66.044	810.522	-	-	-	**876.566**	-	**876.566**
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	14.449	-	**14.449**	-	**14.449**
Share premium set off with accumulated losses (Note 27.7)	-	(53.569.295)	53.569.295	-	-	**-**	-	-
Expenses for capital raising	-	(720.623)	-	-	-	**(720.623)**	-	**(720.623)**
Exercised warrants (Note 27.4)	170.765	1.749.327	-	-	-	**1.920.092**	-	**1.920.092**
Foreign currency translation reserve	-	-	-	-	948.779	**948.779**	(68.240)	**880.539**
Balance 30 June 2018	**1.272.702**	**71.396.259**	**(45.655.477)**	**(203.221)**	**10.243.355**	**37.053.618**	**8.263.192**	**45.316.810**
Loss for the year	**-**	**-**	**(1.049.145)**	**-**	**-**	**(1.049.145)**	(636.646)	**(1.685.791)**
Exchange difference on I/C loans to foreign holdings (Note 17b)	**-**	**-**	**-**	(12.599)	**-**	**(12.599)**	**-**	**(12.599)**
Expenses for capital raising	**-**	(15.000)	**-**	**-**	**-**	**(15.000)**	**-**	**(15.000)**
Foreign currency translation reserve	**-**	**-**	**-**	**-**	(368.598)	**(368.598)**	(90.855)	**(459.453)**
Balance 31 December 2018	**1.272.702**	**71.381.259**	**(46.704.622)**	**(215.820)**	**9.874.757**	**35.608.276**	**7.535.691**	**43.143.967**
Loss for the year	-	-	47.570	-	-	**47.570**	136.742	**184.312**
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	21.828	-	**21.828**	-	**21.828**
Foreign currency translation reserve	-	-	-	-	3.993	**3.993**	(187.147)	**(183.154)**
Balance – 30 June 2019	**1.272.702**	**71.381.259**	**(46.657.052)**	**(193.992)**	**9.878.750**	**35.681.667**	**7.485.286**	**43.166.953**

[1] Share premium is not available for distribution.

[2] Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defense at 20% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. 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 defense is payable on account of the shareholders.

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	Note	30 June 2019 €	30 June 2018 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		(463.411)	(1.241.128)
Profit/(Loss)before tax and non-controlling interests-discontinued operations	8b	666.303	(778.275)
Profi/(Loss) before tax and non-controlling interests		**202.892**	**(2.019.403)**
Adjustments for:			
(Gains)/losses on revaluation of investment property	12	(408.684)	610.163
Net loss on disposal of investment properties	13b	2.067	3.016
Accounts payable written off	15	(238.399)	(84)
Allowance recognized for investment properties	14	-	1.298.769
Depreciation/ Amortization charge	11	12.348	11.120
Finance income	16	(237.756)	(454.056)
		764.151	988.863
Interest expense	16		
Share of profit from associates	20	(224.177)	(138.637)
Effect of foreign exchange differences	17a	317.870	15.680
Cash flows from/(used in) operations before working capital changes		**190.312**	**315.431**
Change in inventory	24	-	208.506
Change in prepayments and other current assets	25	43.265	(389.542)
Change in trade and other payables	32	194.198	492.049
Change in VAT and other taxes receivable	25	(20.315)	53.678
Change in other taxes payables	34	37.955	(76.283)
Change in provisions	34	(451)	-
Change in deposits from tenants	33	(47)	35.081
Cash generated from operations		**444.917**	**638.920**
Income tax paid		(107.836)	(94.035)
Net cash flows provided/(used) in operating activities		**337.081**	**544.885**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	13b	249.600	283.976
Dividend received from associates	20	121.772	-
Interest received		801	454.055
Decrease		43	
in long term receivable	23		37.644
Loan granted for property acquisition	25	-	(350.000)
Net cash flows from / (used in) investing activities		**372.216**	**425.675**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and non-bank loans	30	500.000	947.595
Repayment of principle amount of borrowings		(660.788)	(756.769)
Interest and financial charges paid		(523.335)	(881.847)
Decrease in financial lease liabilities	35	(196.500)	(189.921)
Net cash flows from / (used in) financing activities		**(880.623)**	**(880.942)**
Net increase/(decrease) in cash at banks		**(171.326)**	**89.618**
Cash:			
At beginning of the period		942.489	831.124
At end of the period	26	**771.163**	**920.742**

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2018

1. General Information

Country of incorporation

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC (the ''Company'') was incorporated in Cyprus on 23 June 2005 and is a public limited liability company, listed on the London Stock Exchange (AIM): ISIN CY0102102213. Its registered office is at Kyriakou Matsi 16, Eagle House, 10th floor, Agioi Omologites, 1082 Nicosia, Cyprus while its principal place of business is in Cyprus at 11 Bouboulinas Avenue, 4th floor, office No. 48, 1060 Nicosia, Cyprus.

Principal activities

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

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

As at the reporting date, the companies of the Group employed and/or used the services of 16 full time equivalent people, (2018 □ 15 full time equivalent people).

2. Basis of preparation

The condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared under the historical cost as modified by the revaluation of investment property and investment property under construction.

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, as well as plans and discussions regarding the Greek asset, the Company has classified its assets in 2018 as discontinued operations (Note 4.3). In continued operations, the Company classifies Praktiker asset (applied in H1 2018 since the asset was sold during H2 2018), and Company's operations, including income from Innovations from the sub-leases of the space for which the Company acts as main tenant according to the agreement with the leasing company. By the time the asset is sold to Arcona Property Fund N.V., and given relevant consents of the lender, such operations will be also transferred. All other assets with their operations are classified in discontinued operations.

3. Adoption of new and revised Standards and Interpretations

The accounting policies adopted for the preparation of these condensed consolidated interim financial statements for the six months ended 30 June 2019 are consistent with those followed for the preparation of the annual financial statements for the year ended 31 December 2018.

During 2018, 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 2018. This adoption had a material effect on the accounting policies of the Company as follows:

- IFRS 9 ''Financial Instruments''

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating 2017 information. 2017 information is prepared in accordance with IAS 39, IAS 18 and IAS 11, and the impact of adoption has been recognised in the opening accumulated losses reserve.

The following table summarizes the impact of adoption of the new standard on each individual line item of the statement of financial position. Line items that were not affected by the changes have not been included. As a result, the sub totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

a. Impact on the statement of financial position

	Balance at 31 December 2017 as previously presented	Re-classifications	31 December 2017 under IAS 18 and IAS 39	Effect of adoption of IFRS 15	Effect of adoption of IFRS 9	1 January 2018 under IFRS 15 and IFRS
	€	€	€	€	€	€
Trade and other Receivables	715.406	-	-	-	(15.009)	700.397
Loan Receivables	4.618.476	-	-	-	(316.926)	4.301.550
Cash and cash equivalents	831.124	-	-	-	(7.560)	823.564
Accumulated Losses	96.888.569	-	-	-	339.495	97.228.064

The Company has voluntarily changed the presentation of certain amounts in the comparative statement of financial position as disclosed in the table above to reflect the terminology of IFRS 15 and IFRS 9.

(i) IFRS 9 ''Financial instruments''

IFRS 9 ''Financial instruments'' replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward looking impairment model for financial assets.

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost). The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading, they are required to be classified at fair value through profit or loss.

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables, as well as for calculating impairment on contract assets and lease receivables; which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 ''Financial Instruments'', the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ''hedge ratio'' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that previously prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 January 2018 as an adjustment to the opening accumulated losses (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated, but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 ''Financial Instruments: Disclosures'' have only been applied to 2018.

On 1 January 2018 for debt instruments held by the Company, management has assessed which business models apply to the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI test). In addition, separate assessment for equity instruments held by the Company was performed, in respect of whether they are held for trading or not. As a result of both assessments, Management has classified its debt and equity instruments into the appropriate IFRS 9 categories.

As a result of the adoption of IFRS 9, the Company revised its impairment methodology for each class of assets subject to the new impairment requirements. From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, cash and cash equivalents and bank deposits with original maturity over 3 months and loan commitments and financial guarantees. The impairment methodology applied depends on whether there has been a significant increase in credit risk and whether the debt instruments qualify as low credit risk.

The Company has the following types of assets that are subject to IFRS 9's new expected credit loss model: trade receivables, contract assets, financial assets at amortised cost, cash and cash equivalents, bank deposits with original maturity over 3 months, debt financial assets at FVOCI, loans commitments and financial guarantees.

The Company has adopted the simplified expected credit loss model for its trade receivables, trade receivables with significant financing component, lease receivables and contract assets, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model for financial assets at amortised cost, cash and cash equivalents, bank deposits with original maturity over 3 months, and loan commitments and financial guarantees.

The following table reconciles the carrying amounts of financial instruments, from their previous measurement categories in accordance with IAS 39 into their new measurement categories upon transition to IFRS 9 on 1 January 2018:

Measurement category		Carrying value per IAS 39 (closing at 31 December 2017)	Effect of IFRS 9				Carrying value per IFRs 9 (opening balance at 1 January 2018)
IAS 39	IFRS9		Re-measurement ECL	Re-measurement Other	Re-classification Mandatory	Re-classification Voluntary	
		€	€	€	€	€	€
Trade and other Receivables	Amortised Cost	715.406	(15.009)	-	-	-	700.397
Loans and Receivables	Amortised Cost	4.618.476	(316.926)	-	-	-	4.301.550
Cash and cash equivalents	Amortised Cost	831.124	(7.560)	-	-	-	823.564
Total		**6.165.006**	**(339.495)**	**-**	**-**	**-**	**5.825.511**

Borrowings:

Under IFRS 9, all gains or losses resulting from the modifications of borrowings that did not result in derecognition should be recognised in profit or loss. Previously, under IAS 39, the Company has amortised modification impact via adjusting the effective interest rate. The Company has assessed the above and concluded that there was no impact on the borrowings balances existing on the date of adoption of IFRS 9.

- Other financial instruments:

For all other financial assets Management assessed that the Company's business model for managing the assets is ''hold to collect'' and these assets meet SPPI tests. As a result, all other financial assets were classified as financial assets at amortised cost and reclassified from the category ''loans and receivables'' under IAS 39, which was ''retired''. Previously, under IAS 39, these financial assets were also measured at amortised cost. Thus there were no impact of adoption of IFRS 9 as of 1 January 2018.

At 31 December 2017, all of the Company's financial liabilities were carried at amortised cost. Starting from 1 January 2018 the Company's financial liabilities continued to be classified at amortised cost.

The assessment of the impact of adoption of IFRS 9 on the Company's accounting policies required management to make certain critical judgments in the process of applying the principles of the new standard.

Reconciliation of provision for impairment at 31 December 2017 and credit loss allowance at 1 January 2018.
The following table reconciles the prior period's closing provision for impairment measured in accordance with incurred loss model under IAS 39 to the new credit loss allowance measured in accordance with expected loss model under IFRS 9 at 1 January 2018:

	Provision under IAS 39 or IAS 37 at 31 December 2017	**Effect**			**Effect of adoption of IFRS 9 1 January 2018**
		Reclassification to FVTPL	**Reclassification to FVOCI**	**Remeasurement from incurred to expected loss**	
	€	**€**	**€**	**€**	**€**
Trade and other Receivables	(26.285)	-	-	(15.009)	(41.294)
Loan Receivables	-	-	-	(316.926)	(316.926)
Cash and Cash equivalents	-	-	-	(7.560)	(7.560)
Total	**(26.285)**	**-**	**-**	**(339.495)**	**(365.780)**

The impact of these changes on the Group's equity is as follows:

	Effect on accumulated losses	**Total**
	€	**€**
Trade and other Receivables	(15.009)	(15.009)
Loan Receivables	(316.926)	(316.926)
Cash and Cash equivalents	(7.560)	(7.560)
Total	**(339.495)**	**(339.495)**

(ii) IFRS 15 ''Revenue from Contracts with Customers''

IFRS 15 ''Revenue from contracts with customers'' and related amendments superseded IAS 18 ''Revenue'', IAS 11 ''Construction Contracts'' and related interpretations. The new standard replaces the separate models for recognition of revenue for the sale of goods, services and construction contracts under previous IFRS and establishes uniform requirements regarding the nature, amount and timing of revenue recognition. IFRS 15 introduces the core principle that revenue must be recognised in such a way to depict the transfer of goods or services to customers and reflect the consideration that the entity expects to be entitled to in exchange for transferring those goods or services to the customer; the transaction price.

The new standard provides a principle based five step model that must be applied to all categories of contracts with customers. Any bundled goods or services must be assessed as to whether they contain one or more performance obligations (that is, distinct promises to provide a good or service). Individual performance obligations must be recognised and accounted for separately and any discounts or rebates in the contract price must generally be allocated to each of them.

The amendments to IFRS 15 clarify how to identify a performance obligation in a contract, how to determine whether a Company is a principal (that is, the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided) and how to determine whether the revenue from granting a license should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a Company when it first applies the new standard.

Impact of adoption

In accordance with the transition provisions of IFRS 15, the Company has elected the simplified transition method for adopting the new standard. Accordingly, there is no impact on the Group results by the adoption of this standard.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these condensed consolidated interim financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all years presented in these condensed consolidated interim 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, Ukraine, Greece and Bulgaria, 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, the Bulgarian lev is the functional currency for all Group's entities in Bulgaria and the Euro is the functional currency for all the Greek and 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, Greece and Bulgaria 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 recongised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

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

	Average for the period			Closing as at		
Currency	**1 Jan 2019 - 30 June 2019**	**1 Jan 2018 - 31 Dec 2018**	**1 Jan 2018 - 30 June 2018**	**30 June 2019**	**31 December 2018**	**30 June 2018**
USD	1,1298	1,1810	1,2108	1,1380	1,1450	1,1658

UAH	30,4277	32,1341	32,4092	29,7302	31,7141	30,5680
RON	4,7414	4,6535	4,6538	4,7351	4,6639	4,6611
BGN	1,9558	1,9558	1,9558	1,9558	1,9558	1,9558

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 prescribed date. It is important to note that the rights to complete a development may be lost or at least delayed if the lessee fails to complete a permitted development within the timescale set out by the ground lease.

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

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

Land held under operating lease is classified and accounted for as investment property when the rest of the definition is met. The operating lease is accounted for as if it were a finance lease.

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

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

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

Initial measurement and recognition

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

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

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

Subsequent measurement

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

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

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

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same in period ended 30 June 2019:

- CBRE Ukraine, for all its Ukrainian properties,
- Real Act for all its Romanian, Greek and Bulgarian properties.

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

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

In expressing opinions on Market Value, in certain cases the appraisers have estimated net annual rentals/income from 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 sqm. 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. Property tax is not presently payable in Ukraine.

4.5 Investment Property under development

Property that is currently being constructed or developed, for future use as investment property is classified as investment property under development carried at cost until construction or development is complete, or its fair value can be reliably determined. This applies even if the works have temporarily being stopped.

4.6 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.

4.7 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 finance 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.

4.8 Inventory

Inventory principally comprises of residential property. Inventory is recognized initially at cost, including transaction costs, which represent its fair value at the time of acquisition. Costs related to the development of land are capitalised and recognized as inventory. Inventory is carried at the lower of cost and net realizable value.

4.9 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.

4.10 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, deferred tax assets, employee benefit assets, investment property or biological assets, 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.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

4.11 Financial Instruments

4.11.1 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.

4.11.2 Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

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: Policy applicable from 1 January 2018

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

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

the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018

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: Policy applicable from 1 January 2018

Financial assets at FVTPL

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.

Financial assets – Policy applicable before 1 January 2018

The Group classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
    - held for trading;
    - derivative hedging instruments; or
    - designated as at FVTPL.

Financial assets – Subsequent measurement and gains and losses: Policy applicable before 1 January 2018

Financial assets at FVTPL

Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss. However for derivatives designated as hedging instruments.

Held-to-maturity financial assets

Measured at amortised cost using the effective interest method.

Loans and receivables

Measured at amortised cost using the effective interest method.

Available-for-sale financial assets

Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.11.3 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.

4.11.4 Offsetting

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

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

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.

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognised immediately in profit or loss.

4.12 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 extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment and amortised over the period of the facility to which it relates.

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

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

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

4.13 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.

4.14 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.

4.15 Share Capital

Ordinary shares are classified as equity.

4.16 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.

4.17 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.

4.18 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.

4.19 Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see above).

Lease payments are analyzed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amount payable to the lessor.

4.20 Non-current liabilities

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

4.21 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:

4.21.1 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.

4.21.2 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).

4.21.3 Interest income

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

4.21.4 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.

4.22 Service charges and expenses recoverable from tenants

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

4.23 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.

4.24 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.

4.25 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.

4.26 Taxation

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

4.26.1 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.

4.26.2 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.

4.26.3 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, Greece, Bulgaria and Romania, while the Parent and some holding companies are incorporated in Cyprus. The Group's management and control is exercised in Cyprus.

In the event that a decision is taken 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.

4.26.4 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, Greece, Bulgaria). 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.

4.26.5 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.

4.27 Value added tax

VAT levied at various jurisdictions were 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.

- 20% on Bulgarian domestic sales and imports of goods, works and services and 0% on export of goods and provision of services to taxable persons outside Bulgaria.

- 24% on Greek domestic sales and imports of goods, works and services (increased from 23% from 1 June 2016) and 0% on export of goods and provision of works or services to be used outside Romania.

4.28 Operating segments analysis

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

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

Commercial-Industrial	**Residential**	**Land Assets**
• Warehouse segment • Office segment • Retail segment	• Residential segment	• Land assets – the Group owns a number of land assets which are either available for sale or for potential development

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

4.29 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.

4.30 Comparative Period

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

5. 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 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 2018 (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 that evaluating income generating capability and making investment decisions. The latter is being based on metrics like IRR, ROE and others

6. Risk Management

6.1 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.

<u>6.1.1 Operating Country Risks</u>

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

<u>6.1.1.1 Ukraine</u>

The Ukrainian economy proceeded recovery from the economic and political crisis of previous years and demonstrated sound real GDP growth of around 2,5% year on year for the six-month periods ended 30 June 2019 (2018: 2,8%), modest annual inflation of 9,0% (2018: 13,2%), and stabilization of national currency. Also Ukraine continued to limit its political and economic ties with Russia, given annexation of Crimea, an autonomous republic of Ukraine, and a frozen armed conflict with separatists in certain parts of Luhanska and Donetska regions. Amid such events, the Ukrainian economy demonstrated further refocusing on the European Union ("EU") market realizing all potentials of established Deep and Comprehensive Free Trade Area with EU, in such a way effectively reacting to mutual trading restrictions imposed between Ukraine and Russia. As a result, the weight of the export and import to/from Russia substantially fell from 18,2% and 23,3% in 2014 to around 7,7% and 14,2% in 2018, respectively. In terms of currency regulations, the new currency law was adopted in 2018 and came into force on 7 February 2019. It purports to enable the NBU to promulgate more liberal currency regulation and soften a number of currency restrictions, such as: requirement to register loans obtained from non-residents with the NBU, 180-day term for making payments in foreign economic transactions, required 50% share of mandatory sale of foreign currency proceeds, etc.

Further economic growth depends, to a large extent, upon success of the Ukrainian government in realization of planned reforms and cooperation with the International Monetary Fund ("IMF").

6.1.1.2 Greece

Greek economy experiences in 2019 growth for the third consecutive year coupled with lower unemployment rate, rise in domestic demand and significant rise in export activity.

Following the exit of the financing and stabilization programme and following recent elections which resulted in a strong new government, the Greek Government Bonds have fallen to their lowest yields since 2006, and many investors in different economic sectors knock on its door.

However, public debt remains at high levels, and further reduction requires sustainable pro-growth reforms, high future primary surpluses and additional debt restructuring. Moreover, banking sector continues to face difficulties, with non-performing loans standing at 45% of outstanding bank loan portfolio, and as a result foreclosures and e-auctions of collaterals in default have being initiated, while at the same time bank financing is tight putting constraints in business and investments. Moreover, any political instability will have negative impact on the economy, and consequently the results and financial position of Group's Greek operations.

6.1.1.3 Romania

Romanian economy continues its growth in 2019, fueled by domestic private consumption, and investment increase due to the recovery in construction and fiscal stimulus.

The economy maintains balanced economic variables with a widen current deficit at around 4% of GDP, public debt less than 35% of GDP and strong inflation rate, currently at 3,8% . Unemployment rate of ~3,5% is the lowest it has been for the past 20 years, driving wages up, but still labor cost is one of the lowest in European Union attracting continuously foreign investment in production and services sectors. The labor market is expected to remain tight but inflation is expected to ease in 2019 from its 2018 high. Finally, budget deficit is forecast to continue increasing, driven by increase on public wages and pensions.

Possible overheating of the economy in the future may emerge risks, as economic activity will slow down, prices will drop, and the local activities of the Group could be negatively affected. The Group monitors closely the performance of the Romanian economy, and the local political and fiscal developments, in order to detect negative signs and being able to adjust effectively its local strategy and its operations in the country.

6.1.2 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 the UAH rapid devaluation;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favorable than current leases;

- cyclical fluctuations in the property market generally;
- local conditions such as an oversupply of similar properties or a reduction in demand for the properties;
- the attractiveness of the property to tenants or residential purchasers;
- decreases in capital valuations of property;
- changes in availability and costs of financing, which may affect the sale or refinancing of properties;
- covenants, conditions, restrictions and easements relating to the properties;
- changes in governmental legislation and regulations, including but not limited to designated use, allocation, environmental usage, taxation and insurance;
- the risk of bad or unmarketable title due to failure to register or perfect our interests or the existence of prior claims, encumbrances or charges of which we may be unaware at the time of purchase;
- the possibility of occupants in the properties, whether squatters or those with legitimate claims to take possession;
- the ability to pay for adequate maintenance, insurance and other operating costs, including taxes, which could increase over time; and
- political uncertainty, acts of terrorism and acts of nature, such as earthquakes and floods that may damage the properties.

6.1.3 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.

6.1.4 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.

6.1.5 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.

6.1.6 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 steady 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. It should be noted that the current political uncertainty in Ukraine, and any currency devaluation may affect the Group's financial position.

Management is monitoring foreign exchange fluctuations closely and acts accordingly.

6.1.7 Capital risk management

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

6.1.8 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.

6.1.9 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.

6.1.10 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.

6.2. 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.

6.3. 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.

7. 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.

			Holding %		
Name	**Country**	**Related Asset**	**as at 30 June 2019**	**as at 31 Dec 2018**	**as at 30 June 2018**

SC Secure Capital Limited	Cyprus		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100	100
LLC Trade Center	Ukraine		100	100	100
LLC Almaz-Pres-Ukraine	Ukraine	Tsymlyanskiy Residence	55	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park Balabino Project	100	100	100
LLC Retail Development Balabino	Ukraine		100	100	100
LLC Interterminal	Ukraine		100	100	100
LLC Aisi Ilvo	Ukraine		100	100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100	100
Best Day Real Estate Srl	Romania		100	100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100	100
Secure Property Development and Investment Srl	Romania		-	-	100
N-E Real Estate Park First Phase Srl	Romania		100	100	100
Victini Holdings Limited	Cyprus	Victini Logistics	100	100	100
Victini Logistics Park S.A. (ex SPDI Logistics S.A.)	Greece		100	100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100	100
Bluehouse Accession Project IV Limited	Cyprus		100	100	100
BlueBigBox 3 Srl	Romania		100	100	100
SPDI Real Estate Srl	Romania	Kindergarten	50	50	-
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100	100
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100	100
Demetiva Holdings Limited	Cyprus		100	100	100
Ketiza Holdings Limited	Cyprus		90	90	90
Frizomo Holdings Limited	Cyprus		100	100	100
SecMon Real Estate Srl	Romania		-	-	100
SecVista Real Estate Srl	Romania		-	-	100
SecRom Real Estate Srl	Romania		-	-	100
Ketiza Real Estate Srl	Romania		90	90	90
Edetrio Holdings Limited	Cyprus		100	100	100
Emakei Holdings Limited	Cyprus		100	100	100
RAM Real Estate Management Limited	Cyprus		50	50	50
Iuliu Maniu Limited	Cyprus		45	45	45
Moselin Investments Srl	Romania		45	45	45
Rimasol Enterprises Limited	Cyprus		44,24	44,24	44,24
Rimasol Real Estate Srl	Romania		44,24	44,24	44,24
Ashor Ventures Limited	Cyprus		44,24	44,24	44,24
Ashor Development Srl	Romania		44,24	44,24	44,24
Jenby Ventures Limited	Cyprus		44,30	44,30	44,30
Jenby Investments Srl	Romania		44,30	44,30	44,30
Ebenem Limited	Cyprus		44,30	44,30	44,30
Ebenem Investments Srl	Romania		44,30	44,30	44,30
Sertland Properties Limited	Cyprus		100	100	100
Boyana Residence ood	Bulgaria		100	100	100
Mofben Investments Limited	Cyprus		100	100	100
SPDI Management Srl	Romania		100	100	100

During the reporting period the Group did not proceed with any acquisitions or disposals, however BlueBigBox 3 Srl sold its property, Praktiker Craiova to a 3rd party in 2018.

The Group has resolved to streamline its structure in Cyprus and Romania for cost cutting and tax optimization purposes. Towards this goal, during 2018 the following mergers have been finalized:

A. merger by absorption of SecVista Real Estate Srl acting as Absorbed Company, with Best Day Real Estate Srl acting as Absorbing Company,

B. merger by absorption of SecRom Real Estate Srl and Secure Property Development and Investment Srl acting as Absorbed Companies, with N-E Real Estate Park First Phase Srl acting as Absorbing Company.

Following extended but unsuccessful negotiations for more than 2 years with Tonescu Finance Srl, the company which has acquired Monaco Towers property's loan, SecMon Real Estate Srl entered voluntarily in January 2018 into insolvency process, in order to protect its interests against its creditor, given that the value of the assets is higher than the value of the relevant loan. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl is not consolidated in the present consolidated financial statements.

8. Discontinued operations

8.(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.

Following this agreement, the two parties have signed relevant Framework Agreements, SPA's, and associated documentation for the first phase of the transaction which includes the SPVs associated with Boyana, Bela, Balabino, and Tsymliankiy. The first phase of the transaction is planned to close by the end of October 2019, while the two parties have already commenced the process for implementing the second phase, which includes SPVs associated with EOS, Monaco, Romfelt, Blooming House, and Delenco.

Additionally, the Company during H2 2019 has agreed and proceeded to the disposal of the Greek Logistic property.

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

- **Bulgaria:** Boyana Residence ood
- **Cyprus:** Ashor Ventures Limited, Ebenem Limited, Jenby Ventures Limited, Edetrio Holdings Limited, Rimasol Enterprises Limited, Emakei Holdings Limited, Iuliu Maniu Limited, Ram Real Estate Management Limited, Frizomo Holdings Limited, Ketiza Holdings Limited
- **Greece:** Victini Logistics Park S.A.
- **Romania**: Ashor Development Srl, Ebenem Investments Srl, Jenby Investments Srl, Rimasol Real Estate Srl, Moselin Investments Srl, Best Day Real Estate Srl, N-E Real Estate Park First Phase Srl, Ketiza Real Estate Srl, SPDI Real Estate Srl
- **Ukraine:** LLC Aisi Bela, 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 & 4.10).

8.(b) Results of discontinued operations

	Note	30 June 2019 €	30 June 2018 €
Income	9	1.203.928	1.094.433
Asset operating expenses	10	(319.445)	(212.419)
Net Operating Income		**884.483**	**882.014**
Administration expenses	11	(111.352)	(100.478)
Share of profits from associates	20	224.177	138.637

Valuation gains/(losses) from Investment Property	12	408.684	(612.419)
Allowance recognized for investment property	14	-	(297.200)
Net loss on disposal of inventory	13a	-	(13.555)
Net loss on disposal of investment property	13b	(2.067)	(3.016)
Other operating income/(expenses), net	15	237.474	26.937
Operating profit		**1.641.399**	**20.920**
Finance income	16	5.041	4.846
Finance costs	16	(706.132)	(802.672)
Profit /(Loss) before tax and foreign exchange differences		**940.308**	**(776.906)**
Foreign exchange (loss), net	17a	(274.005)	(1.369)
Profit/(Loss) before tax		**666.303**	**(778.275)**
Income tax expense	18	(16.368)	(37.364)
Profit/(Loss) for the year		**649.935**	**(815.639)**
Profit/(Loss) attributable to:			
Owners of the parent		513.193	(69.982)
Non-controlling interests		136.742	(745.657)
		649.935	**(815.639)**

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

	30 June 2019	30 June 2018
	€	€
Net cash flows provided in operating activities	947.288	1.852.133
Net cash flows from / (used in) financing activities	(1.380.187)	288.851
Net cash flows from / (used in) investing activities	371.819	(1.828.537)
Net increase/(decrease) from discontinued operations	**(61.080)**	**312.447**

8.(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 30 June 2019:

	Note	30 June 2019	31 Dec 2018
		€	€
Assets classified as held for sale			
Investment properties	19.4 a	63.131.476	63.345.537
Investment properties under development	19.4 b	4.745.167	4.716.157
Tangible and intangible assets	22	28.919	42.534
Long-term receivables and prepayments	23	315.267	315.320
Investments in associates	20	5.357.672	5.313.235
Financial asset at fair value through OCI	21	1	1

Inventory	24	4.604.044	4.604.044
Prepayments and other current assets	25	869.641	682.134
Cash and cash equivalents	26	595.378	659.776
Total assets of group held for sale		**79.647.565**	**79.678.738**
Liabilities directly related with assets classified as held for sale			
Borrowings	30	22.133.750	22.605.474
Finance lease liabilities	35	10.273.512	10.470.012
Trade and other payables	32	1.327.143	1.500.603
Taxes payables	34	486.006	432.528
Provision on taxes	34	65.552	66.002
Deposits from tenants	33	219.227	219.274
Total liabilities of group held for sale		**34.505.190**	**35.293.893**

9. Income

Income from *continued operations* for the period ended 30 June 2019 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) and Praktiker Craiova (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.

Continued operations	**30 June 2019**	**30 June 2018**
	€	**€**
Rental income	132.025	357.651
Service charges and utilities income	18.016	14.073
Total income	**150.041**	**371.724**

Income from *discontinued operations* for the period ended 30 June 2019 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), EOS Business Park (Romania), and Victini Logistics (Greece).
b) income from the sale of electricity by Victini Logistics to the Greek grid.
c) rental income and service charges by tenants of the Residential Portfolio.
d) income from third parties and /or partners for consulting and managing real estate properties.

Discontinued operations (Note 8)	**30 June 2019**	**30 June 2018**
	€	**€**

Rental income	1.076.619	875.958
Sale of electricity	82.965	152.618
Service charges and utilities income	43.281	64.774
Service and property management income	1.063	1.083
Total income	**1.203.928**	**1.094.433**

Occupancy rates in the various income producing assets of the Group as at 30 June 2019 were as follows:

Income producing assets			
%		**30 June 2019**	**30 June 2018**
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	83	37
Victini Logistics	Greece	100	100
Praktiker Craiova	Romania	-	100
Kindergarten	Romania	100	100

10. Asset operating expenses

The Group incurs expenses related to the proper operation and maintenance of all properties in Kiev, Bucharest, Athens, Sofia and Craiova. A part of these expenses is recovered from the tenants through the service charges and utilities recharge (Note 9).

Under *continued operations* are all the expenses related to Praktiker Craiova.

Continued operations	**30 June 2019**	**30 June 2018**
	€	**€**
Property related taxes	-	(38.063)
Repairs and technical maintenance	-	(4.149)
Property insurance	-	(3.577)
Total	**-**	**(45.789)**

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

Discontinued operations (Note 8)	30 June 2019	30 June 2018
	€	€
Property related taxes	(103.884)	(96.810)
Repairs and technical maintenance	(134.613)	(26.500)
Utilities	(23.630)	(36.953)
Property security	(22.282)	(16.341)
Property insurance	(11.805)	(15.932)
Leasing expenses	(23.231)	(19.883)
Total	**(319.445)**	**(212.419)**

Property related taxes reflect local taxes related to land and building properties (in the form of land taxes, building taxes, garbage fees, etc.).

Repairs and technical maintenance expenses include ~€122k related to repairs made at Innovation Logistics Park during H1 2019.

Leasing expenses reflect expenses related to long term land leasing.

11. Administration Expenses

Continued operations	30 June 2019	30 June 2018
	€	€
Salaries and Wages	(247.355)	(282.164)
Advisory fees	(146.649)	(149.821)
Due Dilligence expenses for non acquired projects	(60.410)	-
Public group expenses	(38.583)	(86.783)
Corporate registration and maintenance fees	(31.765)	(58.756)
Vat Expensed	(84.423)	(6.237)
Audit and accounting fees	(55.504)	(29.527)
Legal fees	(59.293)	(98.712)
Depreciation/Amortization charge	(1.699)	(2.765)
Corporate operating expenses	(75.029)	(85.421)
Total Administration Expenses	**(800.710)**	**(800.186)**

Discontinued operations (Note 8)	30 June 2019	30 June 2018
	€	€
Salaries and Wages	(20.015)	(19.468)
Advisory fees	(5.589)	(5.078)
Corporate registration and maintenance fees	(22.329)	(9.615)
Vat Expensed	(4.179)	(5.032)
Audit and accounting fees	(30.059)	(39.504)
Legal fees	(8.224)	(1.593)
Depreciation/Amortization charge	(10.649)	(8.355)
Corporate operating expenses	(10.308)	(11.833)
Total Administration Expenses	**(111.352)**	**(100.478)**

Salaries and wages include the remuneration of the CEO, the CFO, the Group Commercial Director and the Country Managers of Ukraine and Romania as well as the salary cost of personnel employed in the various Company's offices in the region.

Advisory fees are mainly related to advisors, brokers and other professionals engaged in relevant transactions and capital raising campaigns, as well as outsourced human resources support on the basis of relevant contracts. In particular, the total amount in 2019 includes one-off elements related to the Arcona transaction.

Due diligence expenses for non acquired projects refer to capitalized amounts in previous periods related to due diligence for the acquisition of investments, re-clasified as expenses during the period due to the fact that the acquisitions did not materialize.

Audit and accounting expenses include the audit fees and accounting fees for the Company and all the subsidiaries.

Public group expenses include among others fees paid to the AIM:LSE stock exchange and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company.

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 and Cyprus, compliance with AIM listing, as well as one-off fees associated with legal services and advise in relation to due diligence process associated with the Arcona transaction.

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

12. 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.

Continued operations		
Property Name (€)	**Valuation gains/(losses)**	
	30 June 2019	**30 June 2018**
	€	**€**
Praktiker Craiova	-	2.256
Total	**-**	**2.256**

Discontinued operations (Note 8)		
Property Name (€)	**Valuation gains/(losses)**	
	30 June 2019	**30 June 2018**
	€	**€**
Bela Logistic Park	(79.758)	(289.945)
Kiyanovskiy Residence	(47.264)	(168.695)
Tsymlyanskiy Residence	(16.247)	(57.989)
Balabino Project	(22.155)	(84.348)
Rozny Lane	6.448	(23.298)
Innovations Logistics Park	159.177	3.008
EOS Business Park	114.127	2.166
Residential Portfolio	20.333	763
GreenLake	252.911	5.404
Kindergarten	21.112	515
Total	**408.684**	**(612.419)**

13. Gain/ (Loss) from disposal of properties

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

13a Inventory (Note 24)

During H1 2018 the Group sold 3 apartments in Bulgaria .

Discontinued operations (Note 8)	30 June 2019	30 June 2018
	€	€
Income from sale of inventory	-	194.951
Cost of inventory	-	(208.506)
Loss from disposal of inventory	**-**	**(13.555)**

13b Investment property

During H1 2019 the Group sold 1 apartments in Romfelt Plaza (Doamna Ghica) and 2 apartments and 1 parking spaces in Zizin while during H1 2018 the Group sold 4 apartments in Romfelt .

Discontinued operations (Note 8)	30 June 2019	30 June 2018
	€	€
Income from sale of investment property	249.600	283.976
Cost of investment property	(251.667)	(286.992)
Loss from disposal of investment property	**(2.067)**	**(3.016)**

14. Allowance recognized for investment property

Allowance recognized for investment property includes an amount of €1.000.000 impairment which refers to Praktiker Craiova property, following discussions that Company has for the possible sale of assets. The asset finally sold during H2 2018.

Continued operations	30 June 2019	30 June 2018
	€	€
Impairment charge recognided in P&L for Praktiker Craiova property (Note 19.2)	-	(1.000.000)
Forex impact on Impairment charge	-	(1.569)
Total	**-**	**(1.001.569)**

The Group proceeded with an impairment of €297.200 for Monaco Towers (company SecMon Real Estate Srl) for which following the court decision for entering into insolvency in January 2018, the Company lost the control over the asset and as such it was reclassified as Financial assets at fair value through OCI as per table below (where the fair value of the property was adjusted at 80% of its value):

Discontinued operations	30 June 2019	30 June 2018

	€	€
Impairment charge recognided in P&L for Monaco Towers (Note 21)	-	(297.200)
Total	**-**	**(297.200)**

15. Other operating income/(expenses), net

Continued operations	**30 June 2019**	**30 June 2018**
	€	**€**
Other income	66.810	-
Other income	**66.810**	**-**
Penalties	(754)	(2)
Other expenses	-	(368)
Other expenses	**(754)**	**(370)**
Other operating income/(expenses), net	**66.056**	**(370)**

Discontinued operations (Note 8)	**30 June 2019**	**30 June 2018**
	€	**€**
Accounts payable written off	238.399	84
Other income	-	30.010
Other income	**238.399**	**30.094**
Penalties	(452)	(3.014)
Other expenses	(473)	(143)
Other expenses	**(925)**	**(3.157)**
Other operating income/(expenses), net	**237.474**	**26.937**

Given that the Group has already changed the intended use of Boyana property from construction to inventory, rendering the Good Performance Guarantee no longer required and therefore written off during H1 2019.

Other income represent income received related to the sale of Terminal Brovary as after sale price adjustment according to the relevant sale and purchase agreement.

16. Finance costs and income

Continued operations		
Finance income	**30 June 2019**	**30 June 2018**
	€	**€**
Interest received from non-bank loans (Note 39.1.1)	232.715	449.045
Interest income associated with banking accounts	-	165
Total finance income	**232.715**	**449.210**

Finance costs	**30 June 2019**	**30 June 2018**
	€	**€**
Interest expenses (bank)	(700)	(93.229)
Interest expenses (non-bank) (Note 39.1.2)	(24.837)	(64.870)
Finance charges and commissions	(8.324)	(10.207)
Bonds interest	(33.787)	(33.787)
Total finance costs	**(67.648)**	**(202.093)**
Net finance result	**165.067**	**247.117**

Discontinued operations (Note 8)		
Finance income	**30 June 2019**	**30 June 2018**
	€	**€**
Interest received from non-bank loans (Note 39.1.1)	4.645	4.846

Interest income associated with banking accounts	396	-
Total finance income	**5.041**	**4.846**

Finance costs	**30 June 2019**	**30 June 2018**
	€	**€**
Interest expenses (bank)	(454.405)	(537.110)
Interest expenses (non-bank) (Note 39.1.2)	(3.550)	(3.522)
Finance leasing interest expenses	(246.872)	(256.345)
Finance charges and commissions	(1.305)	(5.695)
Total finance costs	**(706.132)**	**(802.672)**
Net finance result	**(701.091)**	**(797.826)**

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates, and interest on Loan receivables from 3rd parties provided as part of a participation option in an investment property portfolio (Olympians portfolio) in Romania, bearing a fixed interest rate of 10% and secured by relevant corporate guarantees, while the Company is in the process of getting agreed security in the form of pledge of shares following the relevant process provided in the Loan Agreement.

Borrowing interest expense represents interest expense 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 paid to the banks.

Bonds interest represent interest calculated for the bonds issued by the Company during 2017 (Note 31).

17. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the period ended 30 June 2019 from continued operations amounted to €43.865 (30 June 2018: loss €14.311).

The exchange loss from discontinued operations for the period ended 30 June 2019 amounted to €274.005 (30 June 2018: loss €1.369) (Note 8).

b. Exchange difference on intercompany loans to foreign holdings

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 39.3). For these intercompany loans the foreign exchange differences are recognized initially in other comprehensive income and in a separate component of equity. During the period 30 June 2019, the Group recognized a foreign exchange profit of €21.828 (30 June 2018:profit €14.449).

18. Tax Expense

Continued operations	30 June 2019	30 June 2018
	€	€
Income and defence tax expense	(2.212)	(9.923)
Taxes	**(2.212)**	**(9.923)**

Discontinued operations (Note 8)	30 June 2019	30 June 2018
	€	€
Income and defence tax expense	(16.368)	(37.364)
Taxes	**(16.368)**	**(37.364)**

For the period ended 30 June 2019, the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, in Romania 16%, in Greece 29% and in Bulgaria 10%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5.

19. Investment Property

19.1 Investment Property Presentation

Investment Property consists of the following assets:

Income Producing Assets

- **Victini Logistics (ex GED)** is a logistics park comprising 17.756 gross leasable sqm. It is fully let to the German multinational transportation and logistics company, Kuehne & Nagel and to a Greek commercial company trading electrical appliances GE Dimitriou SA. On the roof of the warehouse there is a 1MW photovoltaic park installed with the electricity generated being sold to Greek Electric Grid on a long term contract.
- **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.

- **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 was 83% leased at the end of the reporting period .

- During 2017 the Company proceeded with an internal reorganization and the **Kindergarten** asset of GreenLake which was under the ownership of the associate GreenLake Development Srl was acquired by a separate entity (SPDI Real Estate). The Kindergarten is fully let to one of Bucharest's leading private schools and produces an annual rent inflow of ~€115.000.

Residential Assets

The Company owns a **residential portfolio,** consisting at the end of the reporting period of 23 apartments and villas across four separate complexes located in different residential areas of Bucharest (Residential portfolio: Romfelt Plaza, Blooming House, GreenLake Residential: GreenLake Parcel K). During 2017 Tonescu Finance (the company which acquired the Monaco Towers related loan commenced against SecMon Real Estate Srl legal proceedings and in order for SecMon Real Estate Srl to protect itself it entered voluntarily in January 2018 into insolvency process. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl is not consolidated in the present financial statements (Note 7).

Land Assets

- **Bela Logistic Park** is a 22,4 Ha plot in Odessa situated on the main highway to Kiev. Following the issuance of permits in 2008, below ground construction for the development of a 103.000 sqm GBA logistic center commenced. Construction was put on hold in 2009.

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

- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex.

- **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.

- **Balabino Project** is a 26,38 Ha plot of land situated on the south entrance of Zaporizhia, a city in the south of Ukraine with a population of 800.000 people. Balabino Project is zoned for retail and entertainment development.

- **GreenLake land** is a 40.360 sqm plot and is adjacent to the GreenLake part of the Company's residential portfolio, which is classified under Investments in Associates (Note 20). It is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns ~44% of these plots, but has effective management control.

- **Boyana Land:** The complex of Boyana Residence ood includes adjacent land plots available for sale or development of ~22.000 sqm of gross buildable area.

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.

Continued Operations

30 June 2019 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	**Type**	**Carrying amount 30/06/2019**	**Foreign exchange translation difference**	**Fair value gain/(loss) based on local currency valuations**	**Disposals and change in allowance for investment property for H1 2019**	**Transfer from prepayments made for investments**	**Additions 30/06/2019**	**Carrying amount as at 31/12/2018**
Praktiker Craiova	Retail	-	-	-	-	-	-	-
Total Romania		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**

30 June 2018 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	**Type**	**Carrying amount 30/06/2018**	**Foreign exchange translation difference**	**Fair value gain/(loss) based on local currency valuations**	**Disposals and change in allowance for investment property for H1 2018**	**Transfer from prepayments made for investments**	**Additions 30/06/2018**	**Carrying amount as at 31/12/2017**
Praktiker Craiova	Retail	7.500.000	(2.256)	2.256	-	-	-	7.500.000
Total Romania		**7.500.000**	**(2.256)**	**2.256**	**-**	**-**		**7.500.000**
Allowance (Note 14)		**(1.000.000)**	**-**	**-**	**(1.000.000)**			
Total		**6.500.000**	**(2.256)**	**2.256**	**(1.000.000)**	**-**	**-**	**7.500.000**

Discontinued Operations

30 June 2019 (€)			Fair Value movements				Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	**Type**	**Carrying amount as at 30/06/2019**	**Foreign exchange translation difference**	**Fair value gain/(loss) based on local currency valuations**	**Transfer to FA at fair value through OCI (Note 21)**	**Disposals and change in allowance for investment property for H1 2019**	**Transfer from Continued Operations**	**Carrying amount as at 31/12/2018**
Bela Logistic Park	Land	4.745.167	108.768	(79.758)	-	-	-	4.716.157
Kiyanovskiy Residence	Land	2.811.951	64.455	(47.264)	-	-	-	2.794.760
Tsymlyanskiy Residence	Land	966.608	22.156	(16.247)	-	-	-	960.699
Balabino Project	Land	1.318.102	30.213	(22.155)	-	-	-	1.310.044
Rozny Lane	Land	1.054.482	-	6.448	-	-	-	1.048.034
Total Ukraine		**10.896.310**	**225.592**	**(158.976)**	**-**	**-**	**-**	**10.829.694**
Innovations Logistics Park	Warehouse	10.600.000	(159.177)	159.177	-	-	-	10.600.000
EOS Business Park	Office	7.600.000	(114.127)	114.127	-	-	-	7.600.000
Residential portfolio	Residential	1.102.333	(20.333)	20.333	-	(251.667)	-	1.354.000
GreenLake	Land	16.842.000	(252.910)	252.910	-	-	-	16.842.000
Kindergarten	Retail	1.406.000	(21.113)	21.113	-	-	-	1.406.000
Total Romania		**37.550.333**	**(567.660)**	**567.660**	**-**	**(251.667)**	**-**	**37.802.000**
Boyana	Land	4.230.000	-	-	-	-	-	4.230.000
Total Bulgaria		**4.230.000**	**-**	**-**	**-**	**-**	**-**	**4.230.000**
Victini Logistics	Warehouse	15.200.000	-	-	-	-	-	15.200.000
Total Greece		**15.200.000**	**-**	**-**	**-**	**-**	**-**	**15.200.000**
TOTAL		**67.876.643**	**(342.068)**	**408.684**	**-**	**(251.667)**	**-**	**68.061.694**

Discontinued Operations

30 June 2018 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount 30/06/2018	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Disposals and change in allowance for investment property for H1 2018	Transfer from prepayments made for investments	Additions 30/06/2018	Carrying amount as at 31/12/2017
Bela Logistic Center	Land	4.717.790	421.726	(289.945)	-	-	-	4.586.009
Kyianovskiy Lane	Land	2.744.895	245.367	(168.695)	-	-	-	2.668.223
Tsymlianskiy Lane	Land	943.558	84.345	(57.989)	-	-	-	917.202
Balabyne	Land	1.372.448	122.685	(84.348)	-	-	-	1.334.111
Rozny Lane	Land	1.115.114	54.446	(23.298)	-	-	-	1.083.966
Total Ukraine		**10.893.805**	**928.569**	**(624.275)**	**-**	**-**	**-**	**10.589.511**
Innovations Logistics Park	Warehouse	10.000.000	(3.008)	3.008	-	-	-	10.000.000
EOS Business Park	Office	7.200.000	(2.166)	2.166	-	-	-	7.200.000
Residential portfolio	Residential	2.257.001	(763)	763	(1.765.999)	-	-	4.023.000
Greenlake	Land	17.963.000	(5.404)	5.404	-	-	-	17.963.000
Pantelimon Lake	Land	-	-	-	-	-	-	-
Greenlake - kindergarten	Commercial	1.713.000	(515)	515	-	-		1.713.000
Total Romania		**39.133.001**	**(11.856)**	**11.856**	**(1.765.999)**	**-**		**40.899.000**
Boyana	Land	4.230.000	-	-	-	-	-	4.230.000
Total Bulgaria		**4.230.000**	**-**	**-**	**-**	**-**	**-**	**4.230.000**
Victini Logistics	Warehouse	16.100.000	-	-	-	-	-	16.100.000
Total Greece		**16.100.000**	-	**-**	**-**	-	-	**16.100.000**
Total		**70.356.806**	**916.713**	**(612.419)**	**(1.765.999)**	**-**	**-**	**71.818.511**

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

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

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				30 June 2019		31 Dec 2018	
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€		€
Bela Logistic Park	Odesa	Land and Development Works for Warehouse	LLC Aisi Bela	-	4.745.167	-	4.716.157
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential development	LLC Aisi Ukraine LLC Trade Center	-	2.811.951	-	2.794.760
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz-Pres-Ukraine	-	966.608	-	960.699
Balabino Project	Zaporizhia	Land for retail development	LLC Aisi Bela	-	1.318.102	-	1.310.044
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	1.054.482	-	1.048.034
Total Ukraine				**-**	**10.896.310**	**-**	**10.829.694**
Innovations Logistics Park	Clinceni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	10.600.000	-	10.600.000
EOS Business Park	Bucharest	Office building	Yamano Holdings Limited, N-E Real Estate Park First Phase Srl	-	7.600.000	-	7.600.000
Kindergarten	Bucharest	Retail	SPDI Real Estate Srl	-	1.406.000	-	1.406.000
Residential Portfolio	Bucharest	Residential apartments (9 in total in 2 complexes)	SEC South East Continent Unique Real Estate Investments II Limited Ketiza Holdings Limited Ketiza Real Estate Srl N-E Real Estate Park First Phase Srl (in 2018 after merger with SecRom Real Estate Srl)	-	1.102.333	-	1.354.000

GreenLake	Bucharest	Residential villas (14 villas) & land for residential development	SEC South East Continent Unique Real Estate (Secured) Investments Limited Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Ram Real Estate Management Limited Moselin Investments Srl Rimasol Enterprises Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Development Srl Jenby Investments Srl Ebenem Investments Srl	-	16.842.000	-	16.842.000
Total Romania				**-**	**37.550.333**	**-**	**37.802.000**
Boyana	Sofia	Land	Boyana Residence ood, Sertland Properties Limited	-	4.230.000	-	4.230.000
Total Bulgaria				**-**	**4.230.000**	**-**	**4.230.000**
Victini Logistics	Athens	Warehouse	Victini Holdings Limited, Victini Logistics Park S.A.	-	15.200.000	-	15.200.000
Total Greece				**-**	**15.200.000**	**-**	**15.200.000**
TOTAL				**-**	**67.876.643**	**-**	**68.061.694**

19.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park, EOS Business Park, Victini Logistics, Praktiker Craiova (sold during October 2018), Kindergarten of GreenLake, the Residential Portfolio (consisting of apartments in 2 complexes) and GreenLake parcel K, as well as all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residence, Balabino Project and Rozny Lane in Ukraine, and GreenLake in Romania, as well as the land in Sofia, Bulgaria (Boyana).

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
At the beginning of the reporting period	**-**	**63.345.537**	**74.732.502**	**-**
Disposal of investment Property	-	(251.667)	(7.500.000)	(3.033.617)
Revaluation (loss)/gain on investment property	-	488.442	-	(1.092.530)
Translation difference	-	(450.836)	-	239.182
Transferred to Assets held for sale	-	-	(67.232.502)	67.232.502
As at the end of the reporting period	**-**	**63.131.476**	**-**	**63.345.537**

Disposals of Investment Properties mainly represent the sales of Praktiker in Craiova .

a. Investment Properties Under Development

As at 30 June 2019 investment property under development represents the carrying value of Bela Logistic Park property, which has reached the +10% construction in late 2008 but it is stopped since then.

	30 June 2019		31 Dec 2018	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
At 1 January	**-**	**4.716.157**	**4.586.009**	**-**
Revaluation on investment property	-	(79.758)	-	(125.768)
Translation difference	-	108.768	-	255.916
Transferred to Assets held for sale	-	-	(4.586.009)	4.586.009
At 31 December	**-**	**4.745.167**	**-**	**4.716.157**

20. Investments in associates

	30 June 2019		31 Dec 2018	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Cost of investment in associates at the beginning of the period	-	5.313.235	5.115.587	-
Share of profits from associates	-	224.177	-	364.920
Dividend Income	-	(121.772)	-	(143.263)
Foreign exchange difference	-	(57.968)	-	(24.009)
Transfer to assets classified as held for sale	-	-	(5.115.587)	5.115.587
Total	**-**	**5.357.672**	**-**	**5.313.235**

Dividend Income reflects dividends received from Delenco Srl, owner of the Delea Nuova building, where the Group maintains a 24,35% participation.

The share of profit from the associate GreenLake Development Srl was limited up to the interest of the Group in the associate.

As at 30 June 2019, 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	24.180.906	(2.181.762)	920.493	24,35%	224.177	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	9.171.101	(11.379.751)	(26.150)	40,35%	-	Romania	Residential assets
Total		**33.352.007**	**(13.561.513)**	**894.343**		**224.177**		

As at 30 June 2018, 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	25.144.408	(2.744.771)	569.257	24,35%	138.637	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	9.850.899	(11.491.790)	31.766	40,35%	-	Romania	Residential assets
Total		**34.995.307**	**(14.236.561)**	**601.023**		**138.637**		

21. Financial assets at fair value through OCI

The Group proceeded with an impairment of €297.200 for Monaco Towers (company SecMon Real Estate Srl) for which following the court decision for entering into insolvency in January 2018, the Company lost the control over the asset (Note 7) and as such it was reclassified as Financial assets at fair value through OCI as per table below (where the fair value of the property was adjusted at 80% of its value):

Discontinued operations (Note 8)		
	Unadjusted	**Adjusted**
ASSETS	**€**	**€**
Non-current assets		
Investment property	1.486.000	1.188.800
Current assets		
Prepayments and other current assets	20.447	20.447
Cash and cash equivalents	10.321	10.321
Total assets	**1.516.768**	**1.219.568**
Current liabilities		
Borrowings	(1.075.176)	(1.075.176)
Other liabilities	(19.433)	(19.433)
Intercompany loans	(1.845.700)	(124.958)
Total liabilities	**(2.940.309)**	**(1.219.567)**
Total Net equity	**(1.423.541)**	**1**
Add back Intercompany loans	1.845.700	-
Total Net equity (excluding IC)	**422.159**	**1**
Financial Asset at fair value through OCI		**1**
Loan receivable from 3rd parties (Note 25)		124.958
Impairment charge for Monaco Towers (Adjusted less Unadjusted NAV) (Note 14)		**(297.200)**

22. Tangible and intangible assets

As at 30 June 2019 the intangible assets were composed of the capitalized expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2018: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €101.962 (31 Dec 2018: €100.800) and therefore net value amounts to €1.231 (31 Dec 2018: €2.393).

As at 30 June 2019 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €1.041 (31 Dec 2018: €1.281).

As at 30 June 2019 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, Romania, Greece and Bulgaria, amount to €122.948 (31 Dec 2018:€129.516). Accumulated depreciation as at the reporting date amounts to €94.029 (31 Dec 2018: €86.982).

23. Long Term Receivables and prepayments

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Long Term Receivables	860	315.267	850	315.320
Total	**860**	**315.267**	**850**	**315.320**

Long term receivables mainly include the cash collateral existing in favor of Piraeus Leasing and the guarantee deposit from a tenant in Innovations Logistics Park.

24. Inventory

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
At 1 January	-	4.604.044	**4.812.550**	-
Sale of Inventories (Note 13a)	-	-	-	(208.506)
Transfer to assets classified as held for sale	-	-	(4.812.550)	4.812.550
As at the end of the reporting period	**-**	**4.604.044**	**-**	**4.604.044**

The residential portfolio in Boyana, Sofia, Bulgaria is classified as Inventory.

During 2016 after a decision of the Board of Directors of Boyana to change the initial plan from construction on the land to hold this land for capital appreciation, the amount of €4.686.000 which was related to the land was transferred under Investment Properties (Note 19.2) and since then is treated under IAS 40.

25. Prepayments and other current assets

	30 June 2019		31 Dec 2018	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	73.420	670.250	102.243	569.210
VAT and other tax receivables	116.017	107.467	123.975	93.331
Deferred expenses	55	71.489	72.630	1.254
Receivables due from related parties	50.189	1.010	54.689	1.010
Loan receivables from 3rd parties	5.490.698	124.958	5.312.919	124.958
Loan to associates (Note 39.4)	8.024	287.487	8.374	282.842
Allowance for impairment of prepayments and other current assets	(89.070)	(393.020)	(89.422)	(390.471)
Total	**5.649.333**	**869.641**	**5.585.408**	**682.134**

Trade and other receivables mainly include receivables from tenants (including the Greek electricity grid administrator) and prepayments made for services.

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

Loan receivables from 3rd parties include an amount of €4.580.000 provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania, as well as associated interest of €771.125. The loan provided under an agreement incorporating a convertibility option which was not exercised and the loan is payable in a 12 month period from notification date, bearing a fixed interest rate of 10%, and secured by relevant corporate guarantees, while the Company is in the process of getting agreed security in the form of pledge of shares following the relevant process provided in the Loan Agreement.

Loans receivables from 3rd parties also include an amount of €115.000 provided to the SPV that acquired Delia Lebada asset, as part of an agreement of obtaining a 5% stake on the property.

Loan receivable from 3rd partied under discontinued operations include a loan receivable from SecMon Real Estate Srl which is in the comparative figures of these Financial Statements was classified as a subsidiary, while from January 2018 it is classified as Financial Asset at Fair value through OCI (Note 21).

Loan to associates reflects a loan receivable from GreenLake Development Srl, holding company of GreenLake Project-Phase A (Notes 20 and 39.4).

26. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2019		31 Dec 2018	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Cash with banks in USD	15.706	2	45.134	2.621
Cash with banks in EUR	123.146	167.309	205.679	233.184
Cash with banks in UAH	51	2.939	71	1.498
Cash with banks in RON	36.882	422.788	31.829	420.013
Cash with banks in BGN	-	2.340	-	2.460
Total	**175.785**	**595.378**	**282.713**	**659.776**

27. Share capital

Number of Shares

	30 June 2019	**31 Dec 2018**
Authorised		
Ordinary shares of €0,01	**989.869.935**	**989.869.935**
Total ordinary shares	**989.869.935**	**989.869.935**
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	**8.618.997**	**8.618.997**
Total redeemable shares	**8.618.997**	**8.618.997**
Issued and fully paid		
Ordinary shares of €0,01	**127.270.481**	**127.270.481**
Total ordinary shares	**127.270.481**	**127.270.481**
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	-	-
Total redeemable shares	-	-
Total	**127.270.481**	**127.270.481**

Nominal value (€)

€	**30 June 2019**	**31 Dec 2018**
	€	**€**
Authorised		
Ordinary shares of €0,01	**9.898.699**	**9.898.699**
Total ordinary shares	**9.898.699**	**9.898.699**

RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	**86.190**	**86.190**
Total redeemable shares	**86.190**	**86.190**
Issued and fully paid		
Ordinary shares of €0,01	**1.272.702**	**1.272.702**
Total ordinary shares	**1.272.702**	**1.272.702**
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	-	-
Total redeemable shares	-	-
Total	**1.272.702**	**1.272.702**

27.1 Authorised share capital

Following the cancellation of the Redeemable Preference Class A Shares completed within H1 2018 the authorised share capital of the Company as at the end of the reporting period is as follows:

a) 989.869.935 Ordinary Shares of €0,01 nominal value each,

b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 27.6).

27.2 Issued Share Capital

On 26th January 2018 the Company announced that 17.066.560 Class A warrants (at a price of £0,10 per warrant) have been exercised and accordingly, 17.066.560 new ordinary shares were issued and admitted to trading on AIM. The consideration for these shares was paid during 2017. Furthermore the Company proceeded with the issue of 344.371 new Ordinary Shares to the Non-Executive Directors of the Company who were in office in 2016 in lieu of fees accrued in 2016, as well as the issue of 10.000 new Ordinary Shares to an ex-employee of the Company, who exercised 10.000 options held over Ordinary Shares (exercisable at £0,15 per share) and 6.260.000 new Ordinary Shares (at an average price of £0,10 per new Ordinary Share) to certain advisers in lieu of cash fees for services offered to the Company for raising capital and facilitating capital markets strategies.

The Company proceeded during H1 2018 with the necessary actions, i.e. court applications, in order to implement the decisions of the AGM of 29 December 2017 for the cancellation of the 785.000 Redeemable Preference Class A Shares of €0,01 each, namely 777.150 Redeemable Preference Class A Shares of €0,01 each in the name of Myrian Nes Ltd and 7.850 Redeemable Preference Class A Shares of €0,01 each in the name of Theandrion Estates.

Following shares issuance completed within H1 2018, as well as cancellation of Redeemable Preference Class A Shares the issued share capital of the Company as at the end of the reporting period is as follows:

a) 127.270.481 Ordinary Shares of €0,01 nominal value each,

b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 27.6).

27.3 Option schemes

A. Under the scheme adopted in 2007, each of the Directors serving at the time, who is still a Director of the Company is entitled to subscribe for 2.631 Ordinary Shares exercisable as set out below:

	Exercise Price	Number of
	USD	Shares
Exercisable until 1 August 2017	57	1.754
Exercisable until 1 August 2017	83	877

The Company received no notice for exercising the options and as a result, as at the end of the reporting period the options have expired.

B. Under a second scheme also adopted in 2007, director Franz M. Hoerhager is entitled to subscribe for 1.829 ordinary shares exercisable as set out below:

	Exercise Price	Number of
	GBP	Shares
Exercisable until 1 August 2017	40	1.219
Exercisable until 1 August 2017	50	610

The Company received no notice for exercising the options and as a result as at the end of the reporting period the options have expired.

C. Under a scheme adopted in 2015, pursuant to an approval by the AGM of 30/12/2013, the Company proceeded in 2015 in issuing 590.000 options to its employees, as a reward for their effort and support during the previous year. Each option entitles the Option holder to one Ordinary Share. Exercise price stands at GBP 0,15. The Option holders may not exercise any option from the moment they cease to offer their services to the Company. The CEO and the CFO of the Company did not receive any options.
   a. 147.500 Options were exercisable within 2016 and none were exercised.
   b. 147.500 Options were exercisable within 2017, out of which 10.000 options were exercised by an ex-employee of the Company while the rest have lapsed.
   c. 295.000 Options should have been exercised within 2018.

The Company considers that all option schemes are currently out of money and therefore has not made any relevant provision.

27.4 Class A Warrants issued

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. Pursuant to issuing the instrument, the Company issued 17.066.560 Class A warrants which were exercised during 2017 at an exercise price of £0,10 per ordinary share and the Company proceeded at, beginning of 2018, with the issuance of 17.066.560 new ordinary shares corresponding to these warrants.

There are no Class A warrants in circulation as at the issuance date of the financial statements.

27.5 Class B Warrants issued

On 8 August 2011 the Company issued an amount of Class B Warrants for an aggregate corresponding to 12,5% of the issued share capital of the Company after the exercise date. Further to the resolution approved at the AGM of 30 December 2016 the exercise period of the Class B Warrants was extended until 30 June 2017, at an exercise price of the nominal value per Ordinary Share as at the date of exercise. The Class B Warrant Instruments have anti-dilution protection so that, in the event of further share issuances by the Company, the number of Ordinary Shares to which the holder of a Class B Warrant is entitled will be adjusted so that he receives the same percentage of the issued share capital of the Company (as nearly as practicable), as would have been the case had the issuances not occurred. This anti-dilution protection will freeze on the earlier of (i) the expiration of the Class B Warrants; and (ii) capital increase(s) undertaken by the Company generating cumulative gross proceeds in excess of USD 100.000.000.

As at 30 June 2017 there were 12.948.694 warrants in circulation corresponding to an equal amount of ordinary shares (1:1) and the Company received valid notices from holders of Class B warrants for the full exercise of their warrants and proceeded with the issue of 12.948.694 new ordinary shares.

There are no Class B warrants in circulation.

27.6 Capital Structure as at the end of the reporting period

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

Number of		(as at) 30 June 2019	(as at) 31 December 2018
Ordinary shares of €0,01	**Issued and Listed on AIM**	**127.270.481**	**127.270.481**
Class A Warrants		-	-
Class B Warrants		-	-
Total number of Shares	Non-Dilutive Basis	127.270.481	127.270.481
Total number of Shares	**Full Dilutive Basis**	**127.270.481**	**127.270.481**
Options		-	-

Shares issued in 2018 for exercise of warrants and options in 2017		**-**	**-**

Redeemable Preference Class A Shares

The Redeemable Preference Class A Shares which do not have voting or dividend rights where issued as part of the Innovations Logistics Park acquisition consideration. As at the reporting date all of the Redeemable Preference Class A Shares have been redeemed and the Company, following the approval received by the AGM on 29 December 2017, proceeded in their cancellation within 2018.

Redeemable Preference Class B Shares

The Redeemable Preference Class B Shares, issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. as part of the Praktiker Craiova asset acquisition do not have voting rights but have economic rights at par with ordinary shares. As at the reporting date all of the Redeemable Preference Class B Shares have been redeemed but the Company is in legal proceedings with the vendor in respect of a final settlement (Notes 32, 40.4).

27.7 Other share capital related matters

Pursuant to decisions taken by the AGM of 31st December 2018, the Board has been authorized and empowered to:

- issue and allot up to 20.000.000 ordinary shares of euro 0,01 each, at an issue price as the Board may in its sole unfettered discretion from time to time determine (and such price may be at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the new shares) and for such purpose any rights of pre-emption and other rights the Company's shareholders have or may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the authority conferred on the Board for the issue and allotment of shares in the Company as contemplated in this resolutions or the issue of shares in the Company pursuant to such authority be and are hereby irrevocably and unconditionally waived. The authority conferred by this resolution shall expire on 31 December 2019.
- issue up to 15.000.000 Class A Warrants, being convertible to up to 15.000.000 ordinary share of euro 0,01 each in the Company upon exercise of the Warrants, with such terms and conditions and at an issue price as the Board may in its sole unfettered discretion from time to time determine (and such price may be at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the Warrants)and for such purpose any rights of pre-emption and other rights the Company's shareholders have or may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the authority conferred on the Board for the issue and allotment of shares or Warrants in the Company as contemplated in this resolution or the issue and allotment of shares or Warrants in the Company pursuant to such authority be and are hereby irrevocably and unconditionally waived. The authority conferred by this resolution shall expire on 31 December 2019.

28. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency to EUR of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where the Company's subsidiaries' functional currencies are not EUR.

29. Non-Controlling Interests

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

%	**Non-controlling interest portion**	
Group Company	**30 June 2019**	**31 Dec 2018**
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Holdings Limited	10,00	10,00
Ketiza Real Estate Srl	10,00	10,00
Ram Real Estate Management Limited	50,00	50,00
Iuliu Maniu Limited	55,00	55,00
Moselin Investments Srl	55,00	55,00
Rimasol Enterprises Limited	55,76	55,76
Rimasol Real Estate Srl	55,76	55,76
Ashor Ventures Limited	55,76	55,76
Ashor Development Srl	55,76	55,76
Jenby Ventures Limited	55,70	55,70
Jenby Investments Srl	55,70	55,70
Ebenem Limited	55,70	55,70
Ebenem Investments Srl	55,70	55,70
SPDI Real Estate Srl	50,00	50,00

30. Borrowings

	Project	**30 June 2019**		**31 Dec 2018**	
		Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
		€	**€**	**€**	**€**
<u>Principal of bank Loans</u>					
Bancpost SA	Blooming House	-	455.593	-	614.441
Alpha Bank Romania	Romfelt Plaza	-	104.226	-	191.723
Alpha Bank Romania	EOS Business Park	-	427.616	-	485.663

Bancpost SA	GreenLake – Parcel K	-	3.249.926	-	3.249.926
Alpha Bank Bulgaria	Boyana Residence	-	2.258.128	-	2.258.128
Alpha Bank Bulgaria	Boyana Residence (Sertland Loan)	-	666.474	-	666.474
Eurobank Ergasias SA	Victini Logistics	-	10.328.160	-	10.658.950
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten – SPDI RE	-	753.415	-	773.206
Loans from other 3rd parties and related parties (Note 39.5)		887.613	177.599	387.683	177.473
Overdrafts		499	2.614	499	1.420
Total principal of bank and non-bank Loans		**888.112**	**20.949.689**	**388.182**	**21.603.342**
Interest accrued on bank loans		-	1.137.733	1	960.075
Interests accrued on non-bank loans		39.205	46.328	14.107	42.057
Total		**927.317**	**22.133.750**	**402.290**	**22.605.474**

SecMon Real Estate Srl entered (2011) into a loan agreement with Banca Comerciala Romana for a credit facility for financing part of the acquisition of the Monaco Towers apartments. The facility bears interest of EURIBOR 3M plus 5%. In June 2016, Banca Comerciala Romana has assigned the loan amounted to €924.562, all rights and securities to Tonescu Finance Srl. The loan, which is currently expired, is secured by all assets of SecMon Real Estate Srl, as well as its shares. During 2017 Tonescu Finance commenced against SecMon Real Estate Srl legal proceedings and in order for SecMon Real Estate Srl to protect itself entered voluntarily into an insolvency process in January 2018. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such Sec Mon Srl is not consolidated in the present financial statements (Note 7).

Ketiza Real Estate Srl entered (2012) into a loan agreement with Bancpost SA for a credit facility for financing the acquisition of the Blooming House and 100% of the remaining (without VAT) construction works of Blooming House project. As at the end of the reporting period the balance of the loan was €455.593. The loan bears interest of EURIBOR 3M plus 3,5% and matures in 2019. The bank loan is secured by all assets of Ketiza Real Estate Srl, as well as its shares and is being repaid through sales proceeds. The Company has requested extension of the loan and waiver in relation to the Arcona transaction in order the SPV with its loan to be transferred effectively. An approval for all pending requests is expected in the following period.

SecRom Real Estate Srl entered (2009) into a loan agreement with Alpha Bank Romania for a credit facility for financing part of the acquisition of the Doamna Ghica Project apartments. During 2018, SecRom Real Estate Srl was merged with N-E Real Estate Park First Phase Srl as a result the loan was transferred to N-E Real Estate Park First Phase Srl. As at the end of the reporting period, the balance of the loan was €104.226, bears interest of EURIBOR

1M+4.25% and is repayable on the basis of investment property sales. The loan is secured by all assets of SecRom Real Estate Srl, currently held by N-E Real Estate Park First Phase Srl, as well as its shares and is being repaid through sales proceeds with a maturity 2021.

Moselin Investments Srl entered (2010) into a construction loan agreement with Bancpost SA covering the construction works of Parcel K GreenLake project. As at the end of the reporting period the balance of the loan was €3.249.926 and bears interest of EURIBOR 3M plus 2,5%. Following restructuring implemented during 2017 the loan maturity was extended to 2022. The loan is secured with the property itself and the shares of Moselin Investments Srl and is being repaid through sales proceeds.

Boyana Residence ood entered (2011) into a loan agreement with Alpha Bank Bulgaria for a construction loan related to the construction of the Boyana Residence project (finished in 2014). As at the end of the reporting period the balance of the loan was €2.258.128 and bears interest of EURIBOR 3M plus 5,75%. The loan maturity was extended following negotiation with the bank to March 2019. The loan currently is being repaid through sales proceeds. The facility is secured through a mortgage over the property and a pledge over the company's shares, as well as those of Sertland Properties Limited. The Company has provided corporate guarantees for this loan. The Company has requested extension of the loan and waiver in relation to the Arcona transaction in order the SPV with its loan to be transferred effectively. An approval for all pending requests is expected in the following period.

Sertland Properties Limited entered (2008) into a loan agreement with Alpha Bank Bulgaria for an acquisition loan related to the acquisition of 70% of Boyana Residence ood. As at the end of the reporting period the balance of the loan was €666.474 and bears interest of EURIBOR 3M plus 5,75%. The loan maturity was extended following negotiation with the bank to March 2019. The loan currently is being repaid through sales proceeds of Boyana Residence apartments. The loan is secured with a pledge on company's shares, and a corporate guarantee by SEC South East Continent Unique Real Estate (Secured) Investments Limited. The Company has requested extension of the loan and waiver in relation to the Arcona transaction in order the loan to be transferred effectively. An approval for all pending requests is expected in the following period.

Victini Logistics Park S.A. entered (April 2015) into a loan agreement with EUROBANK SA to refinance the existing debt facility related to Victini Logistics. As at the end of the reporting period the balance of the loan is €10.328.160 and bears interest of EURIBOR 6M plus 3,2%+30% of an asset swap which if negative total spread is accounted for 4,9%. The loan is repayable by 2022, has a balloon payment of €8.660.000 and is secured by all assets of Victini Logistics Park S.A., as well as its shares.

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank for the acquisition of the GreenLake land in Bucharest Romania. As at the end of the reporting period the balance of the loan was €2.525.938 plus accrued interest €562.533 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. The loan matures in September 2023 but the Bnak has called the loan back and the Company is in discussions for resolving the issue.

During 2018, BlueBigBox 3 Srl (Praktiker Craiova) sold its property and repaid its loan to Marfin Bank Romania.

N-E Real Estate Park First Phase Srl entered in 2016 into a loan agreement with Alpha Bank Romania for a credit facility of €1.000.000 for working capital purposes. As at the end of the reporting period, the balance of the loan was €427.616, bears interest of EURIBOR 1M+4,5% and is repayable from the free cash flow resulting from the rental income of company's property. The loan matures in April 2024 and is secured by a second rank mortgage over assets of SecRom Real Estate Srl, which has been absorbed by First Phase, as well as its shares.

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Bancpost SA Romania. As at the end of the reporting period the balance of the loan was €753.415 and bears interest of Euribor 3m plus 4,6% per annum. The loan is repayable by 2027.

Loans from other 3rd parties and related parties includes borrowings from non-controlling interests. During the last eight years and in order to support the GreenLake project the non-controlling shareholders of Moselin Investments Srl, Rimasol Enterprises Limited and SPDI Real Estate (other than the Group) have contributed their share of capital injections by means of shareholder loans. The loans bear interest between 5% and 7% annually.

Loans from other 3rd parties and related parties includes also loans from related parties provided as bridge financing for future property acquisitions (Note 39.5).

A) Loans from Directors reflects loans provided from 3 Directors as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 December 2019.

B) PM Capital Inc., one of the Company's largest shareholders lent the Company in January 2018 €1m to be used for general working capital purposes and for staged payments towards the acquisition of up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio. The Loan had interest initially at a rate of 8,5% until the end of Q1 2018, when increased to 11% until its full repayment on 8 October 2018.

C) During Q1 2019 the Company received two short terms loans from two of its shareholders, with the purpose of financing working capital needs and expenses related to the transaction with Arcona Property Fund N.V. The total amount of the loans was €500.000 at 8% interest rate. Both loans have been repaid during H2 2019.

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, (Notes 25 and 27.4) issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument which was in the value of €1.033.842 bears a 6,5% coupon, has a 7 year term and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018.

32. Trade and other payables

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

	30 June 2019		31 Dec 2018	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Payables to third parties	3.371.299	927.242	3.213.848	924.137
Payables to related parties (Note 39.2)	861.846	-	743.139	-
Deferred income from tenants	-	9.986	-	8.316
Accruals	46.652	201.555	94.905	150.324
Payables due for construction	-	188.360	-	417.826
Pre-sale advances	131.255	-	123.044	-
Total	**4.411.052**	**1.327.143**	**4.174.936**	**1.500.603**

	30 June 2019		31 Dec 2018	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Current portion	4.411.052	1.128.796	4.174.936	1.074.460
Non-current portion	-	198.347	-	426.143
Total	**4.411.052**	**1.327.143**	**4.174.936**	**1.500.603**

Payables to third parties represents: a) payables due to Bluehouse Capital as a result the Redeemable Convertible Class B share redemption (Note 27.6) which is under legal proceedings for a final settlement(under continued operations) (Note 40.4) and b) amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group (under both continued and discontinued operations).

Payables to related parties represent amounts due to directors and accrued management remuneration, as well as the balances with Secure Management Services Ltd and Grafton Properties (Note 39.2).

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

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

Payables for construction represent amounts payable to the contractor of Bela Logistic Park in Odessa. The settlement was reached in late 2011 on the basis of maintaining the construction contract in an inactive state (to be reactivated at the option of the Group), while upon reactivation of the contract or termination of it (because of the sale of the asset) the Group would have to pay an additional UAH 5.400.000 (~USD 160.000) payable upon such event occurring. Since it is uncertain when the latter amount is to be paid, it has been discounted at the current discount rates in Ukraine and is presented as a non-current liability. Payables for construction at 31 December 2018 also include an amount of ~€245.000 payable to Boyana's constructor which has been withheld as Good Performance Guarantee. This amount was written off during the period (Note15).

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

33. Deposits from Tenants

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Deposits from tenants non-current	-	219.227	-	219.274
Total	**-**	**219.227**	**-**	**219.274**

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants of Innovations Logistics Park, EOS Business Park, Victini Logistics and companies representing residential segment as advances/guarantees and are to be reimbursed to these clients at the expiration of the lease agreements.

34. Provisions and Taxes Payables

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Corporate income tax – non current	279.493	39.832	333.881	45.850
Defence tax – non current	28.129	15	28.129	15
Tax provision – non current	399.450	-	399.450	-

Corporate income tax - current	594.430	18.722	620.557	21.446
Other taxes including VAT payable - current	7.503	427.437	31.767	365.217
Provisions – current	42	65.552	43	66.002
Total Provisions and Taxes Payables	**1.309.047**	**551.558**	**1.413.827**	**498.530**

Corporate income tax represents taxes payable in Cyprus and Romania.

Other taxes represent local property taxes and VAT payable in Ukraine, Romania, Greece, Bulgaria and Cyprus.

Non-current amounts represent the part of the settlement plan agreed with the Cyprus tax authorities to be paid within the next 3 years.

35. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €9.888.217 and the current portion of €385.295 (31 December 2018: €10.076.579 and €393.433, accordingly).

Discontinued operations

30 June 2019	**Note**	**Minimum lease payments**	**Interest**	**Principal**
		€	**€**	**€**
Less than one year	42.2	867.587	484.123	383.464
Between two and five years	&	5.779.339	1.703.975	4.075.363
More than five years	42.6	6.318.767	512.065	5.806.702
		12.965.693	**2.700.163**	**10.265.529**
Accrued Interest		-	-	7.983
Total Finance Lease Liabilities		**-**	**-**	**10.273.512**

31 Dec 2018	**Note**	**Minimum lease payments**	**Interest**	**Principal**
		€	**€**	**€**
Less than one year	42.2 & 42.6	886.771	494.098	392.673
Between two and five years		3.666.346	1.768.504	1.897.842
More than five years		8.861.576	686.781	8.174.795
		13.414.693	**2.949.383**	**10.465.310**

Accrued Interest		-	-	4.702
Total Finance Lease Liabilities		**-**	**-**	**10.470.012**

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 €57.247 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

35.2 Sale and Lease Back Agreements

A. <u>Innovations Logistics Park</u>

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the end of the reporting period the balance is €6.932.475, bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon payment of €5.244.926. At the maturity of the lease agreement 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 bank towards the liabilities of Best Day Real Estate Srl arising from the sale and lease back agreement.

B. <u>EOS Business Park</u>

In October 2014 the Group concluded the acquisition of EOS Business Park in Bucharest, owned by N-E Real Estate Park First Phase Srl, through a sale and lease back agreement with Alpha Bank Romania SA. As at the end of the reporting period the balance is €3.283.790 bearing interest rate at 3M Euribor plus 5,25% margin, being repayable in monthly tranches until 2024 with a balloon payment of €2.546.600. At the maturity of the lease agreement by N-E Real Estate Park First Phase Srl will become owner of the asset.

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

1. N-E Real Estate Park First Phase Srl pledged its future receivables from its tenants.
2. N-E Real Estate Park First Phase Srl pledged Bank Guarantee receivables from its tenants.
3. N-E Real Estate Park First Phase Srl pledged its shares.
4. N-E Real Estate Park First Phase Srl pledged all current and reserved accounts opened in Alpha Bank Romania SA.
5. N-E Real Estate Park First Phase Srl is obliged to provide cash collateral in the amount of €300.000 in Alpha Bank Romania SA, in equal annual installments starting with the 5th year of the agreement.
6. SPDI provided a corporate guarantee in favor of the bank towards the liabilities of N-E Real Estate Park First Phase Srl arising from the sales and lease back agreement.

36. Restructuring of the business

During 2016 the non-controlling shareholders of the companies related to GreenLake project (Moselin Investments Srl, Iuliu Maniu Limited, RAM Real Estate Management Limited, Rimasol Enterprises Limited, Rimasol Real Estate Srl, Ashor Ventures Limited, Ashor Development Srl, Ebenem Limited, Ebenem Investments Srl, Jenby Ventures Limited and Jenby Investments Srl) in agreement with the Group capitalized the bigger part of their capital injections by means of shareholder loans and payables effected from 2008 onwards. An amount of €6.641.997 from such loans and payables have been transferred to the equity section while the process of capitalization was partially finalised in 2017 with the remaining finalised within 2018.

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

a. Weighted average number of ordinary shares

	30 June 2019	**31 Dec 2018**	**30 June 2018**
Issued ordinary shares capital	127.270.481	127.270.481	127.270.481
Weighted average number of ordinary shares (Basic)	127.270.481	125.644.043	123.981.462
Diluted weighted average number of ordinary shares	127.270.481	125.644.043	123.981.462

b. Basic diluted and adjusted earnings per share

Earnings per share	**30 Jun 2019**	**30 Jun 2018**
	€	**€**
Loss after tax attributable to owners of the parent	47.570	(1.996.708)
Basic	0,0004	(0,02)
Diluted	0,0004	(0,02)

c. Net assets per share

Net assets per share	**30 June 2019**	**31 Dec 2018**
	€	**€**
Net assets attributable to equity holders of the parent	35.681.667	35.608.276

Number of ordinary shares	127.270.481	127.270.481
Diluted number of ordinary shares	127.270.481	125.644.043
Basic	0,28	0,28
Diluted	0,28	0,28

38. Segment information

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

Commercial-Industrial

- Warehouse segment – Victini Logistics, Innovations Logistics Park,
- Office segment - Eos Business Park – Delea Nuova (Associate)
- Retail segment - Craiova Praktiker (only for H1 2018) and Kindergarten of GreenLake

Residential

- Residential segment

Land Assets

- Land assets

There are no sales between the segments.

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

Continued Operations

Profit and Loss for the period ended 30 June 2019

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 9)	-	-	-	-	-	132.025*	132.025
Service charges and utilities income (Note 9)	-	-	-	-	-	18.016*	18.016
Profit from discontinued operation (Note 8)	790.870	686.203	62.908	(20.259)	17.012	(21.457)	1.515.277
Segment profit	**790.870**	**686.203**	**62.908**	**(20.259)**	**17.012**	**128.584**	**1.665.318**
Administration expenses							(800.710)

(Note 11)							
Other (expenses)/income, net (Note 15)							66.056
Finance income (Note 16)							232.715
Interest expenses (Note 16)							(59.324)
Other finance costs (Note 16)							(8.324)
Foreign exchange losses, net (Note 17a)							(43.865)
Income tax expense (Note 18)							(2.212)
Profit from discontinued operations (Note 8)							(865.342)
Exchange difference on I/C loan to foreign holdings (Note 17b)							21.828
Exchange difference on translation foreign holdings (Note 28)							(183.153)
Total Comprehensive Income							**22.987**

* 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.

Continued Operations

Profit and Loss for the period ended 30 June 2018

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 9)	57.140	-	314.584	-	-	-	371.724
Valuation gains/(losses) from investment property (Note 12)	-	-	2.256	-	-	-	2.256
Asset operating expenses (Note 10)	-	-	(45.789)	-	-	-	(45.789)
Impairment of investment property (Note 14)	-	-	(1.001.569)	-	-	-	(1.001.569)
Profit from discontinued operation (Note 8)	597.558	438.447	50.661	(299.322)	(692.883)	-	94.461
Segment profit	**654.698**	**438.447**	**(679.857)**	**(299.322)**	**(692.883)**	**-**	**(578.917)**
Administration expenses (Note 11)							(800.186)
Other (expenses)/income, net (Note 15)							(370)
Finance income (Note 16)							449.210
Interest expenses (Note 16)							(191.885)
Other finance costs (Note 16)							(10.208)
Profit from discontinued operations (Note 8)							(910.100)
Foreign exchange losses, net (Note 17a)							(14.311)
Income tax expense (Note 18)							(9.923)
Exchange difference on I/C loan to foreign holdings (Note 17b)							14.449
Exchange difference on translation foreign holdings (Note 28)							880.539
Total Comprehensive Income							**(1.171.702)**

Discontinued Operations

Profit and Loss for the period ended 30 June 2019

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 13)	-	83.893	-	165.707	-	-	249.600
Cost of Property sold (Note 13)	-	(47.216)	-	(204.451)	-	-	(251.667)
Rental income (Note 9)	704.632	305.928	57.250	8.392	417	-	1.076.619
Service charges and utilities income (Note 9)	22.567	20.004	-	710	-	-	43.281
Sale of electricity (Note 9)	82.965	-	-	-	-	-	82.965
Service and Property Management income (Note 9)	-	-	-	1.063	-	-	1.063
Valuation gains/(losses) from investment property (Note 12)	159.177	118.872	21.113	15.587	93.935	-	408.684
Share of profits/(losses) from associates (Note 20)	-	224.177	-	-	-	-	224.177
Asset operating expenses (Note 10)	(178.471)	(19.455)	(15.455)	(7.267)	(77.340)	(21.457)	(319.445)
Segment profit	**790.870**	**686.203**	**62.908**	**(20.259)**	**17.012**	**(21.457)**	**1.515.277**
Administration expenses (Note 11)							(111.352)
Other (expenses)/income, net (Note 15)							237.474
Finance income (Note 16)							5.041
Interest expenses (Note 16)							(704.827)
Other finance costs (Note 16)							(1.305)
Foreign exchange losses, net (Note 17a)							(274.005)
Income Tax (Note 18)							(16.368)
Total Comprehensive Income							**649.935**

Discontinued Operations

Profit and Loss for the period ended 30 June 2018

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 13)	-	-	-	478.927	-	-	478.927
Cost of Property sold (Note 13)	-	-	-	(495.498)	-	-	(495.498)
Rental income (Note 9)	497.401	297.578	57.393	23.586	-	-	875.958
Service charges and utilities income (Note 9)	26.407	36.717	-	1.650	-	-	64.774
Sale of electricity (Note 9)	152.618	-	-	-	-	-	152.618
Service and Property Management income (Note 9)	-	-	-	1.083	-	-	1.083
Valuation gains/(losses) from investment property (Note 12)	3.008	2.166	515	764	(618.872)	-	(612.419)
Share of profits/(losses) from associates (Note 20)	-	138.637	-	-	-	-	138.637
Asset operating expenses (Note 10)	(81.876)	(36.651)	(7.247)	(12.634)	(74.011)	-	(212.419)
Impairment of investment property (Note 14)	-	-	-	(297.200)	-	-	(297.200)
Segment profit	**597.558**	**438.447**	**50.661**	**(299.322)**	**(692.883)**	**-**	**94.461**
Administration expenses (Note 11)							(100.478)
Other (expenses)/income, net (Note 15)							26.937
Finance income (Note 16)							4.846
Interest expenses (Note 16)							(796.977)
Other finance costs (Note 16)							(5.695)

Foreign exchange losses, net (Note 17a)							(1.369)
Income tax expense (Note 18)							(37.364)
Total Comprehensive Income							**(815.639)**

Total Operations

Balance Sheet as at 30 June 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	860	860
Assets held for sale	26.115.000	13.187.272	1.406.000	2.205.169	34.196.186	2.537.938	79.647.565
Segment assets	**26.115.000**	**13.187.272**	**1.406.000**	**2.205.169**	**34.196.186**	**2.538.798**	**79.648.425**
Tangible and intangible assets							2.272
Prepayments and other current assets							5.649.333
Cash and cash equivalents							175.785
Total assets							**85.475.815**
Liabilities associated with assets classified as held for disposal	17.476.869	3.816.492	954.040	460.148	9.918.939	1.878.702	34.505.190
Borrowings	-	-	-	41	459	926.817	927.317
Segment liabilities	**17.476.869**	**3.816.492**	**954.040**	**460.189**	**9.919.398**	**2.805.519**	**35.432.507**
Trade and other payables							4.411.052
Taxes payable and provisions							1.309.047
Bonds							1.156.256
Total liabilities							**42.308.862**

Total Operations

Balance Sheet as at 31 December 2018

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	850	850
Assets held for sale	26.070.000	13.229.506	1.406.000	5.767.003	30.816.594	2.389.635	79.678.738
Segment assets	**26.070.000**	**13.229.506**	**1.406.000**	**5.767.003**	**30.816.594**	**2.390.485**	**79.679.588**
Tangible and intangible assets							3.674
Prepayments and other current assets							5.585.408
Cash and cash equivalents							282.713
Total assets							**85.551.383**
Liabilities associated with assets classified as held for disposal	17.882.585	4.079.598	967.338	618.113	9.747.126	1.999.133	35.293.893
Borrowings	-	-	-	41	459	401.790	402.290
Segment liabilities	**17.882.585**	**4.079.598**	**967.338**	**618.154**	**9.747.585**	**2.400.923**	**35.696.183**
Trade and other payables							4.174.936
Taxes payable and provisions							1.413.827
Bonds							1.122.470
Total liabilities							**42.407.416**

Discontinued operations

Assets and Liabilities held for sale 30 June 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	25.800.000	7.829.333	1.406.000	873.000	26.179.143	1.044.000	63.131.476
Investment properties under development	-	-	-	-	4.745.167	-	4.745.167
Long-term receivables and prepayments	315.000	267	-	-	-	-	315.267
Investments in associates	-	5.357.672	-	-	-	-	5.357.672
Financial asset at fair value through OCI				1			1
Inventory	-	-	-	4.604.044	-	-	4.604.044
Segment assets	**26.115.000**	**13.187.272**	**1.406.000**	**5.477.045**	**30.924.310**	**1.044.000**	**78.153.627**
Tangible and intangible assets							28.919
Prepayments and other current assets							869.641
Cash and cash equivalents							595.378
Total assets							**79.647.565**
Borrowings	10.328.233	532.702	954.040	457.081	9.861.694	-	22.133.750
Finance lease liabilities	6.932.476	3.283.790	-	-	57.246	-	10.273.512
Deposits from tenants	216.160	-	-	3.067	-	-	219.227
Segment liabilities	**17.476.869**	**3.816.492**	**954.040**	**460.148**	**9.918.940**	**-**	**32.626.489**
Trade and other payables							1.327.143
Taxes payable and provisions							551.558
Total liabilities							**34.505.190**

Discontinued operations

Assets and Liabilities held for sale 2018

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	25.800.000	7.916.000	1.406.000	1.038.000	26.100.437	1.085.100	63.345.537
Investment properties under development	-	-	-	-	4.716.157	-	4.716.157
Long-term receivables and prepayments	315.049	271	-	-	-	-	315.320
Investments in associates	-	5.313.235	-	-	-	-	5.313.235
Financial asset at fair value through OCI				1			1
Inventory	-	-	-	4.604.044	-	-	4.604.044
Segment assets	**26.115.049**	**13.229.506**	**1.406.000**	**5.642.045**	**30.816.594**	**1.085.100**	**78.249.245**
Tangible and intangible assets							42.534
Prepayments and other current assets							682.134
Cash and cash equivalents							659.776
Total assets							**79.678.738**
Borrowings	10.658.951	677.558	967.338	614.999	9.686.628	-	22.605.474
Finance lease liabilities	7.007.474	3.402.040	-	-	60.498	-	10.470.012
Deposits from tenants	216.160	-	-	3.114	-	-	219.274
Segment liabilities	**17.882.585**	**4.079.598**	**967.338**	**618.113**	**9.747.126**	**-**	**33.294.760**
Trade and other payables							1.500.603
Taxes payable and provisions							498.530
Total liabilities							**35.293.893**

Geographical information

Income (Note 9)	30 June 2019 Continued operations	30 June 2019 Discontinued operations	30 June 2018 Continued operations	30 June 2018 Discontinued operations
	€	€	€	€
Ukraine	-	-	-	-
Romania	-	521.618	314.584	550.161
Greece	-	681.893	-	543.575
Bulgaria	-	417	-	697
Cyprus *	150.041	-	57.140	-
Total	**150.041**	**1.203.928**	**371.724**	**1.094.433**

* 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 successful, upon completion such income will be also transferred.

Loss from disposal of inventory (Note 13a)	30 June 2019 Continued operations	30 June 2019 Discontinued operations	30 June 2018 Continued operations	30 June 2018 Discontinued operations
	€	€	€	€
Bulgaria	-	-	-	(13.555)
Total	**-**	**-**	**-**	**(13.555)**

Gain/(loss) from disposal of investment properties (Note 13b)	30 June 2019 Continued operations	30 June 2019 Discontinued operations	30 June 2018 Continued operations	30 June 2018 Discontinued operations
	€	€	€	€
Romania	-	(2.067)	-	(3.016)
Total	**-**	**(2.067)**	**-**	**(3.016)**

	30 June 2019		31 Dec 2018	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€		€
Carrying amount of assets (investment properties, associates, inventory and Financial asset at fair value through OCI)				
Ukraine	-	10.896.310	-	10.829.694
Romania	-	42.908.006	-	43.115.236
Greece	-	15.200.000	-	15.200.000
Bulgaria	-	8.834.044	-	8.834.044
Total	**-**	**77.838.360**	**-**	**77.978.974**

39. Related Party Transactions

The following transactions were carried out with related parties:

39.1 Income/ Expense

39.1.1 Income

	30 June 2019		30 June 2018	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income on loan to related parties	2.281	-	2.281	-
Interest Income from loan to associates	161	4.645	-	4.645
Total	**2.442**	**4.645**	**2.281**	**4.645**

Interest income on loan to related parties relates to interest income from Delia Lebada Srl and interest income from associates relates to interest income from GreenLake Development Srl.

39.1.2 Expenses

	30 June 2019	30 June 2018

	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration (Note 11)	203.870	-	190.636	-
Interest expenses on Related party loans	24.837	-	64.870	-
Total	**228.707**	**-**	**255.506**	**-**

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.

39.2 Payables to related parties (Note 32)

	30 June 2019		31 Dec 2018	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	74.162		80.776	
Grafton Properties	123.549	-	123.549	-
Secure Management Services Ltd	15.319		19.319	
Management Remuneration	648.816	-	519.495	-
Total	**861.846**	**-**	**743.139**	**-**

39.2.1 Board of Directors & Committees

The amount payable represents remuneration payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's cash flow, will receive part of their payment in shares of the Company. During 2018 the directors received 344.371 ordinary shares in lieu of their 2016 H1 remuneration amounting to GBP 120.530.

39.2.2 Loan payable to Grafton Properties

During the Company restructuring in 2011 and under the Settlement Agreement of July 2011, the Company undertook the obligation to repay to certain lenders who had contributed funds for the operating needs of the Company between 2009-2011, by lending to AISI Realty Capital LLC as was the SC Secure Capital Limited name then, the total amount of USD 450.000. As at the reporting date the liability towards Grafton Properties, representing the Lenders, was USD 150.000, which is contingent on the Group raising USD 50m of capital in the markets.

39.2.3 Management Remuneration

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

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

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

Borrower	**Limit**	**Principal as at 30 June 2019**	**Principal as at 31 Dec 2018**
LLC "Aisi Ukraine"	23.062.351	21.887	21.711
LLC "Almaz-Press-Ukraine"	8.236.554	249.674	189.938
LLC "Aisi Ilvo"	150.537	28.076	78.890
LLC "Trade Center"		5.694	
Total	**31.449.442**	**305.331**	**290.539**

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 (€30.533)/ €30.533 respectively, estimated on balances held at 30 June 2019.

39.4 Loans to associates (Note 25)

Borrower	**Limit**	**Principal as at 30 June 2019**	**Principal as at 31 Dec 2018**
	€	**€**	**€**
LLC "Aisi Ukraine"	23.062.351	21.887	21.711
LLC "Almaz-Press-Ukraine"	8.236.554	249.674	189.938
LLC "Aisi Ilvo"	150.537	28.076	78.890
LLC "Trade Center"		5.694	-
Total	**31.449.442**	**305.331**	**290.539**

The loan was given to GreenLake Development Srl from Edetrio Holdings Limited. The agreement with Edetrio Holdings Limited was signed on 17 February 2012 and bears interest 5%. The maturity date is 30 April 2020.

39.5 Loans from related parties (Note 30)

	30 June 2019		**31 Dec 2018**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**

Loan from Narrowpeak Consultants	5.297	-	5.256	-
Loan from Directors	875.000	-	375.000	-
Interest accrued on loans from related parties	39.205	-	14.107	-
Total	**919.502**	**-**	**394.363**	**-**

Loans from Directors reflects loans provided from 3 Directors as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 December 2019.

40. Contingent Liabilities

40.1 Tax Litigation

The Group performed during the reporting period part of its operations in the Ukraine, within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterized by numerous taxes and frequently changing legislation, which may be applied retroactively, open to wide and in some cases, conflicting interpretation. Instances of inconsistent opinions between local, regional, and national tax authorities and between the National Bank of Ukraine and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities, which are authorised by law to impose severe fines and penalties and interest charges. Any tax year remains open for review by the tax authorities during the three following subsequent calendar years; however, under certain circumstances a tax year may remain open for longer. Overall following the sale of Terminal Brovary in January 2017 the exposure of the Group in Ukraine was significantly reduced.

The Group performed during the reporting period part of its operations also in Romania, Greece and Bulgaria. In respect of Romanian, Bulgarian and Greek taxation systems all are subject to varying interpretation and to constant changes, which may be retroactive. In certain circumstances the tax authorities can be arbitrary in certain cases.

These facts create tax risks which are substantially more significant than those typically found in countries with more developed 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 condensed consolidated interim financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

40.2 Construction related litigation

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

40.3 Delia Lebada Srl debt towards Bank of Cyprus

Sec South East Continent Unique Real Estate (SECURED) Investment Limited has provided in 2007 a corporate guarantee to Bank of Cyprus in respect to the loan provided by the latter to its subsidiary Delia Lebada Srl, the owner of the Pantelimon Lake plot . As the loan was in default, the bank had initiated an insolvency procedure. In

July 2017 the Company concluded its discussions with the bank and settled all debts and guarantees following successful disposal of Delia Lebada plot . Provision was taken by management in 2015 for €700.000 while finally the Company as part of the sale of the asset and cancellation of the corporate guarantee paid €550.000 in final settlement and as such the difference of €150.000 was reversed in 2017 .

40.4 Bluehouse Accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. filed in Cypriot courts in December 2018 a 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. 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 the Autounion asset which was used as a guarantee to the transaction for the effective redemption of the Redeemable Preference Class A shares. At the same time the Company has posted in its accounts a relevant payable provision for BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. in the amount of €2.521.211 (Note 32). Management believes the Company has good grounds of defence and the amount already provided is adequate to cover an eventual final settlement.

40.5 Other Litigation

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

40.6 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2019.

41. Commitments

The Group had no other commitments as at 30 June 2019.

42. Financial Risk Management

42.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be available to implement its stated growth strategy in order to maximize the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 30), bonds (Note 31), trade and other payables (Note 32) deposits from tenants (Note 33), financial leases (Note 35), taxes payable (Note 34) and equity attributable to ordinary or preferred shareholders.

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

42.2 Categories of Financial Instruments

	Note	30 June 2019		31 Dec 2018	
		Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
		€	**€**	**€**	**€**
Financial Assets					
Cash at Bank	26	175.785	595.378	282.713	659.776
Long-term Receivables and prepayments	23	860	315.267	850	315.320
Prepayments and other receivables	25	5.649.333	869.641	5.585.408	682.134
Financial Asset at fair value through OCI	21	-	1	-	1
Total		**5.825.978**	**1.780.287**	**5.868.971**	**1.657.231**
Financial Liabilities					
Borrowings	30	927.317	22.133.750	402.290	22.605.474
Trade and other payables	32	4.411.052	1.327.143	4.174.936	1.500.603
Deposits from tenants	33	-	219.227	-	219.274
Finance lease liabilities	35	-	10.273.512	-	10.470.012
Taxes payable and provisions	34	1.309.047	551.558	1.413.827	498.530
Bonds	31	1.156.256	-	1.122.470	-
Total		**7.803.672**	**34.505.190**	**7.113.523**	**35.293.893**

42.3 Financial Risk Management Objectives

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

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

42.4 Economic Market Risk Management

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

Foreign Exchange Risk

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

Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30th, 2019, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to €771.163 (31 December 2018: €942.489) of which approx. €2.990 in UAH and €459.670 in RON (Note 26) while the remaining are mainly denominated in either USD or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to €23.061.067 (31 December 2018: €23.007.764) as they are issued at variable rates tied to the Libor or Euribor. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

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

As at 30 June 2019 the weighted average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 3,16% (31 December 2018: 3,83%).

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 30 June 2019 is presented below:

	Actual **as at 30.06.2019**	+100 bps	+200 bps
Weighted average interest rate	3,16%	4,16%	5,16%
Influence on yearly finance costs		(218.378)	(436.756)

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2018 is presented below:

	Actual **as at 31.12.2018**	+100 bps	+200 bps
Weighted average interest rate	3,83%	4,83%	5,83%
Influence on yearly finance costs		(324.007)	(648.014)

The Group's exposures to financial risk are discussed also in Note 6.

42.5 Credit Risk Management

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

42.6 Liquidity Risk Management

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

Continued Operations

30 June 2019	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	175.785	**175.785**	175.785	-	-
Prepayments and other receivables	5.649.333	**5.649.333**	5.649.333	-	-
Long-term Receivables and prepayments	860	**860**		-	860
Total Financial assets	**5.825.978**	**5.825.978**	**5.825.118**	**-**	**860**
Financial liabilities					
Borrowings	(927.317)	**(1.008.636)**	(84.086)	(924.550)	-
Trade and other payables	(4.411.052)	**(4.411.052)**	(4.411.052)	-	-
Bonds issued	(1.156.256)	**(1.626.655)**	(189.614)	(67.200)	(1.369.841)
Taxes payable and provisions	(1.309.046)	**(1.309.046)**	(601.974)	(707.072)	-
Total Financial liabilities	**(7.803.671)**	**(8.355.389)**	**(5.286.726)**	**(1.698.822)**	**(1.369.841)**
Total net (liabilities)/ assets	**(1.977.693)**	**(2.529.411)**	**538.392**	**(1.698.822)**	**(1.368.981)**

Discontinued Operations

30 June 2019	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	595.378	**595.378**	595.378	-	-
Prepayments and other receivables	869.641	**869.641**	869.641	-	-
Long-term Receivables and prepayments	315.267	**315.267**	-	-	315.267
Financial Asset at fair Value through OCI	1	**1**	1	-	-
Total Financial assets	**1.780.287**	**1.780.287**	**1.465.020**	**-**	**315.267**
Financial liabilities					
Borrowings	(22.133.750)	**(22.206.049)**	(3.669.108)	(7.054.814)	(11.482.127)
Trade and other payables	(1.327.143)	**(1.327.143)**	(1.128.796)	-	(198.347)
Deposits from tenants	(219.227)	**(219.227)**	-	-	(219.227)
Finance lease liabilities	(10.273.512)	**(12.965.693)**	(867.587)	(855.834)	(11.242.272)
Taxes payable and provisions	(551.558)	**(551.558)**	(511.710)	(39.848)	-
Total Financial liabilities	**(34.505.190)**	**(37.269.670)**	**(6.177.201)**	**(7.950.496)**	**(23.141.973)**
Total net liabilities	**(32.724.903)**	**(35.489.383)**	**(4.712.181)**	**(7.950.496)**	**(22.826.706)**

Continued Operations

31 December 2018	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	282.713	**282.713**	282.713	-	-
Prepayments and other receivables	5.585.408	**5.585.408**	5.585.408	-	-
Long-term Receivables and prepayments	850	**850**	-	-	850
Total Financial assets	**5.868.971**	**5.868.971**	**5.868.121**	**-**	**850**
Financial liabilities					
Borrowings	(420.290)	**(439.631)**	(33.991)	(405.640)	-
Trade and other payables	(4.174.936)	**(4.174.936)**	(4.174.936)		
Bonds issued	(1.122.470)	**(1.592.868)**	(155.828)	(67.200)	(1.369.840)
Taxes payable and provisions	(1.413.827)	**(1.413.827)**	(652.367)	(761.460)	-
Total Financial liabilities	**(7.131.523)**	**(7.621.262)**	**(5.017.122)**	**(1.234.300)**	**(1.369.840)**
Total net (liabilities)/ assets	**(1.262.552)**	**(1.752.291)**	**850.999**	**(1.234.300)**	**(1.368.990)**

Discontinued Operations

31 December 2018	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	659.776	**659.776**	659.776	-	-
Prepayments and other receivables	682.134	**682.134**	682.134	-	-
Long-term Receivables and prepayments	315.320	**315.320**	-	-	315.320
Total Financial assets	**1.657.230**	**1.657.230**	**1.341.910**	**-**	**315.320**
Financial liabilities					
Borrowings	(22.605.474)	**(22.387.725)**	(4.817.752)	(2.784.025)	(14.785.948)
Trade and other payables	(1.500.603)	**(1.500.603)**	(1.074.460)	-	(426.143)
Deposits from tenants	(219.274)	**(219.274)**	-	-	(219.274)
Finance lease liabilities	(10.470.012)	**(13.414.693)**	(886.771)	(856.269)	(11.671.653)
Taxes payable and provisions	(498.530)	**(498.530)**	(452.665)	(45.865)	-

Total Financial liabilities	**(35.293.893)**	**(38.020.825)**	**(7.231.648)**	**(3.686.159)**	**(27.103.018)**
Total net liabilities	**(33.636.663)**	**(36.363.595)**	**(5.889.738)**	**(3.686.159)**	**(26.787.698)**

43. Events after the end of the reporting period

a) Arcona Property Fund N.V. transaction

Following the conditional Implementation Agreement signed between the Company and Arcona Property Fund N.V. in December 2018, for the sale of Company's non-Greek portfolio of assets in an all share transaction, the two parties have signed relevant Framework Agreements, SPA's, and associated documentation for the first phase of the transaction which includes the SPVs associated with Boyana, Bela, Balabino, and Tsymliankiy. The first phase of the transaction is planned to close by the end of October 2019, while the two parties have already commenced the process for implementing the second phase, which includes SPVs associated with EOS, Monaco, Romfelt, Blooming House, and Delenco.

b) Loans from shareholders

During August 2019 the Company repaid the two short-term loans from shareholders amounting to €500.000 which were received during H1 2019 with the purpose of providing working capital.

c) Sale of Victini Logistics Park S.A.

On 8 August 2019 the Company sold Victini Logistics Park S.A., the owner company of the Victini Logistics warehouse in Aspropyrgos, Greece. The valuation of the asset was agreed at €12,5 milion, while the Company retains a receivable from the previous owner of ~€0,6 milion due within the following 18 months.

d) Loan agreement termination

On 13 September 2019 the Company received a termination notice from Piraeus Bank in relation to the loan of SEC South East Continent Unique Real Estate (Secured) Investments Limited, for an amount totalling €3.088.471. Currently the Company is in relevant discussions with the Bank for finding a mutual agreed solution.

e) Developments on Bluehouse Accession case

In July 2019 the courts in Cyprus ordered that until the hearing of the Bluehouse Accession claim against the Company which has not been set yet, the Company is not allowed to reduce its net equity below €5 million, which is double the claim of Bluehouse Accession. The Company's net asset value at the end of the current period is ~€36 milion. In September 2019 the Company filed a counterclaim against Bluehouse Accession for an amount of €2,6 milion for which a hearing has not been set yet.