

30 September 2020

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

2019 Annual Results and Interim Reporting Timetable

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its full year audited financial results for the year ended 31 December 2019.

As announced on 11 June 2020, the Company was granted by AIM Regulation an additional period of up to three months to publish its annual audited accounts for the year ended 31 December 2019. The three-month extension allowed the site visits required to carry out property valuations as part of the annual audit to take place. These were previously unable to take place due to COVID-19 and the associated lockdowns in the respective countries. The lockdowns had also affected the annual audit with accountants and auditors in all related countries (Romania, Bulgaria, Ukraine, Cyprus) working from home.

Operational Highlights

Successfully executing strategy to realise value of South Eastern European property portfolio:

- ~€2.0m cash generated net to SPDI following profitable sale of the Victini Logistics asset in Greece
- Completion of Stage 1 of all share sale of property portfolio (excl Greek logistics property) to Arcona Property Fund N.V. (Arcona), an Amsterdam and Prague listed company which invests in commercial property in Central Europe
 - Arcona transaction values the SPDI assets to be sold at ~ €29m, or 3,2 times the current market value of the Company as a whole
 - The combination of the SPDI and Arcona asset portfolios is expected to create a significant European focused property company
 - Stage1 involved exchange of two land plots in Ukraine, Bella and Balabino plots, and the Boyana asset in Bulgaria together with its existing debt, for a total of 593.534 Arcona shares and 144.264 warrants over Arcona shares
- Number of income-producing commercial properties in portfolio currently stands at four
10% increase in average occupancy rate of income producing assets to 93%

Financial Highlights

Significant asset backing behind the Company:

- NAV per share stood at GBP 0.2 as at 31 December 2019 - current share price trading at a ca. 67% discount to NAV per share

Sales of Victini Logistics in Athens in 2019 and BlueBigBox asset in Craiova in 2018 resulted in lowering of SPDI's income and debt profiles

- €2.3million operating income compared to €3.1million in 2018 following sales of Victini Logistics in Athens
- EBITDA on recurring operations decreased to €0,06m compared to €0.76m in 2018 as a result of operating income reduction as above
- Operating loss after finance and tax for the year on recurring operations of €1.1m (31 Dec 2018: €-0.64m)
- 10% reduction in FY finance costs to €1,083,173 compared to €1,200,159 in FY 2018

Lambros G. Anagnostopoulos, Chief Executive Officer, said, "NAV per share of 20p as at year end, more than 3 times our current share price, highlights both the value behind our portfolio of South Eastern European prime real estate, and also how this value is not being recognised in SPDI's current market valuation. By valuing the SPDI assets at ~ €29m, or 215% higher than the current market value of the Company, the Arcona transaction provides our shareholders with a means of closing the share price disconnect as well as a mechanism through which a significant European Property company can be established. While progress to complete the transaction has been slower than expected, not helped by COVID-19 and associated lockdowns, we continue to work with Arcona to progress the deal as fast as we can, given the unprecedented backdrop.

"In the meantime, we continue to manage our commercial property portfolio with a view to maximising returns: 2019 saw average occupancy rates rise 10% over the course of the year to 93%. Importantly, our commercial properties are predominantly let to blue chip tenants operating in defensive industries, such as the food and the telco sectors. As a result, to date our tenants have experienced little or no disruption from the COVID-19 crisis. Together with the relatively positive economic performance of the countries in which SPDI is active, we remain confident that the Company is well placed to withstand the effects of the pandemic in the year ahead, while we work to close the Arcona transaction."

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

Interim Results Reporting Timeline

In line with the guidance issued by AIM Regulation in an Inside AIM notification dated 9 June 2020, and the ongoing COVID-19 related disruption to processes, the Company is availing of the one month extension to the date by which it is required under AIM Rule 18 to publish its interim accounts for the six months ended 30 June 2020. Accordingly, the Company is required to publish its 2020 interim accounts by 31 October 2020.

**** ENDS ****

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

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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.

Charmain Statement

During 2019, the favorable fundamentals of our target markets continued to prevail, with Romania continuing its leading growth within the EU, and with Greece electing a new government and continuing a path to recovery and economic growth. The property markets in our region continued to experience growth and yield compression, underpinning our effort to merge with Arcona Property Fund ("APF"), the Central European property fund listed in Amsterdam. To effect the Stage 1 of the APF transaction, SPDI accepted a discount to the NAV of the transferred assets, which, even though it is to be compensated by the APF warrants received when they are exchanged with shares caused much of SPDI's financial losses for 2019, yet when the global COVID-19 pandemic hit global economies in early 2020, we found ourselves well protected, as our tenants in the food and telecom industries were mostly untouched during the crisis. Throughout this period, SPDI has continued to pursue the APF transaction, although at a slower pace not only because of the pandemic but also due to increased difficulties faced by APF. In any case, the Company's management and board are committed to generating value for our shareholders in markets that are strong and growing and, no matter the temporary difficulties, will attempt to do whatever is necessary to realise that end.

Michael Beys

Chairman of the Board

1. Letter to Shareholders

29 September 2020

Dear Shareholders,

2019 was the year when the merger with the Amsterdam and Prague listed Arcona Property Fund N.V. (APF - with assets in Poland, Czech Republic and Slovakia) would have been finalised confirming SPDI's strategy to establish itself as the regional property company of reference in South Eastern Europe and offering to our shareholders exposure to a much larger and broader East European regional property company, as per our original plan. As the European and more specifically the regional economies and related property markets where SPDI is present continued their respective growth trends, SPDI commenced 2019 with the plan of having executed the transaction already in the first half of the year. Unfortunately the complication of joining forces in six different jurisdictions with corporate entities in two additional jurisdictions, proved an obstacle difficult to overcome and the end of the year found SPDI and APF having barely closed one sixth of the transaction, with yet one more sixth being almost concluded in the first half of 2020. As the APF transaction extended itself throughout 2020, with legal advisors from nine different jurisdictions being involved, it was further affected by the COVID-19 related citywide lockdowns, as well as certain APF specific issues.

In 2019, Romania continued being the fastest growing economy of the European Union and saw property prices continue rising across all sectors, facilitating our residential sales at rising prices confirming our choice not to have gone all out on selling such assets in prior years. At the same time the Greek economy started growing following years of recession and driven by a new pro-business government. Consequently, we disposed of our Athens logistics terminal, as this property was not included in the APF deal.

During 2019 our leaner, more agile Board of Directors, went the extra mile (with almost bi-weekly meetings) in guiding the company to affect the APF transaction and shape SPDI's strategy towards concluding such. Management is confident that, with such commitment, support and involvement from all its non-executive directors, as well as members of its Advisory Board, who have taken the lead in negotiating with APF management and pushing the transaction forward, the successful end for SPDI and its shareholders is near ensuring thus the transformation of our Company.

Best regards,

Lambros G. Anagnostopoulos, Chief Executive Officer

2. Management Report

2.1 Corporate Overview & Financial Performance

SPDI's core property asset portfolio consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases. During 2019, management, in line with Company's strategy to maximize value for shareholders, commenced the 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. (Arcona), 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. The transaction values the SPDI assets NAV at ~ €29m, or 215% higher than the current market value of the Company as a whole. If one takes into consideration and assumes the warrants that will be issued together with the ARCONA shares, the transaction values the SPDI assets at their Net Asset Value.

Based on such strategy, during the period the Company sold the Victini Logistics asset in Greece, as the asset was excluded from the beginning from the transaction with Arcona. The Company generated ~ €2,0m in cash from the sale.

Most importantly, in 2019 the Company completed Stage 1 of the transaction with Arcona, exchanging effectively two land plots in Ukraine, Bella and Balabino plots, and the Boyana asset in Bulgaria together with its existing debt, for a total of 593.534 Arcona shares and 144.264 warrants over Arcona shares.

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

Regarding the economic environment in which the Company operates, the Romanian economy which constitutes the main operating market of the Company, continued in 2019 to grow strongly with a 4,1% GDP increase, whilst maintaining record low unemployment. Investment and development activity in Bucharest was strong throughout 2019, mainly in Logistics and Office sectors, both from international and local investors. However, the trend was disrupted in Q1 2020 due to COVID-19 pandemic crisis that negatively affected economic activity, with as yet

undetermined effects for the whole of the year.

Following the successful sales of Victini Logistics in Athens in 2019 and the sale of BlueBigBox asset in Craiova in 2018, rental and related income reduced by 26% during 2019, while net operating income from investments reduced by 27%.

Overall corporate and administration costs, adjusted by the one-off costs associated with the transaction with Arcona, decreased by 2%, and recurring EBITDA decreased to -€0,06m compared to €0,8m in 2018. Moreover, finance costs dropped to ~€1,08m from €1,2m in 2018.while.

EUR	2019			2018		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Management & Sale of electricity Income	457,450	1,884,304	2,341,754	769,463	2,378,875	3,148,338
Income from Operations	457,450	1,884,304	2,341,754	769,463	2,378,875	3,148,338
Asset operating expenses	-	(591,811)	(591,811)	(118,319)	(606,069)	(724,388)
Net Operating Income	457,450	1,292,493	1,749,943	651,144	1,772,806	2,423,950
Share of profits from associates	-	297,985	297,985	-	364,920	364,920
Net Operating Income from investments	457,450	1,590,478	2,047,928	651,144	2,137,726	2,788,870
Administration expenses	(1,764,957)	(220,509)	(1,985,466)	(1,768,847)	(260,714)	(2,029,561)
Operating Result (EBITDA)	(1,307,507)	1,369,969	62,462	(1,117,703)	1,877,012	759,309
Finance Cost, net	337,334	(1,420,507)	(1,083,173)	332,442	(1,532,601)	(1,200,159)
Income tax expense	(36,380)	(52,315)	(88,695)	(106,306)	(96,567)	(202,873)
Operating Result after Finance and Tax Expenses	(1,006,553)	(102,853)	(1,109,406)	(891,567)	247,844	(643,723)
Other income / (expenses), net	(442,629)	312,801	(129,828)	(31,716)	(363,435)	(395,151)
One of costs associated to Arcona transaction	(677,213)	-	(677,213)			
Income Tax - One off	-	-	-	(506,728)	-	(506,728)
Fair value adjustments from Investment Properties	-	417,852	417,852	(1,266,438)	(1,916,596)	(3,183,034)
Net gain/(loss) on disposal of investment property		(4,992,763)	(4,992,763)	421,257	636,521	1,057,778
Impairment of financial investments	(153,913)	-	(153,913)	-	-	-
Foreign exchange differences, net	(74,779)	(436,880)	(511,659)	(71,390)	(10,233)	(81,623)

Result for the year	(2,355,086)	(4,801,841)	(7,156,930)	(2,346,582)	(1,405,899)	(3,752,481)
Exchange difference on I/C loans to foreign holdings	-	66,557	66,557	-	1,850	1,850
Exchange difference on translation due to presentation currency	-	223,133	223,133	-	421,086	421,086
Total Comprehensive Income for the year	(2,355,086)	(4,512,153)	(6,867,239)	(2,346,582)	(982,963)	(3,329,545)

The operating results after finance and tax for the year were negative with the loss being €1,1m.

2.2 Property Holdings

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

Commercial Property	Location	Key Features	
EOS Business Park			
	Bucharest, Romania	Gross Leaseable Area:	3.386 sqm
		Anchor Tenant:	Danone Romania
		Occupancy Rate:	100%
Delenco (SPDI has a 24,35% interest)			
	Bucharest, Romania	Gross Leaseable Area:	10.280 sqm
		Anchor Tenant:	ANCOM (Romanian telecoms regulator)
		Occupancy Rate:	100%
Innovations Logistics Park			
	Bucharest, Romania	Gross Leaseable Area:	16.570 sqm
		Anchor Tenant:	Favorit Business Srl
		Occupancy Rate 2019:	37%
		Occupancy Rate Currently:	83%
Kindergarten			
	Bucharest, Romania	Gross Leaseable Area:	1.400 sqm
		Anchor Tenant:	International School for Primary Education
		Occupancy Rate:	100%

Land & Residential Assets

Land & Residential Assets	Location	Key Features	
Kiyanovskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	6
Tsymlyanskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	4
Rozny Lane	Kiev, Ukraine	Plot of land (~ th. sqm):	420
GreenLake Land (SPDI has a ~44% interest)	Bucharest, Romania	Plot of land (~ th. sqm):	40
Romfelt, Monaco, Blooming, GreenLake	Romania	Sold units during 2019:	16
Romfelt, Monaco, Blooming, GreenLake	Romania	Available units (end 2019):	68

In 2019, the Company's accredited valuers, namely CBRE Ukraine for the Ukrainian Assets, and NAI RealAct for the Romanian Assets, remained appointed. The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards (2017) (the "Red Book") and are also compliant with the International Valuation Standards (IVS).

In recent years, following the implementation of the Company's strategy, SPDI's portfolio became even more diversified in terms of geography, as well as asset class. At the end of the reporting period, considering the asset sales that took place during the recent years, Romania is the prime country of operations (87%) in terms of Gross Asset Value, while in Ukraine (13%) the Company still has interests in land plots.

In respect of the Company's income generation capacity, Romania is the prime source with 64%, with the remaining income deriving from Greece (36%). Note that the Greek property was sold during 2019 and therefore Romania has now become the single operating income source of the Company.

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

Property	Country	2019		
		GAV*	Debt (principal)*	NAV
Innovations Logistics Park	Rom	10,6	6,9	3,7
Eos Business Park	Rom	7,7	3,5	4,2
Delenco (associate)	Rom	5,6	0,3	5,3
Kindergarten	Rom	0,7	0,4	0,4
Residential units	Rom	2,8	1,8	1,0
Land banking	Rom & Ukr	10,4	3,2	7,2
Total Value		37,9	16,0	21,9
Other balance sheet items, net **				+7,4
Net Asset Value total				29,3
Market Cap 31/12/2019 (Share price at £0,085)				13,0
Market Cap 24/09/2020 (Share price at £0,065)				9,2
Discount of Market Cap (at 24/9/2020) vs NAV (at 31/12/2019)				-69%

* Reflects the Company's participation at each asset
**Refer to balance sheet and related notes of the financial statements

The Net Equity attributable to the shareholders as at 31 December 2019 stood at ~€29,3m vs ~€35,6m in 2018. The table below depicts the discount of Market Cap over NAV during the years.

The NAV per share as at 31 December 2019 stood at GBP 0,20 and the discount of the Market Value vis a vis the Company's NAV stands at 56% at year-end.

2.3 Financial and Risk Management

The Group's overall bank principal debt exposure at the end of the reporting period was ~€16,0m (calculating relative to the Company's percentage shareholding in each), comprising of the following:

- a) €3,2m finance lease of EOS Business Park with Alpha Leasing Romania and €0,3m debt facility received by First Phase from Alpha Bank Romania.
- b) €6,9m finance lease of Innovations Logistics Park with Piraeus Leasing Romania.
- c) €0,4m being the Company's portion on debt financing of the Kindergarten with Eurobank Ergasias.
- d) €1,8m being the Company's portion on the residential portfolio debt financing.
- e) €3,2m being the Company's portion on land plot related debt financing in Romania.
- f) €0,3m being the Company's portion on debt financing of Delenco asset.

Throughout 2019, the Company focused on managing and preserving liquidity through cash flow optimization. In this context, the Victini Logistics asset in Athens, Greece, was sold, and the Company is focused on completing the aforementioned transaction with Arcona Property Fund N.V.

2.4 2020 and beyond

During 2020 the Company expects to complete Stage 2 of the transaction with Arcona, following the conditional implementation agreement signed in December 2018 by the two parties. During the first half of the year, and due to the COVID-19 pandemic crisis with lockdowns in all relevant jurisdictions, the process progressed slowly. The parties have resumed discussions regarding agreeing binding terms for the second step of the transaction which involves three land plots in Ukraine (Rhozny, Kiyanovskiy, Tsymlyanskiy) and two office building properties in Bucharest (EOS, Delenco). Overall completion of the transaction is planned in three steps with the last to be expected to commence and close in 2021.

The finalisation of the transaction with Arcona Property Fund N.V. marks effectively the maximization of the Company's value from the current asset portfolio, providing the Company's shareholders the opportunity to gain direct exposure to a property fund of significantly larger size, listed on two stock exchanges, having a strong dividend distribution policy, and active in a fast-growing area (Central and South Eastern Europe) of the European property market.

3. Regional Economic Developments

Romania's GDP growth was strong in 2019 at 4,1 percent, driven by private consumption and an investment rebound. The labour market tightened, and unemployment reached historic lows at 3.1%. Private consumption, up 5,9%, was the main driver of growth, supported by wage and pension increases. Investment rose strongly, growing at 17,8% year-on-year (y-o-y), owing to a strong performance in construction. Exports grew by 3,5%, reflecting weaker demand in major export markets, while imports remained buoyant (up 7,2%). Construction (up 16,8%) and

information and communications technology (ICT) (up 8,1%) were the main drivers of production.

The situation abruptly shifted in early 2020 due to the impact of the COVID-19 pandemic on the health sector, businesses, the labour market, and households. The risk of a recession in 2020 is substantial and growing as COVID-19 brings to a halt large segments of the European economy and causes disruptions to global supply chains and trade patterns. The negative impact of the COVID-19 pandemic is anticipated to be substantial. The economy is expected to contract in 2020, but the severity of the recession will depend on the length of the lockdown, the impact of the national economic stimulus, and the spill overs from the stimulus at the EU level. The fiscal stimulus is expected to focus on targeted spending to contain the disease; deferred tax payments; liquidity support for companies, small and medium enterprises, and firms in severely affected sectors, such as transport and tourism; and support for self-employed workers and others affected by the crisis. To address the consequences of COVID-19, the fiscal deficit is expected to widen to at least 5,5% of GDP in 2020, up from a planned deficit of 3,6%. Once the impacts of COVID-19 dissipate, the deficit is expected to follow a downward adjustment of at least 0,5% of GDP per year.

Macroeconomic data and forecasts							
Romania	2013	2014	2015	2016	2017	2018	2019
GDP (EUR bn)	143,8	150,5	160,3	170,4	187,5	202,9	223,4
Population (mn)	20,0	20,0	19,9	19,8	19,6	19,5	19,5
Real GDP (y-o-y %)	3,5	3,4	3,9	4,8	7,0	4,1	4,1
CPI (average, y-o-y %)	4,0	1,1	-0,6	-1,5	1,3	4,6	3,3
Unemployment rate (%)	7,1	6,8	6,8	5,9	4,3	3,6	3,1

Bulgaria has undergone a significant transformation over the past three decades. It has changed from a highly centralized, planned economy to an open, market-based, upper-middle-income country securely anchored in the European Union (EU). In its initial transition, Bulgaria went through a decade of slow economic restructuring and growth, high indebtedness, and a loss of savings.

However, the advancement of structural reforms starting in the late 1990s, the introduction of the currency board, and expectations of EU accession unleashed a decade of exceptionally high economic growth and improved living standards.

Yet, a number of legacies from that early period, the global economic crisis of 2008, and a period of political instability in 2013-14 undid some of those gains. In the current period, the ongoing pandemic is most likely to drag the economy into a recession in 2020. After better-than-expected GDP growth in 2019, the economy is set to plunge into a recession in 2020 due to the toll of the

COVID-19 pandemic on exports and domestic activity. GDP is expected to decline by 3,7 % in 2020.

Macroeconomic data and forecasts							
Bulgaria	2013	2014	2015	2016	2017	2018	2019
GDP (EUR bn)	41,9	42,8	45,3	48,1	51,7	55,2	61,0
Population (mn)	7,2	7,2	7,2	7,1	7,1	7,0	7,0
Real GDP (y-o-y %)	0,5	1,8	3,5	3,9	3,8	3,2	3,4
CPI (average, y-o-y %)	0,9	-1,4	-0,1	-0,8	2,1	2,8	2,4
Unemployment rate (%)	13,0	11,4	9,2	7,6	6,3	5,2	4,7

Greece's economy entered 2020 on a relatively strong footing. GDP growth in 2019 reached 1,5%, only slightly below expectations. Growth was mainly driven by domestic demand and to a lesser extent net exports. The labour market was improving and employment grew by 2%, leading to a further decrease in the unemployment rate to 17,2% for the year overall. But this came to a sudden stop with the spread of the virus. While the main effects of the lockdown are expected to be concentrated in the second quarter of this year, Greece's large tourism sector is likely to be affected in the third quarter as well, as restrictions on travel are expected to remain in place and foreign demand for overseas travel may remain subdued. Since more than 70% of tourism receipts are concentrated in the main summer months, impediments during this period would have a large impact on overall exports of services in 2020. The budget balance will deteriorate significantly in 2020 due to the operation of automatic stabilisers and the cost of measures to address the crisis. The size of the fiscal measures amounts to 6,9% of GDP.

Last but not least, there is considerable uncertainty as to the final cost of the emergency fiscal measures adopted by the authorities. The general government deficit is forecast to reach 6,25% of GDP in 2020 and to decrease to about 2% in 2021 based on a no-policy-change assumption. Public debt is expected to increase to around 196% of GDP in 2020 before declining to around 183% in 2021, supported by the economic recovery.

Macroeconomic data and forecasts							
Greece	2013	2014	2015	2016	2017	2018	2019
GDP (EUR bn)	180,7	178,7	177,3	176,5	180,2	184,7	187,5
Population (mn)	11,0	10,9	10,9	10,8	10,8	10,7	10,7
Real GDP (y-o-y %)	-3,2	0,7	-0,4	-0,2	1,5	2,1	1,5
CPI (average, y-o-y %)	-0,9	-1,3	-1,7	-0,8	1,1	0,6	1,1
Unemployment rate (%)	27,5	26,6	25,0	23,6	21,4	19,3	17,2

Economic growth was solid at 1,9% in 2019, led by a good agricultural harvest and sectors dependent on domestic consumption. Household consumption grew by 11,9% in 2019, supported by sizable remittance inflows and a resumption of consumer lending, while domestic trade and agriculture grew by 3,4% and 1,3%, respectively. However, manufacturing and investment growth remained weak. Manufacturing contracted by 0,3% in the first three quarters of 2019 (compared to 0,6% growth in 2018), while fixed investment growth slowed to 12,8%

(compared to 14,3 percent in 2018). The economy lost momentum in the fourth quarter of the year, with estimated growth of 1,5% year-on-year (y-o-y), and the decline in steel prices contributed to a 5,1% (y-o-y) contraction in industrial production. Fixed investment, at 18% of GDP, has been too low for sustained economic growth. Fiscal restraint helped contain the fiscal deficit at 2,1% of GDP in 2019 (the fourth year in a row). This, together with currency appreciation, helped lower public debt to 50% of GDP in 2019 from 81% in 2018.

The COVID-19 crisis is expected to impact economic activity in Ukraine through several channels in 2020. First, disposable income and consumption will suffer from the sudden necessary restrictions, including the closure of restaurants, cafes, and shopping/entertainment centres and the halt to air, rail, and bus passenger transport. Second, lower remittances due to weaker economic activity in Poland and other European Union countries will also adversely affect household consumption. Third, lower commodity prices will have a negative effect on Ukraine's exports. The overall impact on economic activity in 2020 will depend on the duration of the public health crisis, as a more protracted crisis would lead to second-order effects through more widespread layoffs, business closures, and weaker liquidity and asset quality in banks.

Under a scenario in which the crisis is contained by the second half of the year and key reforms move forward, the economy is projected to contract by 3,5% in 2020.

Macroeconomic data and forecasts							
Ukraine	2013	2014	2015	2016	2017	2018	2019
GDP (EUR bn)	135,2	98,4	81,6	84,4	99,4	105,4	108,8
Population (mn)	45,2	42,8	42,6	42,4	42,2	42,0	41,9
Real GDP (y-o-y %)	0,0	-6,6	-9,8	2,4	3,5	3,3	1,9
CPI (average, y-o-y %)	-0,2	12,1	48,7	13,9	14,4	11,0	8,0
Unemployment rate (%)	7,2	9,3	9,1	9,4	9,5	8,8	8,2

4. Real Estate Market Developments

4.1 Romania

Year 2019 found Romania with an investment volume of 608,85 million Euros, slightly decreased from 2018 levels. Market volumes were dominated by the office segment (62%), with retail following up with 26% and industrial at 9%, with 3% accounting for the hotel industry.

Although facing a small decline in 2019, prime yields continue to be amongst the highest in Europe. Prime office and retail yields range between 7,25%-6,75%, while prime industrial yields are at 8%. The CEE region had the strongest yield compression this year but yields in Romania are still around 7% or higher in all market sectors.

For the year 2019, Romania's industrial stock stands at around 4,6 million sqm, 500.000 sqm of which were delivered in 2019. This accounts for an impressive 13% increase comparing to the previous year. Bucharest continues to be the largest market accounting for a little over 2 mil sqm (50%) of the market share, with the West and Northwest areas accounting for 40% of the market share. Leasing activity dropped by 9% in 2019 to 457.230 sqm, mainly due to the fact that a significant number of businesses are moving into self-built facilities. In the following years we are expecting to see new areas being developed like Costanta and Craiova, along with record deliveries of modern spaces.

The total take-up of the office market for the year 2019 amounted to almost 377.000 sqm, increasing by 5% from 2018. Most of the demand was concentrated in the West/Central-West areas. The dominant industry for 2019 was the IT&C sector, weighing a 45% in the total take-up. The office vacancy rate in Bucharest has increased to 9%, and the areas where the vacancy rates remain the lowest are Floreasca/Barbu Vacarescu with under 2% and CBD with around 3%. The record deliveries of new products announced for 2020 and 2021 will likely cause a further increase in vacancy rates.

In Romania, for year 2019, we have witnessed a series of macroeconomic changes: a 3,8% increase in inflation as well as an average exchange rate of 4,74 RON/EUR, and the introduction of the Consumer Credit Reference Index (IRCC), replacing ROBOR for consumer loans in RON. In spite of the 'First Home' initiative by the government, lending conditions have remained unchanged. Increasing prices in new residential dwellings are due to the increased material costs which have increased by 30% in 2019, as well as the lack of qualified workforce. Nevertheless, over 15.000 new units were delivered in 2019 in Bucharest alone, and prices are expected to increase by a further 15% in 2020 due to changes in local legislations.

4.2 Bulgaria

After five years of strong house price increases, the housing market in Bulgaria remains strong, mainly due to low interest rates and a stable economy. The total value for 2019 was 270 million Euro, with the majority of the acquisitions being land, followed up by offices, hotels and retail. Yield levels were preserved in three major real estate market segments, 8% for offices, 7,25% for retail and 9,5% for the industry sector. Nevertheless, due to COVID-19 pandemic, investment volumes are unlikely to reach the record levels of 2017 and 2018.

Growth in the economy, low interest rates and an increase in the availability of credit play a key role in the residential market and is estimated to continue to do so. The nationwide price index rose by 7,29% (3,56% inflation adjusted). Prices of new dwellings rose by 11,9% during the year to Q1 2019, strongly up from previous years 2,3% y-o-y rise. Prices of existing dwellings rose by

5%. The almost zero interest rates have really pushed investment in real estate, although this is expected to come to a short halt due to the COVID-19 pandemic, temporarily. Despite strong demand, construction remains low as new dwelling construction fell by a 1,5% for 2019, to 2.250 units. Sofia remains the most sought-after location in the country, particularly Sofia's Southern districts, from both local and foreign buyers. Lozenets and the City Center remain highly sought after even though they are by far the most expensive locations, at 1.500-2.000 Euro per sqm, with Strelbishte and Gotse Delchev following at 1.100-1.400 Euros per sqm.

On an additional note rental yields in Sofia are at 6%. However, the COVID-19 pandemic will also take its toll on the Bulgarian real estate market, bringing it to an at least temporary slowdown compared to previous years, as we are still not aware of the final repercussions it will have on the economy. To a certain degree, the decrease in commercial leases and postponement of construction is going to affect the Bulgarian real estate market.

4.3 Greece

After nine years of falling real estate prices, the Greek housing market is now growing strongly alongside improving economic conditions and market expansionary measures. Overall, before the pandemic, demand was rising on all prime real estate segments. Post pandemic the situation does not look negative though, as demand will remain for logistics in strategic locations, as well as quality residential properties and large hotels. Demand for prime assets will continue to increase, and the retail segment is expected to be mostly affected by the pandemic.

For 2019, residential prices increased by 9,32%, far higher than 2018's 2,35%, with Athens and Thessaloniki leading the price increase with 11,91% and 8,52% respectively. Construction permits drastically increased by 24,5% for 11.744 new units although the total remains well below the 70.000 to 80.000 issued annually during the period 2004-2007.

As of May 2020, the industrial/logistics market segment counted for 9% of the total Greek real estate market. Prime yields were within the range of 8,5% - 10,0% depending on the specific area, but with upward predictions for 2020.

As far sales activity is concerned, in the Attica region it came mainly from Greek REIC's and other domestic real estate funds and investors. In Thessaloniki, interest came mainly from expanding industrial occupiers and local companies active in imports and wholesale trading. Regarding leasing, recent activity came mainly from medical services, consumer healthcare and household goods distributors. On an additional note, 25% of companies using logistics assets operate in the consumer products sector, followed by transport and third-party logistics providers (24%), and

retailers (11%). Shipping and port operation counted for 5% of the space, with businesses in the power sector (mostly oil and gas) occupying 4% of the total market space. As of 2019, the Greek logistics market features several strengths. Firstly, the country's geographical location within the Eastern Mediterranean corridor, followed by privatizations and upgrades in the ports and airports. The presence of COSCO in the port of Piraeus and its development as an international transit container hub, as well as a rapid strengthening of the e-commerce market, make the Greek logistics sector a strong developing market.

4.4 Ukraine

After a massive decrease by 72% from their peak in 2008, during 2019 real estate prices in Ukraine and especially Kiev were stable or mildly rising. Tensions with Russia are de-escalating, corruption is dropping and the economy is slowly recovering, with the real estate market also affected in a positive way. However, due to the COVID-19 outbreak, the imminent increase in the Ukrainian real estate market is expected to be put to a halt.

With regards to the Ukrainian land market, due to lack of finance, many potential investors are placing unfinished projects on the market. However, particularly in Kiev, there is scarcity of undeveloped land plots near the city centre 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, with large land plots sales in 2017, reflecting the existing positive investment trend.

The number of apartments in Ukraine increased by 1,6% in 2019, as per the State Statistics Service. This accounts for almost 280.000 apartments, the biggest increase since 1995. Similarly, the total area of housing stock increased by 1,8% y-o-y to 1,01 billion sqm over the same period. Securing construction permits has been drastically easier during the past years in Ukraine, mainly due to a reduction in the mandatory licenses and permits, particularly in the construction sector.

5. Property Assets

5.1 Victini Logistics (ex GED), Athens Greece

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 5,5 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).

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 not part of the Arcona transaction and sold independently on 8 August 2019.

5.2 EOS Business Park – Danone headquarters, Romania

The park consists of 5.000 sqm of land including a class “A” office building of 3.386 sqm GLA and 90 parking places. It is located next to the Danone factory, in the North-Eastern part of Bucharest with access to the Colentina Road and the Fundeni Road. The 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.

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.

5.3 Delenco office building, Romania

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

The Company acquired 24,35% of the property in May 2015. As at the year end 2019, 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.

5.4 Innovations Logistics Park, Romania

The park incorporates approximately 8,470 sqm of multipurpose warehousing space, 6.395 sqm

of cold storage and 1.705 sqm of office space. It is located in the area of Clinceni, south west of Bucharest center, 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.

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 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. Moreover, during 2019 and H1 2020 the Company signed short term lease agreements for 2.000 sqm of ambient storage space with Chipita Romania Srl, one of the fastest growing regional food companies. As at the year end, the terminal was 70% leased, while currently is ~83%. The asset is planned to be part of the Arcona transaction.

5.5 Kindergarten, Romania

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

Property description

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

5.6 Residential portfolio

- Romfelt Plaza (Doamna Ghica), Bucharest, Romania

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.

During 2019, 3 units were sold and, at the end of 2019, one apartment was available. The asset is planned to be part of the Arcona transaction.

- Monaco Towers, Bucharest, Romania

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.

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 parties and the judicial administrator's approval, 5 units were sold. At the end of 2019, 17 apartments were available, four of which were rented.

- Blooming House, Bucharest, Romania

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).

At the end of 2019, 4 apartments and 1 commercial space were available, while 1 unit and 1 commercial space were rented. During 2019, 4 units were sold. The asset was planned to be part of the Arcona transaction, but it is expected that all units will have been sold before completion.

- GreenLake, Bucharest, Romania

A residential compound of 40.500 sqm GBA, which consists of apartments and villas, situated on the banks of Grivita Lake, in the northern part of the Romanian capital – the only residential property in Bucharest with a 200 meters frontage to a lake. The compound also includes facilities such as one of Bucharest's leading private schools (International School for Primary Education), outdoor sports courts and a mini-market. Additionally, GreenLake includes land plots totaling 40.360 sqm. SPDI owns ~43% of this property asset portfolio.

During 2019, four apartments and villas were sold while at the end of the year, of the 46 units that were unsold, 8 were let. The asset is planned to be part of the Arcona transaction.

- Boyana Residence, Sofia, Bulgaria

A residential compound, which consisted at acquisition date in 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.

34 units remain unsold at the end of 2019.

The asset was sold as part of the Arcona transaction on 06 December 2019.

5.7 Land Assets

- Aisi Bela – Bela Logistic Park, Odessa, Ukraine

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.

Development has been put on hold.

The asset was sold as part of the Arcona transaction during November 2019.

- Kiyanovskiy Residence – Kiev, Ukraine

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.

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

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%.

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

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.

The site is zoned for retail and entertainment. Development has been put on hold.

The asset was sold as part of the Arcona transaction during November 2019.

- Rozny Lane – Kiev Oblast, Kiev, Ukraine

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	2019	2018
		€	€
Continued Operations			
Income	10	457.450	769.463
Asset operating expenses	11	-	(118.319)
Net Operating Income		457.450	651.144
Administration expenses	12	(2.442.171)	(1.768.847)
Fair Value loss on Financial Assets at FV through P&L	27	(153.913)	-
Net loss on disposal of investment property	14b	-	(845.181)
Other operating expenses, net	15	(442.629)	(31.716)
Operating profit / (loss)		(2.581.263)	(1.994.600)
Finance income	16	474.584	686.183
Finance costs	16	(137.250)	(353.741)
Profit / (loss) before tax and foreign exchange differences		(2.243.929)	(1.662.158)
Foreign exchange (loss), net	17a	(74.779)	(71.390)
Loss before tax		(2.318.708)	(1.733.548)
Income tax expense	18	(36.380)	(613.034)
Loss for the year from continuing operations		(2.355.088)	(2.346.582)
Loss from discontinued operations	9b	(4.801.843)	(1.405.899)

Loss for the year		(7.156.929)	(3.752.481)
Other comprehensive income			
Exchange difference on I/C loans to foreign holdings	17b	66.557	1.850
Exchange difference on translation of foreign operations	30	223.135	421.086
Total comprehensive income for the year		(6.867.239)	(3.329.545)
Loss for the year from continued operations attributable to:			
Owners of the parent		(2.355.088)	(2.346.582)
Non-controlling interests		-	-
		(2.355.088)	(2.346.582)
Loss for the year from discontinued operations attributable to:			
Owners of the parent		(4.846.634)	(699.271)
Non-controlling interests		44.791	(706.628)
		(4.801.843)	(1.405.899)
Loss for the year attributable to:			
Owners of the parent		(7.201.722)	(3.045.853)
Non-controlling interests		44.791	(706.628)
		(7.156.931)	(3.752.481)
Total comprehensive income attributable to:			
Owners of the parent		(6.777.803)	(2.463.822)
Non-controlling interests		(89.436)	(865.723)
		(6.867.241)	(3.329.545)
Earnings/(losses) per share (Euro per share):			
	39b,c		
Basic earnings/(losses) for the year attributable to ordinary equity owners of the parent	39b	(0,06)	(0,03)
Diluted earnings/(losses) for the year attributable to ordinary equity owners of the parent	39b	(0,06)	(0,03)
Basic earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	39c	(0,04)	(0,01)
Diluted earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	39c	(0,04)	(0,01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2019

	Note	2019	2018
		€	€
ASSETS			
Non-current assets			
Tangible and intangible assets	23	566	3.674
Long-term receivables and prepayments	24	852	850
Financial Assets at FV through P&L	27	3.581.643	-
		3.583.061	4.524
Current assets			
Prepayments and other current assets	26	10.833.913	5.585.408
Cash and cash equivalents	28	207.251	282.713
		11.041.164	5.868.121
Assets classified as held for sale	9d	49.891.627	79.678.738
Total assets		64.515.852	85.551.383
EQUITY AND LIABILITIES			
Issued share capital	29	1.291.911	1.272.702
Share premium		71.924.045	71.381.259
Foreign currency translation reserve	30	10.232.119	9.874.757
Exchange difference on I/C loans to foreign holdings	41.3	(149.263)	(215.820)
Accumulated losses		(53.906.344)	(46.704.622)
Equity attributable to equity holders of the parent		29.392.468	35.608.276
Non-controlling interests	31	7.446.255	7.535.691
Total equity		36.838.723	43.143.967
Non-current liabilities			
Borrowings	32	7.249	380.256
Bonds issued	33	1.033.842	1.033.842
Taxation	36	595.541	761.460
		1.636.632	2.175.558
Current liabilities			
Borrowings	32	420.751	22.034
Bonds issued	33	156.761	88.628
Trade and other payables	34	4.579.595	4.174.936
Taxation	36	550.162	652.367
		5.707.269	4.937.965
Liabilities directly associated with assets classified as held for sale	9d	20.333.228	35.293.893
		26.040.497	40.231.858
Total liabilities		27.677.129	42.407.416
Total equity and liabilities		64.515.852	85.551.383

Net Asset Value (NAV) € per share:	39d		
Basic NAV attributable to equity holders of the parent		0,23	0,28
Diluted NAV attributable to equity holders of the parent		0,23	0,28

On 29 September 2020 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

Lambros Anagnostopoulos
 Director & Chief Executive Officer

Michael Beys
 Director & Chairman of the Board

Theofanis Antoniou
 CFO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 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 1 January 2018	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	-	-	(3.045.853)	-	-	(3.045.853)	(706.628)	(3.752.481)
Issue of share capital (Note 29)	66.044	810.522	-	-	-	876.566	-	876.566
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	1.850	-	1.850	-	1.850
Share premium set off with accumulated losses (Note 29.6)	-	(53.569.295)	53.569.295	-	-	-	-	-
Expenses for capital raising	-	(735.623)	-	-	-	(735.623)	-	(735.623)
Exercised warrants (Note 29.4)	170.765	1.749.327	-	-	-	1.920.092	-	1.920.092
Foreign currency translation reserve	-	-	-	-	580.181	580.181	(159.095)	421.086
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	-	-	(7.201.722)	-	-	(7.201.722)	44.791	(7.156.931)
Issue of share capital (Note 29)	19.209	542.786	-	-	-	561.995	-	561.995
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	66.557	-	66.557	-	66.557
Foreign currency translation reserve	-	-	-	-	357.362	357.362	(134.227)	223.135
Balance - 31 December 2019	1.291.911	71.924.045	(53.906.344)	(149.263)	10.232.119	29.392.468	7.446.255	36.838.723

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 41.3).

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	2019	2018
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		(2.318.706)	(1.733.548)
Loss before tax and non-controlling interests-discontinued operations	9b	(4.749.528)	(1.309.332)
Loss before tax and non-controlling interests		(7.068.234)	(3.042.880)
Adjustments for:			
(Gain)/Loss on revaluation of investment property	13	(417.852)	1.218.297
Net loss on disposal of investment property	14b	7.404	893.406
Other non-cash movements		35	113
Fair Value loss on Financial Assets at FV through P&L	27	153.913	-
Impairment of prepayments and other current assets	15	380.127	415.289
Impairment on Receivable from Arcona	15	211.310	-
Accounts payable written off	15	(462.198)	(85)
Depreciation/ Amortization charge	12	5.896	27.384
Interest income	16	(484.606)	(696.162)
Interest expense	16	1.525.526	1.836.590
Share of profit from associates	21	(297.985)	(364.920)
Loss on disposal of subsidiaries	20	4.992.763	-
Effect of foreign exchange differences	17a	511.659	81.623
		-	-
Cash flows from/(used in) operations before working capital changes		(942.242)	368.655
Change in inventory	25	-	208.506
Change in prepayments and other current assets	26	(456.878)	15.564
Change in trade and other payables	34	1.170.302	708.591
Change in VAT and other taxes receivable	26	(39.954)	240.255
Change in provisions	36	(665)	14.998
Change in other taxes payables	36	145.045	(543.861)
Change in deposits from tenants	35	(75)	55.345
Cash generated from operations		(124.467)	1.068.053
Income tax paid		(391.616)	(368.156)
Net cash flows provided in operating activities		(516.083)	699.897
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	14b	608.073	8.016.573
Dividend received from associates	21	121.772	143.263
Interest received		657	405
Increase/(Decrease) in long term receivables	24	(44.994)	45.667

Cash inflow on disposal of subsidiaries	20	2.030.624	-
Repayment of interest of loan receivable	26	229.576	-
Loan granted for property acquisition	26	-	(350.000)
Net cash flows from / (used in) investing activities		2.945.708	7.855.908
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and non-bank loans	32	503.871	1.044.408
Repayment of bank and non-bank loans	32	(1.795.665)	(7.558.655)
Interest and financial charges paid		(1.002.202)	(1.528.913)
Decrease in financial lease liabilities	37	(385.542)	(356.231)
Net cash flows from / (used in) financing activities		(2.679.538)	(8.399.391)
Net increase/(decrease) in cash at banks		(249.913)	156.414
Cash:			
At beginning of the year	28	987.538	831.124
At end of the year	28	737.625	987.538

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

1. General Information

Country of incorporation

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

Principal activities

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

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

As at 31 December 2019, the companies of the Group employed and/or used the services of 14 full time equivalent people, (2018 → 15 full time equivalent people).

2. Basis of preparation

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

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

Going concern basis

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

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

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

Management believes that the Company will be able to finance its needs given the fact that the additional corporate receivables, as well as the consideration received in the form of Arcona shares is estimated that it can effectively discharge all corporate liabilities. At the same time, the transaction with Arcona Property Fund N.V., which is a cash flow generating entity, will result in the Company being a ~45% shareholder, entitled to dividends according to the dividend policy of Arcona Property Fund N.V.

3. Adoption of new and revised Standards and Interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

Local statutory accounting principles and procedures differ from those generally accepted under IFRS. Accordingly, the consolidated financial information, which has been prepared from the local statutory accounting records for the entities of the Group domiciled in Cyprus, Romania, 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.

4. Significant accounting policies (continued)

4.2 Functional and presentation currency (continued)

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 recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

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

Currency	Average		31 December		
	2019	2018	2019	2018	2017
USD	1,1195	1,1810	1,1234	1,1450	1,1993
UAH	28,9406	32,1341	26,422	31,7141	33,4954
RON	4,7453	4,6535	4,7793	4,6639	4,6597
BGN	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.

4. Significant accounting policies (continued)

4.4 Investment Property at fair value (continued)

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

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

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

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

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

Initial measurement and recognition

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

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

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

Subsequent measurement

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

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

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

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same in 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 sq. m. again reflect current market conditions and represent those levels the appraisers consider to be achievable at present. It was assumed that there are no irrecoverable operating expenses and that all costs will be recovered from the occupiers/owners by way of a service charge.

The valuations take into account the requirement to pay ground rental payments and these are assumed not to be recoverable from the occupiers. In terms of ground rent payments, the appraisers have assessed these on the basis of information available, and if not available they have calculated these payments based on current legislation defining the basis of these assessments. 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 been 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 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 or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

4.11 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

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

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

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

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

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

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

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

Financial assets – Business model assessment:

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

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

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

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

4.11.3 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.

4.11.5 Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting –

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

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

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

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

Cash flow hedges

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

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

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

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

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

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

Net investment hedges

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

4.12 Leases

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

- the contract involves the use of an identified asset this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

The Company as lessor

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

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

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

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

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

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

The Company as lessee

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

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

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

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

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

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

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

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

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

Short term leases and leases of low value assets

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

4.13 Borrowings

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

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

facility to which it relates.

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

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

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

4.14 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.

4.15 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.

4.16 Share Capital

Ordinary shares are classified as equity.

4.17 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.

4.18 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.

4.19 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.

4.20 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. Significant accounting policies (continued)

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

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

4.26.4 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,). 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 where the Group is active, was at the following rates, as at the end of the reporting period:

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

4. Significant accounting policies (continued)

4.28 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
<ul style="list-style-type: none">Warehouse segmentOffice segmentRetail segment	<ul style="list-style-type: none">Residential segment	<ul style="list-style-type: none">Land assets – the Group owns a number of land assets which are either available for sale or for potential development

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

4.29 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. New accounting pronouncement

Standards issued but not yet effective

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

(i) Issued by the IASB and adopted by the European Union

Amendments

IFRS Interpretations Committee

- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) (effective for annual periods beginning on or after 1 January 2020).

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

- Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)

5. New accounting pronouncement (continued)

In March 2018 the IASB issued a comprehensive set of concepts for financial reporting, the revised "Conceptual Framework for Financial Reporting" (Conceptual Framework), replacing the previous version issued in 2010. The main changes to the framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements, while some of the concepts in the revised Framework are entirely new (such as the "practical ability" approach to liabilities". To assist companies with the transition, the IASB issued a separate accompanying document "Amendments to References to the Conceptual Framework in IFRS Standards". This document updates some references to previous versions of the Conceptual Framework in IFRS Standards, their accompanying documents and IFRS Practice Statements.

(ii) Issued by the IASB but not yet adopted by the European Union

New standards

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e. life, non life, direct insurance and re insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

Amendments

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2020).
- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020)

The amendments revise definition of a business. A business must have inputs and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present, including for early stage companies that have not generated outputs. An organised workforce should be present as a condition for classification as a business if there are no outputs. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. An entity can apply a 'concentration test'. The assets acquired would not represent a business if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets).

- IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely).

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The above are expected to have no significant impact on the Company's financial statements when they become effective.

6. Critical accounting estimates and judgments

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

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

- **Provision for impairment of receivables**

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

- **Fair value of financial assets**

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

6. Critical accounting estimates and judgments (continued)

- **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 2019 (Note 19.2).

- **Income taxes**

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

- **Impairment of tangible assets**

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

- **Provision for deferred taxes**

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

- **Application of IFRS 10**

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

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

7. Risk Management

7.1 Financial risk factors

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

7.1.1 Operating Country Risks

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

7.1.1.1 Ukraine

After a significant deterioration in 2014 and 2015, the current political and economic situation in Ukraine remains volatile. In 2019, the Ukrainian government continues to implement a comprehensive structural reform program aimed at eliminating existing imbalances in the economy, public finances and governance, fighting corruption, and reforming the legal environment to provide conditions for economic recovery in the country.

The stabilization of Ukraine's economy in the near future depends on the success of the government's actions and the provision of continuous financial support to Ukraine by international donors and international financial institutions.

The National Bank of Ukraine continues to adhere to the policy of floating exchange rate of hryvnia. During 2019, the official exchange rate of hryvnia to the US dollar of the National Bank of Ukraine decreased by 13% from 27.6883 hryvnia for the US dollar on January 1, 2019 to 23.6862 hryvnia for the US dollar on December 31, 2019. During 2019, the National Bank of Ukraine reduced the discount rate from 18.0% to 13.5%.

7. Risk Management (continued)

7.1 Financial risk factors (continued)

7.1.1 Operating Country Risks (continued)

7.1.1.1 Ukraine(continued)

Regarding currency regulation, the National Bank of Ukraine continued the policy of reducing currency restrictions, and starting from March 2019, reduced the mandatory share of exchange of foreign currency earnings from 50% to 30%, and completely abolished this restriction starting from June 20, 2019.

In 2019, consumer inflation slowed to 4.1% (from 9.8% in 2018), and real GDP growth amounted to 3.2%. The slowdown in inflation was facilitated by moderate dynamics of food prices, as well as the strengthening of the hryvnia exchange rate due to the foreign exchange surplus in the market, which was maintained during most of 2019.

International rating agencies Fitch and Standard & Poor's have upgraded Ukraine's sovereign rating to B. The agencies noted a significant improvement in the macroeconomic situation, responsible fiscal and budgetary policies, and the emergence of a "window of opportunity" for economic reform. At the end of 2019, the international rating agency Moody's Investors Service reaffirmed Ukraine's sovereign credit rating in national and foreign currencies at Caa1 and changed the stable outlook to positive.

7.1.1.2 Romania

The Romanian economy continued to grow within 2019, featuring GDP growth of 4.1%, according to Eurostat. The strong growth has been mainly fueled from a large domestic market, a diversified and competitive industry mainly due to cheap labor, as well as a limited energy dependence thanks to coal, oil, and gas.

Inflation for 2019 was at 3.9%, following a 2018 4.6% increase. Private consumption for the year will ease, although its solid level and substantial share in the economy (63% of GDP) will keep it as the main growth driver. The ongoing improvement on the labour market, with the unemployment rate dropping to 3.8% in mid-2019, and further growth of wages and pensions, will continue to support household spending. Labor cost continues to be amongst the lowest in Europe, giving a constant boost to foreign investment and services sector.

On the other hand, exports' growth will be limited due to the global trade downturn and deteriorated prospects of main export destinations. Therefore, the contribution of next exports to GDP growth is likely to remain negative but less so. Moreover, increased public spending has raised questions in relation to the future level of budget deficit and the overall sustainability of current economic growth.

7.1.2 Risks associated with property holding and development associated risks

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

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

7. Risk Management (continued)

7.1 Financial risk factors (continued)

7.1.3 Property Market price risk

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

7.1.4 Interest rate risk

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

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

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

7.1.5 Credit risk

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

7.1.6 Currency risk

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

Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Excluding the transactions in Ukraine all of the Group's transactions, including the rental proceeds are denominated or pegged to EUR. In Ukraine, even though there is no 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.

7.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's core strategy is described in Note 44.1 of the consolidated financial statements.

7.1.8 Compliance risk

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

7.1.9 Litigation risk

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

7.1.10 Insolvency risk

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

7.2. Operational risk

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

7. Risk Management (continued)

7.3. Fair value estimation

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

8. Investment in subsidiaries

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

Name	Country of incorporation	Related Asset	Holding %	
			as at 31 Dec 2019	as at 31 Dec 2018
SC Secure Capital Limited	Cyprus		100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Trade Center	Ukraine		100	100
LLC Almaz-Pres-Ukraine	Ukraine	Tsymlyanskiy Residence	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park Balabino Project	-	100
LLC Retail Development Balabino	Ukraine		100	100
LLC Interterminal	Ukraine		100	100
LLC Aisi Ilvo	Ukraine		100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100
Best Day Real Estate Srl	Romania		100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100
N-E Real Estate Park First Phase Srl	Romania		100	100
Victini Holdings Limited	Cyprus	Victini Logistics	100	100
Victini Logistics Park S.A. (ex SPDI Logistics S.A.)	Greece		-	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100
Bluehouse Accession Project IV Limited	Cyprus		100	100
BlueBigBox 3 Srl	Romania		100	100

SPDI Real Estate Srl	Romania	Kindergarten	50	50
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100
Demetiva Holdings Limited	Cyprus		100	100
Ketiza Holdings Limited	Cyprus		90	90
Frizomo Holdings Limited	Cyprus		100	100
Ketiza Real Estate Srl	Romania		90	90
Edetrio Holdings Limited	Cyprus		100	100
Emakei Holdings Limited	Cyprus		100	100
RAM Real Estate Management Limited	Cyprus		50	50
Iuliu Maniu Limited	Cyprus		45	45
Moselin Investments Srl	Romania		45	45
Rimasol Enterprises Limited	Cyprus		44,24	44,24
Rimasol Real Estate Srl	Romania		44,24	44,24
Ashor Ventures Limited	Cyprus		44,24	44,24
Ashor Development Srl	Romania		44,24	44,24
Jenby Ventures Limited	Cyprus		44,30	44,30
Jenby Investments Srl	Romania		44,30	44,30
Ebenem Limited	Cyprus		44,30	44,30
Ebenem Investments Srl	Romania		44,30	44,30
Sertland Properties Limited	Cyprus		100	100
Boyana Residence ood	Bulgaria		-	100
Mofben Investments Limited	Cyprus	100	100	
SPDI Management Srl	Romania		100	100

During the reporting period the Group proceeded with the disposal of Aisi Bela in Ukraine as well as with the disposal of the Boyana Residence in Bulgaria, as part of the Arcona's transaction. In addition the Group also disposed of Victini Logistics Park AE in Greece on top of the aforementioned transactions with Arcona.

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,

8. Investment in subsidiaries (continued)

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.

9. Discontinued operations

9.(a) Description

The Company announced at 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to Arcona Property Fund N.V. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona Property Fund N.V. shares), as well as successful negotiating and signature of transaction documents. During 2019 and as part of the Arcona transaction the Company sold the Boyana Residence asset in Bulgaria, as well as the Bela and Balabino land plots in Ukraine, while currently it is negotiating with Arcona the sale of the assets included in Stage 2 of the transaction, EOS and Delenco assets in Romania, as well as the Tsymlyanskiy and Kiyanovskiy assets in Ukraine. Stage 2 of the transaction is expected to close by the end of 2020 subject to COVID-19 effects.

Additionally, the Company also sold the Greek logistics property Victini Logistics, which was not part of the Arcona transaction.

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

- **Bulgaria:** Boyana Residence ood (sold during 2019)
- **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. (sold during 2019)
- **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 (sold during 2019), 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).

9. Discontinued operations (continued)

9.(b) Results of discontinued operations

For the year ended 31 December 2019

	Note	2019 €	2018 €
Income	10	1.891.708	2.378.875
Asset operating expenses	11	(591.811)	(606.069)
Net Operating Income		1.299.897	1.772.806
Administration expenses	12	(220.509)	(260.714)
Share of profits/(losses) from associates	21	297.985	364.920
Valuation gains/(losses) from Investment Property	13	417.852	(1.218.297)
Net loss on disposal of inventory	14a	-	(13.553)
Net gain/(loss) on disposal of investment property	14b	(7.404)	(48.225)
Gain/(loss) on disposal of subsidiaries	20	(4.992.763)	-
Other operating income/(expenses), net	15	312.801	(363.435)
Operating profit / (loss)		(2.892.141)	233.502
Finance income	16	10.022	9.979
Finance costs	16	(1.430.529)	(1.542.580)
Profit / (loss) before tax and foreign exchange differences		(4.312.648)	(1.299.099)
Foreign exchange (loss), net	17a	(436.880)	(10.233)
Loss before tax		(4.749.528)	(1.309.332)
Income tax expense	18	(52.315)	(96.567)
Loss for the year		(4.801.843)	(1.405.899)
Loss attributable to:			
Owners of the parent		(4.846.634)	(699.271)
Non-controlling interests		44.791	(706.628)
		(4.801.843)	(1.405.899)

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

	31 Dec 2019 €	31 Dec 2018 €
Net cash flows provided in operating activities	1.897.780	2.930.026
Net cash flows from / (used in) financing activities	(2.770.679)	(3.910.958)
Net cash flows from / (used in) investing activities	2.677.920	1.287.742
Net increase/(decrease) from discontinued operations	1.805.021	306.810

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

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2019:

	Note	31 Dec 2019 €	31 Dec 2018 €
Assets classified as held for sale			

Investment properties	19.4a	42.180.852	63.345.537
Investment properties under development	19.4b	-	4.716.157
Tangible and intangible assets	23	14.342	42.534
Long-term receivables and prepayments	24	315.265	270.271
Investments in associates	21	5.380.021	5.313.235
Financial Asset at FV through OCI	22	1	1
Inventory	25	-	4.604.044
Prepayments and other current assets	26	1.470.772	682.134
Cash and cash equivalents	28	530.374	704.825
Total assets of group held for sale		49.891.627	79.678.738
Liabilities directly related with assets classified as held for sale			
Borrowings	32	8.949.660	22.605.474
Finance lease liabilities	37	10.084.470	10.470.012
Trade and other payables	34	1.015.266	1.500.603
Taxation	36	216.563	498.530
Deposits from tenants	35	67.269	219.274
Total liabilities of group held for sale		20.333.228	35.293.893

10. Income

Income from *continued operations* for the year ended 31 December 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	31 Dec 2019	31 Dec 2018
	€	€
Rental income	364.034	631.636
Service charges and utilities income	93.416	9.534
Service and property management income	-	128.293
Total income	457.450	769.463

Income from *discontinued operations* for the year ended 31 December 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) until the date of disposal,
b) income from the sale of electricity by Victini Logistics to the Greek grid until the same of disposal,
b) rental income and service charges by tenants of the Residential Portfolio, and;
c) income from third parties and /or partners for consulting and managing real estate properties

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Rental income	1.726.978	1.963.724
Sale of electricity	128.623	294.773
Service charges and utilities income	33.982	118.211
Service and property management income	2.125	2.167
Total income	1.891.708	2.378.875

Occupancy rates in the various income producing assets of the Group as at 31 December 2019 were as follows:

Income producing assets

%		31 Dec 2019	31 Dec 2018
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	70	37
Victini Logistics	Greece	-	100
Kindergarten	Romania	100	100

11. 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 10).

Under *continued operations* are all the expenses related to Praktiker Craiova in 2018.

Continued operations	31 Dec 2019	31 Dec 2018
	€	€
Property related taxes	-	(77.723)
Repairs and technical maintenance	-	(4.150)
Property insurance	-	(36.446)
Total	-	(118.319)

11. Asset operating expenses (continued)

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

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Property related taxes	(199.725)	(227.819)
Property management fees	-	(120.630)
Repairs and technical maintenance	(195.428)	(69.377)
Utilities	(95.688)	(73.715)
Property security	(35.191)	(37.301)
Property insurance	(17.184)	(32.638)
Leasing expenses	(48.329)	(44.258)

Other operating expenses	(266)	(331)
Total	(591.811)	(606.069)

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

Property Management fees in 2018 relate to Property Management Agreements for Victini Logistics Park with third party managers outsourcing the related services. The Park was sold during 2019 and no such services were rendered during the period.

Repairs and technical maintenance increased substantially during the period due to relevant works performed in Innovations Logistics Park in Bucharest, essential for hosting successfully new tenant in the cold spaces of the property.

Leasing expenses reflect expenses related to long term land leasing.

12. Administration Expenses

Continued operations	31 Dec 2019	31 Dec 2018
	€	€
Salaries and Wages	(459.789)	(556.580)
Incentives to Management	(280.000)	-
Advisory fees	(614.315)	(438.423)
Public group expenses	(100.084)	(210.097)
VAT expensed	(112.815)	-
Corporate registration and maintenance fees	(60.905)	(65.234)
Audit fees	(86.031)	(85.300)
Accounting fees	(23.879)	(14.841)
Legal fees	(442.051)	(193.644)
Depreciation/Amortization charge	(3.399)	(5.502)
Directors Remuneration	(73.108)	-
Corporate operating expenses	(185.795)	(199.226)
Total Administration Expenses	(2.442.171)	(1.768.847)

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Salaries and Wages	(44.753)	(43.073)
Advisory fees	(29.496)	(26.666)
Corporate registration and maintenance fees	(38.721)	(54.903)
Audit and accounting fees	(54.560)	(64.848)
Accounting fees	(12.141)	(841)
Legal fees	(11.406)	(20.650)
Depreciation/Amortization charge	(2.497)	(21.882)
Corporate operating expenses	(26.935)	(27.850)

Total Administration Expenses	(220.509)	(260.714)
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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.

Incentives to Management provided during 2019 for the successful disposal of Victini Logistics Park, and the completion of Stage 1 of the transaction with Arcona which was fully paid in shares of the Company.

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 2019 the advisory fees includes EUR 145k paid in Company's shares to advisors engaged with the successful completion of Stage 1 of the transaction with Arcona, as well as EUR 28k for due diligence expenses related to the Arcona transaction. In 2018 the advisory fees includes one-off elements related to the disposal of Praktiker asset (EUR 180k) and due diligence expenses (EUR 90k) for non consummated transactions, in relation to the acquisitions of logistic asset portfolios in Greece and Romania.

12. Administration Expenses (continued)

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, Cyprus and Romania, compliance with AIM listing, as well as one-off fees associated with legal services and advise in relation to due diligence processes, and transactions. The increase in 2019 came as a result of an over EUR 350k relevant costs for legal advices and support related to the transaction with Arcona.

Directors fees for the period H1 2019 were paid fully in Company's shares.

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.

13. Valuation gains / (losses) from investment properties

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

Discontinued operations (Note 9)	Valuation gains/(losses)	
	31 Dec 2019	31 Dec 2018
	€	€
Bela Logistic Park	-	(125.768)
Kiyanovskiy Residence	(543.263)	(23.024)
Tsymlyanskiy Residence	(77.541)	(7.914)
Balabino Project	-	(97.707)

Rozny Lane	20.152	(35.932)
Innovations Logistics Park	257.785	610.366
EOS Business Park	285.545	422.971
Residential Portfolio	27.366	1.362
GreenLake	381.385	(1.107.293)
Kindergarten	66.423	44.642
Victini Logistics	-	(900.000)
Total	417.852	(1.218.297)

14. 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:

14a Inventory

During 2019 the Group completely disposed of the Boyana Residence, which was classified as inventory (Notes 20 & 26).

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Income from sale of inventory	-	194.953
Cost of inventory	-	(208.504)
Loss from disposal of inventory	-	(13.553)

14b Investment property

During October 2018, the Company proceeded with the sale of Praktiker Craiova.

Continued operations	31 Dec 2019	31 Dec 2018
	€	€
Income from sale of investment property	-	6.517.181
Cost of investment property	-	(7.362.362)
Loss from disposal of investment property	-	(845.181)

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

14b Investment property (continued)

During 2019 the Group sold 3 apartments in Romfelt Plaza (Doamna Ghica) and 4 apartments and 2 parking spaces in Zizin while during 2018 the Group sold 10 apartments in Romfelt Plaza and 5 apartments and 2 parking spaces in Zizin. Additionally a villa in SPDI Real Estate Srl was sold during 2018.

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Income from sale of investment property	608.073	1.499.392
Cost of investment property	(615.477)	(1.547.617)
Loss from disposal of investment property	(7.404)	(48.225)

15. Other operating income/(expenses), net

Continued operations	31 Dec 2019	31 Dec 2018
	€	€
Other income	114.166	-
Other income	114.166	-
Assets Written off	(2.007)	-
Impairment on Receivable from Arcona (Note 25)	(211.310)	-
Provisions and Impairment of prepayments and other current assets	(222.363)	(26.389)
Penalties	(7.213)	(4.959)
Other expenses	(113.902)	(368)
Other expenses	(556.795)	(31.716)
Other operating income/(expenses), net	(442.629)	(31.716)

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Accounts payable written off	462.198	85
Other income	9.910	30.010
Other income	472.108	30.095
Provisions and Impairment of prepayments and other current assets	(157.764)	(388.900)
Penalties	(1.458)	(4.334)
Other expenses	(85)	(296)
Other expenses	(159.307)	(393.530)
Other operating income/(expenses), net	312.801	(363.435)

Provision and impairment of prepayments and other current assets , include expected credit loss per IFRS9

Impairment on receivables from Arcona is related to the fair value adjustment of the receivable Arcona shares held in escrow from the disposal of the Boyana asset in Bulgaria. In particular, the 315.591 consideration Arcona shares valued at year end according to the NAV per share at that date and a loss of €211.310 was realized.

The accounts payable write off in 2019 of a total of €462.198 is related to Aisi Bela and Boyana payables for construction. The settlement for the former 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 (due to a sale of the asset) the Group would have to pay an additional UAH 5.400.000 (~USD 160.000) payable upon such event occurring. Due to the uncertainty of the payment period the latter amount used to be discounted at current discount rates in Ukraine presented as a non-current liability. This amount was written off during 2019 as a result of the forthcoming disposal of the asset during the year. Payables for construction write off related to Boyana asset, refer to an amount of ~€245.000 payable to the constructor of the project as part of the withholding of a Good Performance Guarantee. The amount has been written off during 2019 as a result of statute of limitations.

16. Finance costs and income

Continued operations		
Finance income	31 Dec 2019	31 Dec 2018
	€	€
Interest received from non-bank loans (Note 41.1.1)	474.583	685.778
Interest income associated with banking accounts	1	405
Total finance income	474.584	686.183

Finance costs	31 Dec 2019	31 Dec 2018
	€	€
Interest expenses (bank)	(699)	(140.903)
Interest expenses (non-bank) (Note 41.1.2)	(50.693)	(120.376)
Finance charges and commissions	(17.725)	(24.329)
Bonds interest	(68.133)	(68.133)
Total finance costs	(137.250)	(353.741)
Net finance result	337.334	332.442

Discontinued operations (Note 9)		
Finance income	31 Dec 2019	31 Dec 2018
	€	€
Interest received from non-bank loans (Note 41.1.1)	9.366	9.366
Interest income from bank deposits	656	613
Total finance income	10.022	9.979

Finance costs	31 Dec 2019	31 Dec 2018
	€	€
Interest expenses (bank)	(901.896)	(986.466)
Interest expenses (non-bank) (Note 41.1.2)	(7.155)	(7.251)

Finance leasing interest expenses	(496.950)	(513.461)
Finance charges and commissions	(24.528)	(35.402)
Total finance costs	(1.430.529)	(1.542.580)
Net finance result	(1.420.507)	(1.532.601)

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates. This amount includes also interest on Loan receivables from 3rd parties provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The loan provided initially with a convertibility option which was not exercised. According to the last addendum, the loan had certain one-off and monthly payments for a period until 30 June 2020. The two parties are currently engaged in discussions for agreeing and signing a new addendum with a new re-payment schedule. The loan is 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 initial Loan Agreement.

Borrowing interest expense represents interest expense charged on bank and non-bank borrowings (Note 32).

Finance leasing interest expenses relate to the sale and lease back agreements of the Group (Note 37).

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 2018 (Note 33).

Other finance expenses for 2019 includes interest on tax for prior years related to Cyprus companies.

17. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 31 December 2019 from continued operations amounted to €74.779 (2018: loss €71.390).

The exchange loss from discontinued operations for the year ended 31 December 2019 amounted to €436.880 (2018: loss €10.233) (Note 9).

17. Foreign exchange profit / (losses) (continued)

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 41.3). For these intercompany loans the foreign exchange differences are recognized initially in other comprehensive income and in a separate component of equity. During 2019, the Group recognized a foreign exchange profit of €66.557 (2018: profit €1.850).

18. Tax Expense

Continued operations	31 Dec 2019	31 Dec 2018
	€	€
Income and defence tax expense	(36.380)	(613.034)
Taxes	(36.380)	(613.034)

Discontinued operations (Note 9)	31 Dec 2019	31 Dec 2018
	€	€
Income and defence tax expense	(52.315)	(96.567)
Taxes	(52.315)	(96.567)

For the year ended 31 December 2019, the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, and in Romania 16%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%. For 2018 the amount of tax recorded mainly related to an amount of €506.728 which was derived from the sale of asset in Craiova, Romania.

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

	31 Dec 2019	31 Dec 2018
	€	€
Profit / (loss) before tax	(10.975.189)	(6.759.507)
Tax calculated on applicable rates	(1.644.485)	(990.634)
Expenses not recognized for tax purposes	1.879.661	1.357.212
Tax effect of allowances and income not subject to tax	(413.424)	(303.862)
Tax effect on tax losses for the year	289.577	653.310
Tax effect on tax losses brought forward	(25.108)	(16.981)
10% additional tax	4.074	10.514
Overseas tax in excess of credit claim used during the year	20	42
Tax effect of Group tax relief	(1.620)	-
Total Tax	88.695	709.601

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. The asset was sold within 2019.
- **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 70% leased at the end of the reporting period while currently is 83%.
- 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 19 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 into 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 SecMon Real Estate Srl is not consolidated in the present financial statements. (Note 8)

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. The asset was sold within 2019.
- **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 21). 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. The asset was sold within 2019.

19. Investment Property (continued)

19.2 Investment Property Movement during the reporting period

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

Continued Operations

In 2019, the Company did not have any Investment Property assets classified within continued operations.

2019 (€)		Fair Value movements				Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2018	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2018	Transfer to Assets held for sale	Additions 2018	Carrying amount as at 31/12/2017
Bela Logistic Park	Land	-	-	-	-	(4.586.009)	-	4.586.009
Kiyanovskiy Residence	Land	-	-	-	-	(2.668.223)	-	2.668.223
Tsymlyanskiy Residence	Land	-	-	-	-	(917.202)	-	917.202
Balabino Project	Land	-	-	-	-	(1334.111)	-	1.334.111
Rozny Lane	Land	-	-	-	-	(1.083.966)	-	1.083.966

Total Ukraine		-	-	-	-	(10.589.511)	-	10.589.511
Innovations Logistics Park	Warehouse	-	-	-	-	(10.000.000)	-	10.000.000
EOS Business Park	Office	-	-	-	-	(7.200.000)	-	7.200.000
Residential portfolio	Residential	-	-	-	-	(4.023.000)	-	4.023.000
GreenLake	Land	-	-	-	-	(17.963.000)	-	17.963.000
Kindergarten	Retail	-	-	-	-	(1.713.000)	-	1.713.000
Praktiker Craiova	Retail	-	-	-	(7.500.000)	-	-	7.500.000
Total Romania		-	-	-	(7.500.000)	(40.899.000)	-	48.399.000
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		-	-	-	(7.500.000)	(71.818.511)	-	79.318.511

Discontinued

2019 (€)		Fair Value movements				Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2019	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2019	Transfer to Assets held for sale	Additions 2019	Carrying amount as at 31/12/2018
Bela Logistic Park	Land	-	-	-	(4.716.157)	-	-	4.716.157
Kiyanovskiy Residence	Land	2.759.480	507.983	(543.263)	-	-	-	2.794.760
Tsymlyanskiy Residence	Land	1.068.186	185.028	(77.541)	-	-	-	960.699
Balabino Project	Land	-	-	-	(1.310.044)	-	-	1.310.044
Rozny Lane	Land	1.068.186	-	20.152	-	-	-	1.048.034
Total Ukraine		4.895.852	693.011	(600.652)	(6.026.201)	-	-	10.829.694
Innovations Logistics Park	Warehouse	10.600.000	(257.785)	257.785	-	-	-	10.600.000
EOS Business Park	Office	7.700.000	(185.545)	285.545	-	-	-	7.600.000
Residential portfolio	Residential	733.000	(32.889)	27.366	(615.477)	-	-	1.354.000
GreenLake	Land	16.814.000	(409.385)	381.385	-	-	-	16.842.000
Kindergarten	Retail	1.438.000	(34.423)	66.423	-	-	-	1.406.000
Total Romania		37.285.000	(920.027)	1.018.504	(615.477)	-	-	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		42.180.852	(227.016)	417.852	(26.071.678)	-	-	68.061.694

19. Investment Property (continued)

19.2 Investment Property Movement during the reporting period (continued)

Discontinued Operations

2018 (€)		Fair Value movements					Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 31/12/2018	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Transfer to FA at fair value through OCI (Note 22)	Disposals 2018	Transfer from Continued Operations	Carrying amount as at 31/12/2017
Bela Logistic Park	Land	4.716.157	255.916	(125.768)	-	-	4.586.009	-
Kiyanovskiy Residence	Land	2.794.760	149.561	(23.024)	-	-	2.668.223	-
Tsymlyanskiy Residence	Land	960.699	51.411	(7.914)	-	-	917.202	-
Balabino Project	Land	1.310.044	73.639	(97.707)	-	-	1.334.111	-
Rozny Lane	Land	1.048.034	-	(35.932)	-	-	1.083.966	-
Total Ukraine		10.829.694	530.527	(290.345)	-	-	10.589.511	-
Innovations Logistics Park	Warehouse	10.600.000	(10.366)	610.366	-	-	10.000.000	-
EOS Business Park	Office	7.600.000	(7.392)	407.392	-	-	7.200.000	-
Residential portfolio	Residential	1.354.000	(2.322)	16.939	(1.486.000)	(1.197.617)	4.023.000	-
GreenLake	Land	16.842.000	(13.707)	(1.107.293)	-	-	17.963.000	-
Kindergarten	Retail	1.406.000	(1.642)	44.642	-	(350.000)	1.713.000	-
Total Romania		37.802.000	(35.429)	(27.954)	(1.486.000)	(1.547.617)	40.899.000	-
Boyana	Land	4.230.000			-	-	4.230.000	-
Total Bulgaria		4.230.000			-	-	4.230.000	-
Victini Logistics	Warehouse	15.200.000		(900.000)	-	-	16.100.000	-
Total Greece		15.200.000		(900.000)	-	-	16.100.000	-
TOTAL		68.061.694	495.098	(1.218.299)	(1.486.000)	(1.547.617)	71.818.511	-

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

- The translation loss due to the devaluation of local currencies of €227.016 (a) (2018: profit €495.098) is presented as part of the exchange difference on translation of foreign operations in other comprehensive income in the statement of comprehensive income and then carried forward in the Foreign currency translation reserve; and,
- The fair value gain in terms of the local functional currencies amounting to €417.852 (b) (2018: loss €1.218.299), is presented as Valuation gains/(losses) from investment properties in the statement of comprehensive income and is carried forward in Accumulated losses.

19. Investment Property (continued)

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

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

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
					€	€	€
Bela Logistic Park	Odesa	Land and Development Works for Warehouse	LLC Aisi Bela	-	-	-	4.716.157
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Aisi Ukraine LLC Trade Center	-	2.759.480	-	2.794.760
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz-Pres-Ukraine	-	1.068.186	-	960.699
Balabino Project	Zaporizhia	Land for retail development	LLC Aisi Bela	-	-	-	1.310.044
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	1.068.186	-	1.048.034
Total Ukraine				-	4.895.852	-	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 Ltd SPDI SRL First Phase srl	-	7.700.000	-	7.600.000
Praktiker Craiova	Craiova	Big Box retail	Bluehouse Accession Project IX Limited Bluehouse Accession Project IV Limited BlueBigBox 3 Srl	-	-	-	-
Kindergarten	Bucharest	Retail	SPDI Real Estate Srl	-	1.438.000	-	1.406.000
Residential Portfolio	Bucharest	Residential apartments (5 in total in 2 complexes)	Secure II, Demetiva Ltd Diforio Ltd, Frizomo Ltd, Ketiza Ltd, Sec Rom Ltd Sec Vista Srl, Sec Mon Ltd, Ketiza Srl	-	733.000	-	1.354.000
GreenLake	Bucharest	Residential villas (14 villas) & land for Residential Development	Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Moselin Investments srl Rimasol Limited Rimasol Real Estate Srl		16.814.000	-	

			Ashor Ventures Limited Ashor Development Srl Jenby Ventures Limited Jenby Investments Srl Ebenem Limited Ebenem Investments Srl SPDI Real Estate				16.842.000
Total Romania				-	37.285.000	-	37.802.000
Boyana	Sofia	Land	Boyana Residence ood, Sertland Properties Limited	-	-	-	4.230.000
Total Bulgaria				-	-	-	4.230.000
Victini Logistics	Athens	Warehouse	Victini Holdings Limited, Victini Logistics Park S.A.	-	-	-	15.200.000
Total Greece				-	-	-	15.200.000
TOTAL				-	42.180.852	-	68.061.694

19. Investment Property (continued)

19.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park, EOS Business Park, 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 and Rozny Lane in Ukraine, and GreenLake in Romania

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations (Note 9)	Continued operations	Discontinued operations (Note 9)
	€	€	€	€
At 1 January	-	63.345.537	74.732.502	-
Disposal of investment Property	-	(21.355.521)	(7.500.000)	(3.033.617)
Revaluation (loss)/gain on investment property	-	417.852	-	(1.092.530)
Translation difference	-	(227.016)	-	239.182
Transferred to Assets held for sale	-	-	(67.232.502)	67.232.502
At 31 December	-	42.180.852	-	63.345.537

Disposals of Investment Properties represent the sales of Balabino land plot in Ukraine, the Boyana Residence in Bulgaria and the Victini Logistics asset in Greece. All these assets were sold during 2019.

b. Investment Properties Under Development

As at 31 December 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. This property sold during December 2019.

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations (Note 9)	Continued operations	Discontinued operations (Note 9)
	€	€	€	€
At 1 January	-	4.716.157	4.586.009	-
Revaluation on investment property	-	-	-	(125.768)
Disposal of IP	-	(4.716.157)	-	-
Translation difference	-	-	-	255.916
Transferred to Assets held for sale	-	-	(4.586.009)	4.586.009
At 31 December	-	-	-	4.716.157

19.5 Investment Property valuation method presentation

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

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

transactions of similar assets that have occurred recently in the market. The most significant input into this valuation approach is price per sqm.

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

19. Investment Property (continued)

19.5 Investment Property valuation method presentation (continued)

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

Fair value measurements at 31 Dec 2019 (€)	(Level 1)	(Level 2)	(Level 3)	Total
-	-	-	-	-
<i>Recurring fair value measurements</i>	-	-	-	-
Tsymlyanskiy Residence – Podil, Kiev City Center	-	1.068.186	-	1.068.186
Kiyanovski Residence – Podil, Kiev City Center	-	2.759.480	-	2.759.480
Rozny Lane – Brovary district, Kiev oblast	-	1.068.186	-	1.068.186
Innovations Logistics Park – Bucharest	-	-	10.600.000	10.600.000
EOS Business Park – Bucharest, City Center	-	-	7.700.000	7.700.000
Residential Portfolio (ex GreenLake) – Bucharest	-	733.000	-	733.000
GreenLake – Bucharest	-	16.814.000	-	16.814.000
Kindergarten - Bucharest	-	-	1.438.000	1.438.000
Totals	-	22.442.852	19.738.000	42.180.852

Fair value measurements at 31 Dec 2018 (€)	(Level 1)	(Level 2)	(Level 3)	Total
-	-	-	-	-
<i>Recurring fair value measurements</i>	-	--	-	-

Balabino Project - Zaporizhia	-	1.310.044	-	1.310.044
Tsymlyanskiy Residence – Podil, Kiev City Center	-	960.699	-	960.699
Bela Logistics Park - Odessa	-		4.716.157	4.716.157
Kiyanovskiy Residence – Podil, Kiev City Center	--	2.794.760	-	2.794.760
Rozny Lane – Brovary district, Kiev oblast	-	1.048.034	-	1.048.034
Innovations Logistics Park – Bucharest	-		10.600.000	10.600.000
EOS Business Park – Bucharest, City Center	-		7.600.000	7.600.000
Residential Portfolio (ex GreenLake) – Bucharest	-	1.354.000	-	1.354.000
GreenLake – Bucharest	-	16.842.000	-	16.842.000
Kindergarten - Bucharest	-		1.406.000	1.406.000
Victini Logistics – Athens	-	-	15.200.000	15.200.000
Boyana- Land, Bulgaria	-	4.230.000		4.230.000
Totals		28.539.537	39.522.157	68.061.694

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

Level 3 Fair value measurements at 31 Dec 2019 (€)	Bela Logistics Park	Innovations Logistics Park	EOS Business Park	Victini Logistics	Kindergarten	Total
Opening balance	4.716.157	10.600.000	7.600.000	15.200.000	1.406.000	39.522.157
Profit/(loss) on revaluation	-	257.785	285.545	-	66.423	609.753
Translation difference	(4.716.157)	(257.785)	(185.545)	(15.200.000)	(34.423)	(20.393.910)
Closing balance	-	10.600.000	7.700.000	-	1.438.000	19.738.000

19. Investment Property (continued)

19.5 Investment Property valuation method presentation (continued)

Level 3 Fair value measurements at 31 Dec 2018 (€)	Bela Logistics Park	Innovations Logistics Park	EOS Business Park	Praktiker Craiova	Victini Logistics	Kindergarten	Total
Opening balance	4.586.009	10.000.000	7.200.000	7.500.000	16.100.000	1.713.000	47.099.009
Disposals	-	-	-	(7.500.000)	-	-	(7.500.000)
Profit/(loss) on revaluation	(125.768)	610.366	407.392	-	(900.000)	44.642	36.632
Translation difference	255.916	(10.366)	(7.392)	-	-	(351.642)	(113.484)
Closing balance	4.716.157	10.600.000	7.600.000	-	15.200.000	1.406.000	39.522.157

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

	Fair value at 31 Dec 2019	Fair value at 31 Dec 2018	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	€	€	€	€	€
Bela Logistic Park - Odessa	-	4.716.157	Combined market and cost approach(2018)	Percentage of development works completion, deterioration rate(2018)	The higher the percentage of completion the higher the fair value. The higher the deterioration rate, the lower fair value(2018)
Innovations Logistics Park - Bucharest	10.600.000	10.600.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
EOS Business Park - Bucharest, City Center	7.700.000	7.600.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Praktiker Craiova	-	-	Income approach(2018)	Future rental income and costs for 10 years, discount rate(2018)	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value(2018)
Victini Logistics	-	15.200.000	Income approach(2018)	Future rental income and costs for 10 years, discount rate for real estate property and for Photovoltaic(PV) 13 + 4 years (2018)	The higher the rental/PV income the higher the fair value. The higher the discount rate, the lower fair value(2018)
Kindergarten	1.438.000	1.406.000	Income approach	Future rental income and costs of discount rate, vacancy rate	The higher the rental income the higher the fair value. The higher the discount rate and the vacancy rate, the lower fair value
Total	19.738.000	39.522.157			

20. Investment Property Acquisitions, Goodwill Movement and Disposals

Disposal of subsidiaies

	Victini Logistics Park AE	Aisi Bela	Boyana	Total
ASSETS	€	€	€	€
Non-current assets				
Investment property	15.200.000	1.318.104	4.230.000	20.748.104
Investment property under construction	-	4.745.167	-	4.745.167
Tangibles and intangibles assets	16.994	-	-	16.994
	15.216.994	6.063.271	4.230.000	25.510.265
Current assets				
Inventories	-	-	4.604.044	4.604.044
Prepayments and other current assets	475.143	938	1.255	477.336
Cash and cash equivalents	35.994	27	2.187	38.208
	511.137	965	4.607.486	5.119.588
Total assets	15.728.131	6.064.236	8.837.486	30.629.853
Non-current liabilities				
Borrowings	10.082.370	-	2.257.980	12.340.350
Deposits from tenants	151.930	-	-	151.930
	10.234.300	-	2.257.980	12.492.280
Current liabilities				
Borrowings	-	-	336.329	336.329
Trade and other payables	586.870	78.068	24.046	688.984
Tax Payable	180.883	-	136.138	317.021
Provisions	42.512	-	-	42.512
	810.265	78.068	496.513	1.384.846
Total liabilities	11.044.565	78.068	2.754.493	13.877.126
Net assets disposed	4.683.566	5.986.168	6.082.993	16.752.727
Financed by				
Cash consideration received	2.030.624	-	-	2.030.624
Retained receivables from tenants	337.600	-	-	337.600
Financial assets received	-	3.735.555	4.241.544	7.977.099

Bank Loan pending transfer (Notes 26 & 45c)	-	-	775.641	775.641
Net deferred consideration in the form of a loan receivable	-	-	639.000	639.000
Total result from disposal (Note 9)	(2.315.342)	(2.250.613)	(426.808)	(4.992.763)

On 8 August 2019 Victini Logistics Park AE the owner of Victini Logistics property in Athens, Greece, was sold at a Gross Asset Value of EUR 12,5m payable in cash, excluding the receivables from the tenant of the property G. Dimitriou S.A. of a total of EUR 337.600 plus all future rent invoicing until 31/12/2020. The transaction resulted in a cash inflow of EUR 2,03m, plus the amount to be recovered in the future from G.Dimitriou S.A.

On 1 November 2019 the Company announced the disposal of Aisi Bella, the owner company of Bella and Balabino assets in Ukraine, to Arcona in exchange for the issue to the Company of 277.943 new shares in Arcona and 67.063 warrants over shares in Arcona. Based on the NAV per Arcona share the consideration corresponds to EUR 3,7m (excluding the issue of warrants), while the price paid for the warrants was EUR1. The warrants give the Company the right to receive ordinary shares in Arcona of EUR 5 each nominal value, exercisable before 1 November 2024 and when the shares have traded at a volume weighted average price of EUR 8,10.

On 5 December 2019 the Company announced the disposal of Boyana Residence, the owner company of Boyana assets in Sofia, Bulgaria, to Arcona in exchange of 315.591 new shares in Arcona and 77.201 warrants over shares in Arcona. Based on the NAV per Arcona share the consideration corresponds to EUR 4,2m (excluding the issue of warrants), while the price paid for the warrants was EUR1. The Company also maintained as part of the transaction, a Sellers Loan with Boyana Residence equal to EUR 750k, as adjusted finally by a reverse liability of EUR 111k to a net amount of EUR 639k, receivable by the end of 2020. Moreover, as part of the transaction it was agreed that an associated to Boyana loan from Alpha Bank at Sertland level of EUR 0,77m will be transferred to Arcona. The transfer completed successfully in August 2020. The warrants give the Company the right to receive ordinary shares in Arcona of EUR 5 each nominal value, exercisable before 1 November 2024 and when the shares have traded at a volume weighted average price of EUR 8,10. The shares and the warrants issued to the Company in relation to this transaction held in escrow, to be released upon agreement on the terms of the extension of the loan associated with the asset. As at the reporting period, the shares and warrants were still in escrow, released successfully in February 2020.

21. Investments in associates

	31 Dec 2019	31 Dec 2019	31 Dec 2018	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 /(losses) from associates (Note 9)	-	297.985	-	364.920
Dividend Income	-	(121.772)	-	(143.263)
Foreign exchange difference	-	(109.427)	-	(24.009)
Transfer to assets classified as held for sale	-	-	(5.115.587)	5.115.587
Total	-	5.380.021	-	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 31 December 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	24.263.233	(2.172.318)	1.223.558	24,35	297.985	Romania	Office building

GreenLake Project - Phase A	GreenLake Development Srl	8.403.831	(11.474.393)	(954.837)	40,35	-	Romania	Residential assets
Total		32.667.064	(13.646.711)	268.721		297.985		

As at 31 December 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	24.272.364	(2.455.680)	1.498.399	24,354	364.920	Romania	Office building
GreenLake Project - Phase A	GreenLake Development Srl	9.202.949	(11.567.196)	(839.107)	40,35	-	Romania	Residential assets
Total		33.475.313	(14.022.876)	659.292		364.920		

22. Financial Assets at FV through OCI

The Group proceeded with an impairment of €297.200 for Monaco Towers (company SecMon Real Estate Srl) in 2018 for which following the court decision for entering into insolvency in January 2018, the Company lost the control over the asset (Note 8) 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): In 2019, the Management believes that the fair value of the Financial asset at fair value through OCI should remain the same as last year.

Discontinued operations (Note 9)	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

23. Tangible and intangible assets

As at 31 December 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 (2018: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (2018: €100.800) and therefore net value amounts to €0 (2018: €2.393).

As at 31 December 2019 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €565 (2018: €1.281).

As at 31 December 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 €60.741 (2018:€129.516). Accumulated depreciation as at the reporting date amounts to €46.399 (2018: €86.982).

24. Long Term Receivables and prepayments

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	852	315.265	850	270.271
Total	852	315.265	850	270.271

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.

25. Inventory

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At 1 January	-	4.604.044	4.812.550	-
Sale of Inventories (Note 14a)	-	-	-	(208.506)

Disposal of the asset (Note 19)	-	(4.604.044)	-	-
Transfer to assets classified as held for sale	-	-	(4.812.550)	4.812.550
At 31 December	-	-	-	4.604.044

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

Boyana residential portfolio was sold within 2019.

26. Prepayments and other current assets

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	1.062.508	437.183	102.243	569.210
Bank Loan pending transfer (Note 20)	-	775.641	-	-
Receivable from Arcona (Note 20)	4.030.233	-	-	-
VAT and other tax receivables	145.910	111.350	123.975	93.331
Deferred expenses	14.533	15.245	72.630	1.254
Receivables due from related parties	71.147	6.927	54.689	1.010
Loan receivables from 3 rd parties	5.575.555	124.958	5.312.919	124.958
Loan to associates (Note 41.4)	-	292.208	8.374	282.842
Allowance for impairment of prepayments and other current assets	(65.974)	(292.740)	(89.422)	(390.471)
Total	10.833.913	1.470.772	5.585.408	682.134

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

Bank Loan pending transfer refers to the agreement, as part of the transaction for the sale of Boyana to Arcona, of the transfer of the relevant loan at Sertland level to Arcona upon signing relevant documentation with Alpha Bank. The transfer completed effectively in August 2020 (Note 20 & Note 45c).

Receivables from Arcona refer to the consideration shares and warrants in relation to the disposal of Boyana asset, which at year end were in escrow account, agreed then to be released to the Company upon agreement of the extension terms of the associated loans. The consideration shares and warrants were released effectively in February 2020. The initial amount of the Receivable is €4.241.544 and the impairment charge at the year end is €211.310, resulting in a net amount €4.030.233 (Note 20 & Note 45c).

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

Deferred expenses include legal, advisory, consulting and marketing expenses related to ongoing share capital increase and due diligence expenses related to the possible acquisition of investment properties.

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 €845.638 (2018 €610.853). The loan provided initially with a convertibility option which was not exercised. According to the last addendum the loan had certain one-off and monthly payments for a period until 30 June 2020. The two parties are currently engaged in discussions for agreeing and signing a new addendum with a new re-payment schedule. The loan is 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 initial Loan Agreement.

Moreover, Loans receivables from 3rd parties include an amount of €750.000 which represents effectively part of the consideration for the disposal of Boyana asset to Arcona deferred until 31/12/2020 in the form of a loan. The loan has a scaling structure of interest rates: 6% until 31/3/2020, 8% until 30/6/2020 and 10% until 31/12/2020. Final agreement involved also a reverse payable of the Company of €111k which is classified appropriately.

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 parties under discontinued operations include a loan receivable from SecMon Real Estate Srl which since January 2018 is classified as Financial Asset at Fair value through OCI (Note 22).

Loan to associates reflects a loan receivable from GreenLake Development Srl, holding company of GreenLake Project-Phase A (Notes 21 and 41.4).

27. Financial Assets at FV through P&L

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

	31 Dec 2019	31 Dec 2018
	€	€
Arcona shares	3.735.555	-
FV change in Arcona shares	(186.102)	-
Arcona shares at reporting date	3.549.453	-
Cost of Warrants over Arcona shares	1	-
FV change in warrants	32.189	-
Arcona warrants at reporting date	32.190	-
Total Financial Assets at FV	3.581.643	-
FV change in Arcona shares	(186.102)	---
FV change in warrants	32.189	-
Fair Value loss on Financial Assets at FV through P&L	(153.913)	-

The Company received during the year 277.943 Arcona shares as part of the disposal of Aisi Bella LLC, the owner company of Bella and Balabino assets in Ukraine, to Arcona Property Fund N.V. At the time of the transaction the shares represented a total value of EUR 3.735.555 based on the NAV per share of Arcona at that time. At the end of the period the shares are re-valued to fair value based on the NAV per share of Arcona at that date, and as a result a relevant fair value loss of EUR 186.102 is recognized.

On top of the aforementioned shares, the Company received for the sale of Bella and Balabino assets, 67.063 warrants over shares in Arcona for a consideration of EUR 1. The warrants are exercisable upon the volume weighted average price of the Arcona shares traded on a regulated market at EUR 8,10 or higher. At year end, the warrants are re-valued to fair value and as a result a relevant gain of EUR 32.189 is recognized. The terms and assumptions used for such warrant re-valuation are:

- Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 6 per share
- Strike price of the warrants: EUR 8,10 per share
- Expiration date: 1 November 2024
- Standard deviation of stock price: 20,78%
- Annualized dividend yield on shares: 0,10%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 0,521%

28. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations

	€	€	€	€
Cash with banks in USD	15.700	-	45.134	2.621
Cash with banks in EUR	151.349	51.539	205.679	233.184
Cash with banks in UAH	59	95	71	1.498
Cash with banks in RON	40.143	478.740	31.829	465.062
Cash with banks in BGN	-	-	-	2.460
Total	207.251	530.374	282.713	704.825

29. Share capital

Number of Shares during 2019 and 2018

	31 December 2017	26 January 2018	26 January 2018	5 June 2018	31 December 2018	24 December 2019	31 December 2019
		Exercise of warrants & options	Increase of share capital			Increase of share capital	
Authorised							
Ordinary shares of €0,01	989.869.935	-	-	-	989.869.935	-	989.869.935
Total ordinary shares	989.869.935	-	-	-	989.869.935	-	989.869.935
RCP Class A Shares of €0,01	785.000	-	-	(785.000)	-	-	-
RCP Class B Shares of €0,01	8.618.997	-	-	-	8.618.997	-	8.618.997
Total redeemable shares	9.403.997	-	-	(785.000)	8.618.997	-	8.618.997
Issued and fully paid							
Ordinary shares of €0,01	103.589.550	17.076.560	6.604.371	-	127.270.481	1.920.961	129.191.442
Total ordinary shares	103.589.550	17.076.560	6.604.371	-	127.270.481	1.920.961	129.191.442
RCP Class A Shares of €0,01	-	-	-	-	-	-	-
RCP Class B Shares of €0,01	-	-	-	-	-	-	-
Total redeemable shares	-	-	-	-	-	-	-
Total	103.589.550	17.076.560	6.604.371	-	127.270.481	1.920.961	129.191.442

Nominal value (€) for 2019 and 2018

€	31 December 2017	26 January 2018	26 January 2018	5 June 2018	31 December 2018	24 December 2019	31 December 2019
		Exercise of warrants & options	Increase of share capital			Increase of share capital	
Authorised							
Ordinary shares of €0,01	9.898.699	-	-	-	9.898.699	-	9.898.699
Total ordinary shares	9.898.699	-	-	-	9.898.699	-	9.898.699

RCP Class A Shares of €0,01	7.850	-	-	(7.850)	-	-	-
RCP Class B Shares of €0,01	86.190	-	-	-	86.190	-	86.190
Total redeemable shares	94.040	-	-	(7.850)	86.190	-	86.190
Issued and fully paid							
Ordinary shares of €0,01	1.035.893	170.765	66.044	-	1.272.702	19.209	1.291.911
Total ordinary shares	1.035.893	170.765	66.044	-	1.272.702	19.209	1.291.911
RCP Class A Shares of €0,01	-	-	-	-	-	-	-
RCP Class B Shares of €0,01	-	-	-	-	-	-	-
Total redeemable shares	-	-	-	-	-	-	-
Total	1.035.893	170.765	66.044	-	1.272.702	19.209	1.291.911

29. Share capital (continued)

29.1 Authorised share capital

As at the end of 2017, the authorized share capital of the Company was 989.869.935 Ordinary Shares of €0,01 nominal value each, 785.000 Redeemable Preference Class A Shares of €0,01 nominal value each and 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each.

The Company cancelled the Redeemable Preference Class A Shares following the AGM decision of 29 December 2017 and the subsequent court approval obtained during H1 2018 while Redeemable Preference Class B Shares (Note 29.6) remain to be cancelled.

Following the cancellation of the Redeemable Preference Class A Shares completed within H1 2018 the authorised share capital of the Company as at the date of issuance of this report is as follows:

- a) 989.869.935 Ordinary Shares of €0,01 nominal value each,
- b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 29.6).

29.2 Issued Share Capital

As at the end of 2018, the issued share capital of the Company was as follows:

- a) 127.270.481 Ordinary Shares of €0,01 nominal value each,
- c) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each.

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

- for the Redeemable Preference Class B Shares, in lieu of redemption the Company gave its 20% holding in Autounion (Note 29.6) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 42.4). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

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

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

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

- a) 129.191.442 Ordinary Shares of €0,01 nominal value each,
- b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 29.6).

29.3 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, (Note 26) 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.

29.4 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.

29. Share capital (continued)

29.5 Capital Structure as at the end of the reporting period

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

Number of		(as at) 31 December 2019	(as at) 31 December 2018
Ordinary shares of €0,01	Issued and Listed on AIM	129.191.442	127.270.481
Total number of Shares	Non-Dilutive Basis	129.191.442	127.270.481
Total number of Shares	Full Dilutive Basis	129.191.442	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 were 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 34, 42.4).

29.6 Other share capital related matters

Pursuant to decisions taken by the AGM of 29th December 2017, the Company proceeded with the following actions in H1 2018 (finalized during June):

- That the balance of the share premium account of the Company will be reduced by €53.569.295 and will be set off against carried forward losses of the Company amounting to €53.569.295.
- That the balance of the share premium account of the Company will be reduced by €698.650 and that the said amount will be set off against any outstanding balances between the Company, Myrian Nes Ltd and Theandriion Estates Ltd related to the Redeemable Preference Class A Shares.

- That the authorised share capital of the Company, as well as the issued share capital of the Company each will be reduced, by the cancellation of 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 Ltd and the amount reduced will be set off against any outstanding balances between the Company, Myrian Nes Ltd and Theandrion Estates Ltd.
- That the articles of association of the Company will be amended by adding the following new Regulation 3.10 after Regulation 3.9:
“Subject to the provisions of the Law, the Company may purchase its own shares (including any redeemable shares).”

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 expired on 31 December 2019. Under this authority and following relevant Board resolution on 11/12/2019, the Company issued 1.920.961 ordinary shares of euro 0,01 each.
- 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. The Company did not issue any Class A Warrants under this authority.

30. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency to EUR of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where the Company's subsidiaries' functional currencies are not EUR. The Company had foreign exchange gains on translation due to presentation currency of €223.133 for 2019, in comparison to €421.086 relevant gains for 2018.

31. Non-Controlling Interests

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

%	Non-controlling interest portion	
	31 Dec 2019	31 Dec 2018
Group Company		
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

32. Borrowings

	Project	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<u>Principal of bank Loans</u>					
Bancpost SA	Blooming House	-	277.802	-	614.441
Alpha Bank Romania	Romfelt Plaza	-	51.594	-	191.723
Alpha Bank Romania	EOS Business Park	-	293.466	-	485.663
Bancpost SA	GreenLake – Parcel K	-	3.249.926	-	3.249.926
Alpha Bank Bulgaria	Boyana Residence	-	-	-	2.258.128
Alpha Bank Bulgaria	Boyana Residence (Sertland Loan)	-	666.468	-	666.474
Eurobank Ergasias SA	Victini Logistics	-	-	-	10.658.950
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten – SPDI RE	-	732.107	-	773.206
Loans from other 3 rd parties and related parties (Note 41.5)		382.455	177.686	387.683	177.473
Overdrafts		459	2.546	499	1.420
Total principal of bank and non-bank Loans		382.914	7.977.533	388.182	21.603.342
Interest accrued on bank loans		-	922.073	1	960.075
Interests accrued on non-bank loans		45.086	50.054	14.107	42.057
Total		428.000	8.949.660	402.290	22.605.474

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
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	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	420.751	3.451.833	22.034	1.652.875
Non-current portion	7.249	5.497.827	380.256	20.952.599
Total	428.000	8.949.660	402.290	22.605.474

32. Borrowings (continued)

Ketiza Real Estate Srl entered in 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 €277.802. The loan bears interest of EURIBOR 3M plus 3,5% and secured by all assets of Ketiza Real Estate Srl, as well as its shares and is being repaid through sales proceeds. The loan has been repaid in full during 2020.

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 €51.594, 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 in 2021.

Moselin Investments Srl entered in 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 in 2011 into a loan agreement with Alpha Bank Bulgaria for a construction loan related to the construction of the Boyana Residence project which finished in 2014. The loan bears interest of EURIBOR 3M plus 5,75%, secured through a mortgage over the property and a pledge over the company's shares, as well as those of Sertland Properties Limited. Boyana Residence ood was sold during 2019 (Note 20).

Sertland Properties Limited entered in 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 €666.468 and bears interest of EURIBOR 3M plus 5,75%. The loan has been agreed to be transferred to Arcona as part of the transaction of the sale of Boyana Residence ood in Bulgaria on 5 December 2019. The relevant agreement between Sertland, Arcona and Alpha Bank was signed in August 2020 when the transfer of the loan from Sertland to Arcona effectively enforced (Note20).

Victini Logistics Park S.A. entered in April 2015 into a loan agreement with EURO BANK SA to refinance the existing debt facility related to Victini Logistics asset. The loan bear 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. Victini Logistics Park S.A. was sold during 2019(Note 20).

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 €471.112 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. During September 2019, the company received a termination notice from Piraeus Bank in relation to this loan, and currently relevant discussions with the Bank are taking place for a mutual agreed solution.

N-E Real Estate Park First Phase Srl entered in 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 €293.466, 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 €732.107 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 under continued operations includes also loans from related parties provided as bridge financing for future property acquisitions (Note 41.5).

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 March 2020. The Company discusses with the Directors the extension of the loans until year end and relevant documentation process is currently in place.

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. 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.

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

33. 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 26 and 29.4) 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.

34. Trade and other payables

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

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	3.729.592	854.974	3.213.848	924.137
Payables to related parties (Note 41.2)	606.214	177	743.139	-
Deferred income from tenants	-	8.216	-	8.316
Accruals	99.744	151.899	94.905	150.324
Payables due for construction	-	-	-	417.826
Pre-sale advances (Advances received for sale of properties)	144.045	-	123.044	-
Total	4.579.595	1.015.266	4.174.936	1.500.603

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
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	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	4.579.595	1.007.050	4.174.936	1.074.460
Non-current portion	-	8.216	-	426.143
Total	4.579.595	1.015.266	4.174.936	1.500.603

Payables to third parties represents: a) payables due to Bluehouse Capital (under continued operations) as a result of the Redeemable Convertible Class B share redemption (Note 29.6) which is under legal proceedings for a final settlement (Note 42.4) , b) amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group, and c) guarantee amounts collected from tenants.

Payables to related parties under continued operations represent amounts due to directors and accrued management remuneration (Note 41.2). Payables to related parties under discontinued operations represent payables to non-controlling intetest shareholders.

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

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

Payables for construction represent amounts payable to the contractor of Bela Logistic Park in Odessa and Boyana asset in Sofia. The settlement for the former 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 (due to a sale of the asset) the Group would have to pay an additional UAH 5.400.000 (~USD 160.000) payable upon such event occurring. Due to the uncertainty of the payment period the latter amount had been discounted at current discount rates in Ukraine and used to be presented as a non-current liability. This amount was written off during 2019 as a result of the forthcoming disposal of the asset. Payables for construction related to Boyana asset, refers to an amount of ~€245.000 payable to the constructor of the project as part of the withholding of a Good Performance Guarantee. The amount has been written off during 2019 as a result of statute of limitations.

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.

35. Deposits from Tenants

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Deposits from tenants non-current	-	67.269	-	219.274
Total	-	67.269	-	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 (in 2018 only) and companies representing residential segment as advances/guarantees and are to be reimbursed to these clients at the expiration of the lease agreements.

36. Taxation

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax – non current	167.961	43.535	333.881	-
Defence tax – non current	28.130	15	28.129	15
Tax provision – non current	399.450	-	399.450	-
Corporate income tax - current	450.450	56.865	620.557	67.296
Other taxes including VAT payable - current	99.669	93.322	31.767	365.217
Provisions – current	43	22.826	43	66.002
Total Provisions and Taxes Payables	1.145.703	216.563	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 five years.

37. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €9.699.050 and the current portion of €385.420 (31 December 2018: €10.076.579 and €393.433, accordingly).

Discontinued operations

31 Dec 2019	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	44.2	861.304	475.884	385.420
Between two and five years	44.6	5.637.702	1.611.343	4.026.359
More than five years		6.053.782	381.375	5.672.407
		12.552.788	2.468.602	10.084.186
Accrued Interest				284
Total Finance Lease Liabilities (Note 9d)				10.084.470

31 Dec 2018	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	44.2 & 44.6	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 (Note 9d)				10.470.012

37.1 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 €54.195 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

37.2 Sale and Lease Back Agreements

A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the end of the reporting period the balance is €6.857.475, 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 and upon payment of the balloon Best Day Real Estate Srl will become owner of the asset.

37. Finance Lease Liabilities (continued)

37.2 Sale and Lease Back Agreements (continued)

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.

In late February 2017 the Group finally agreed and signed (following twelve months of discussions) an amended sale and lease back agreement with Piraeus Leasing Romania for Innovations Logistics Park in Bucharest, governing the allocation of the Nestle Romania, early termination fee of ~€1,6 million payable to SPDI.

B. EOS Business Park

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 €3.172.800 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 and upon payment of the balloon 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.

38. 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.

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

a. Weighted average number of ordinary shares

	31 Dec 2019	31 Dec 2018
Issued ordinary shares capital	129.191.442	127.270.481
Weighted average number of ordinary shares (Basic)	127.275.743	125.644.043
Diluted weighted average number of ordinary shares	127.275.743	125.644.043

b. Basic diluted and adjusted earnings per share

Earnings per share	31 Dec 2019	31 Dec 2018
	€	€
Loss after tax attributable to owners of the parent	(7.201.720)	(3.045.853)
Basic	(0,06)	(0,03)
Diluted	(0,06)	(0,03)

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

Earnings per share	31 Dec 2019	31 Dec 2018
	€	€
Loss after tax from discontinued operations attributable to owners of the parent	(4.846.634)	(699.271)
Basic	(0,04)	(0,01)
Diluted	(0,04)	(0,01)

d. Net assets per share

Net assets per share	31 Dec 2019	31 Dec 2018
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Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(442.62)
Finance income (Note 16)	-	-	-	-	-	-	474.5
Interest expenses (Note 16)	-	-	-	-	-	-	(119.52)
Other finance costs (Note 16)	-	-	-	-	-	-	(17.72)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(1.817.4)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(74.7)
Income tax expense (Note 18)	-	-	-	-	-	-	(36.3)
Exchange difference on I/C loan to foreign holdings (Note 17b)	-	-	-	-	-	-	66.5
Exchange difference on translation foreign holdings (Note 30)	-	-	-	-	-	-	223.1
Total Comprehensive Income	-	-	-	-	-	-	(6.867.23)

40. Segment information (continued)

Continued Operations

Profit and Loss for the year 2018

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14)	-	-	6.517.181	-	-	-	6.517.181
Cost of Property sold (Note 14)	-	-	(7.362.362)	-	-	-	(7.362.362)
Rental income (Note 10)	-	-	494.347	-	-	137.289*	631.636
Service charges and utilities income (Note 10)	-	-	-	-	-	9.534*	9.534
Service and Property Management income (Note 10)	-	-	-	-	-	128.293	128.293
Asset operating expenses (Note 11)	-	-	(116.770)	-	(1.549)	-	(118.319)
Profit from discontinued operation (Note 9)	934.156	1.377.516	68.206	(317.594)	(1.501.833)	-	560.451
Segment profit	934.156	1.377.516	(399.398)	(317.594)	(1.503.382)	275.116	366.414

Administration expenses (Note 12)	-	-	-	-	-	-	(1.768.847)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(31.716)
Finance income (Note 16)	-	-	-	-	-	-	686.183
Interest expenses (Note 16)	-	-	-	-	-	-	(329.412)
Other finance costs (Note 16)	-	-	-	-	-	-	(24.329)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(71.390)
Income tax expense (Note 18)	-	-	-	-	-	-	(613.034)
Profit from discontinued operations (Note 9)	-	-	-	-	-	-	(1.966.350)
Exchange difference on I/C loan to foreign holdings (Note 17b)	-	-	-	-	-	-	1.850
Exchange difference on translation foreign holdings (Note 30)	-	-	-	-	-	-	421.086
Total Comprehensive Income	-	-	-	-	-	-	(3.329.545)

* 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.

Loss for the year	-	-	-	-	-	-	(4.801.843)
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40. Segment information (continued)

Discontinued Operations

Profit and Loss for the year 2018

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14)	-	-	271.437	1.227.954	194.952	-	1.694.343
Cost of Property sold (Note 14)	-	-	(350.000)	(1.265.023)	(141.098)	-	(1.756.121)
Rental income (Note 10)	1.214.772	598.123	115.625	34.507	697	-	1.963.724
Service charges and utilities income (Note 10)	36.365	78.015	-	3.352	479	-	118.211

40. Segment information (continued)

Total Operations

Balance Sheet as at 31 December 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€		€
Assets							
Long-term receivables and prepayments	852	-	-	-	-	-	852
Financial Assets at FV through P&L	-	-	-	-	(4.395.456)	7.977.099	3.581.643
Assets held for sale	10.915.000	13.146.286	1.438.000	667.001	21.709.852	2.015.488	49.891.627
Segment assets	10.915.852	13.146.286	1.438.000	667.001	17.314.396	9.992.587	53.474.122

Tangible and intangible assets	-	-	-	-	-	-	566
Prepayments and other current assets	-	-	-	-	-	-	10.833.913
Cash and cash equivalents	-	-	-	-	-	-	207.251
Total assets	-	-	-	-	-	-	64.515.852
Liabilities associated with assets classified as held for disposal	6.921.741	3.518.711	930.730	281.399	7.448.818	1.231.829	20.333.228
Borrowings	7.248	-	-	-	459	420.293	428.000
Segment liabilities	6.928.989	3.518.711	930.730	281.399	7.449.277	1.652.122	20.761.228
Trade and other payables	-	-	-	-	-	-	4.579.595
Taxation	-	-	-	-	-	-	1.145.703
Bonds	-	-	-	-	-	-	1.190.603
Total liabilities	-	-	-	-	-	-	27.677.129

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

40. Segment information (continued)

Discontinued operations

Assets and Liabilities held for sale 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	10.600.000	7.766.000	1.438.000	667.000	21.709.852	-	42.180.852
Long-term receivables and prepayments	315.000	265	-	-	-	-	315.265
Investments in associates	-	5.380.021	-	-	-	-	5.380.021
Financial Asset at FV through OCI	-	-	-	1	-	-	1
Segment assets	10.915.000	13.146.286	1.438.000	667.001	21.709.852	-	47.876.139

Tangible and intangible assets	-	-	-	-	-	-	14.342
Prepayments and other current assets	-	-	-	-	-	-	1.470.772
Cash and cash equivalents	-	-	-	-	-	-	530.374
Total assets	-	-	-	-	-	-	49.891.627
Borrowings	36	345.911	930.730	278.360	7.394.623	-	8.949.660

40. Segment information (continued)

Geographical information

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
Income (Note 10)	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Ukraine	-	-	-	-
Romania	-	1.038.158	594.566	1.098.059
Greece	-	853.133	-	1.280.119
Bulgaria	-	417	-	697
Cyprus*	457.450	-	174.897	-
Total	457.450	1.891.708	769.463	2.378.875

* 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.

Loss from disposal of inventory (Note 14a)	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Bulgaria	-	-	-	(13.553)
Total	-	-	-	(13.553)

Gain/(loss) from disposal of investment properties (Note 14b)	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	(7.404)	(845.181)	(285.098)
Total	-	(7.404)	(845.181)	(285.098)

	31 Dec 2019	31 Dec 2019	31 Dec 2018	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	-	4.895.852	-	10.829.694
Romania	-	42.665.022	-	42.917.588
Greece	-	-	-	15.200.000
Bulgaria	-	-	-	8.834.044
Total	-	47.560.874	-	77.781.326

41. Related Party Transactions

The following transactions were carried out with related parties:

41.1 Income/ Expense

41.1.1 Income

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€		€	
Interest Income on loan to related parties	4.600	-	4.600	-
Interest Income from loan to associates	2.372	9.366	325	9.366
Total	6.972	9.366	4.925	9.366

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.

41. Related Party Transactions (continued)

41.1 Income/ Expense (continued)

41.1.2 Expenses

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration and incentives (Note 12)	646.309	-	391.359	-
Interest expenses on Narrowpeak loan (Note 16)	232	-	637	-
Interest expenses on Director Loans	30.417	-	38.444	-
Total	676.958	-	430.440	-

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.

41.2 Payables to related parties (Note 34)

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	364	-	80.776	
Grafton Properties	-	-	123.549	-
Secure Management Services Ltd	177	-	19.319	-
Management Remuneration	605.850	-	519.495	-
Total	606.391	-	743.139	-

41.2.1 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 receive their payment in shares of the Company. During 2018 the directors received 344.371 ordinary shares in lieu of their 2016 H1 remuneration amounting to GBP 120.530. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to EUR 73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to EUR 74.162,04 in lieu of their before H2 2016 fees.

41.2.2 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 pay 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, a total fee of USD 450.000. Part of this liability towards Grafton Properties (the representative of the Lenders), equal to USD 150.000, remained unpaid and eventually written off during 2019, because it was contingent on the Group raising USD 50m of capital in the markets, something that never took place.

41.2.3 Management Remuneration

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

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

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

Borrower	Limit -as at	Principal as at	Limit -as at	Principal as at
	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	€	€	€	€
LLC "Aisi Ukraine"	23.062.351	57.865	23.062.351	21.711

LLC "Almaz-Press-Ukraine"	8.236.554	263.330	8.236.554	189.938
LLC "Aisi Ilvo"	150.537	28.597	150.537	78.890
Total	31.449.442	349.792	31.449.442	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 €35.559, estimated on balances held at 31 December 2019.

41. Related Party Transactions (continued)

41.4 Loans to associates (Note 27)

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans to GreenLake Development Srl	8.700	292.208	8.374	282.842
Total	8.700	292.208	8.374	282.842

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.

41.5 Loans from related parties (Note 32)

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Narrowpeak Consultants	206	-	5.256	-
Loan from Directors	375.000	-	375.000	-
Interest accrued on loans from related parties	45.086	-	14.107	-
Total	420.292	-	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 March 2020. The Company and the Directors are discussing the extension of the loans until year end and relevant documentation process is currently in place.

42. Contingent Liabilities

42.1 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, 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 consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

42.2 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.

42.3 Bluehouse accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. (Bluehouse) filed in Cypriot courts in December 2018 lawsuit against the Company for the total amount of €5.042.421,87, in relation to the Praktiker Craiova acquisition in 2015, and the redemption of the Redeemable Preference Class A shares which were issued as part of the transaction to the vendor, plus special compensations of €2.500.000 associated with the related pledge agreement. The redemption of such shares was requested in 2016, and in lieu of such redemption the Company transferred to the vendor the 20% holding in Autounion asset which was used as a guarantee to the transaction for the effective redemption of the Redeemable Preference Class A shares. At the same time the Company has posted in its accounts a relevant payable provision for Bluehouse in the amount of €2.521.211 (Note 34). In addition, the Company during 2019, as part of the judicial process, has filed a claim against Bluehouse for concealing certain key information during the Praktiker Craiova transaction, which if revealed would have resulted in a significant reduction of the final acquisition price. Management believes the Company has good grounds of defence and valid arguments and the amount already provided is adequate to cover an eventual final settlement between the parties.

42. Contingent Liabilities (continued)

42.4 Other Litigation

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

42.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 31 December 2019.

43. Commitments

The Group had no other commitments as at 31 December 2019.

44. Financial Risk Management

44.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be able 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 32), bonds (Note 33), trade and other payables (Note 34) deposits from tenants (Note 35), financial leases (Note 37), taxes payable (Note 36) and equity attributable to ordinary or preferred shareholders.

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

44.2 Categories of Financial Instruments

	Note	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Financial Assets					
Cash at Bank	28	207.251	530.374	282.713	704.825
Long-term Receivables and prepayments	24	852	315.265	850	270.271
Financial Assets at FV through P&L	27	3.581.643	-		
Prepayments and other receivables	26	10.833.913	1.470.772	5.585.408	682.134
Financial Asset at FV through OCI	22	-	1	-	1
Total		14.623.6659	2.316.412	5.868.971	1.657.231
Financial Liabilities					
Borrowings	32	428.000	8.949.660	402.290	22.605.474
Trade and other payables	34	4.579.595	1.015.266	4.174.936	1.500.603
Deposits from tenants	35	-	67.269	-	219.274
Finance lease liabilities	37	-	10.084.470	-	10.470.012
Taxation	36	1.145.703	216.563	1.413.827	498.530
Bonds	33	1.190.603	-	1.122.470	-
Total		7.343.901	20.333.228	7.113.523	35.293.893

44.3 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.

44. Financial Risk Management (continued)

44.4 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 floating interest-bearing assets. On December 31st, 2019, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to €737.624,57 (2018: €987.537) of which approx. €153,9 in UAH and €518.883 in RON (Note 28) 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 €9.378.060 (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 31 December 2019 the weighted average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 4,07% (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 31 December 2019 is presented below:

	Actual as at 31.12.2019	+100 bps	+200 bps
Weighted average interest rate	4,07%	5,07%	6,07%
Influence on yearly finance costs		180.076	360.152

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

44.5 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. In respect of receivables from tenants these are kept to a minimum of 2 months and are monitored closely.

44.6 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.

44. Financial Risk Management (continued)

44.6 Liquidity Risk Management (continued)

Continued Operations

31 December 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	207.251	207.251	207.251	-	-
Prepayments and other receivables	10.833.913	10.833.913	10.833.913	-	-
Financial Assets at FV through P&L	3.581.643	3.581.643	3.581.643	-	-
Long-term Receivables and prepayments	852	852	-	-	852
Total Financial assets	14.623.659	14.623.659	14.622.807	-	852
Financial liabilities					
Borrowings	428.000	484.060	64.668	419.392	-

Trade and other payables	4.579.595	4.579.595	4.579.595		-
Bonds issued	1.190.603	1.661.001	223.961	67.200	1.369.841
Taxes payable and provisions	1.145.703	1.145.703	550.163	595.541	-
Total Financial liabilities	7.343.901	7.870.359	5.418.387	1.082.133	1.369.841
Total net assets/(liabilities)	7.279.758	6.753.300	9.204.420	(1.082.133)	(1.368.989)

Discontinued Operations

31 December 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	530.374	530.374	530.374	-	-
Prepayments and other receivables	1.470.772	1.470.772	1.470.772	-	-
Financial Asset at FV through OCI	1	1	1	-	-
Long-term Receivables and prepayments	315.265	315.265	-	-	315.265
Total Financial assets	2.316.412	2.316.412	2.001.147	-	315.265
Financial liabilities					
Borrowings	8.949.660	6.918.573	2.113.369	3.513.894	1.291.310
Trade and other payables	1.015.266	1.015.266	1.007.050	-	8.216
Deposits from tenants	67.269	67.269	-	-	67.269
Finance lease liabilities	10.084.470	12.552.787	861.304	912.841	10.778.642
Bonds issued	-	-	-	-	-
Taxation	216.563	216.563	173.012	43.551	-
Total Financial liabilities	20.333.228	20.770.458	4.154.735	4.470.286	12.145.437
Total net assets/(liabilities)	(18.016.816)	(18.454.046)	(2.153.588)	(4.470.286)	(11.830.172)

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
Taxation	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 assets/(liabilities)	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	704.825	704.825	704.825	-	-
Prepayments and other receivables	682.134	682.134	682.134	-	-
Financial Asset at FV through OCI	1	1	1	-	-
Long-term Receivables and prepayments	270.271	270.271	-	-	270.271
Total Financial assets	1.657.231	1.657.231	1.386.960	-	270.271
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 assets/(liabilities)	33.636.662	36.363.594	5.844.688	3.686.159	26.832.747

45. Events after the end of the reporting period

a) COVID-19 effects

As a result of Group's property operations being focused on the food and the telco sectors, the Group did not suffer any material adverse effects from the COVID-19 pandemic crisis which started during Q1 2020 and continues until the date of this report. All of the large/anchor tenants in Group's properties in Bucharest, including Favorit, a 3PL logistics operator servicing Carrefour; Danone, the

international food company; ANCOM, the Romanian Telecoms Regulatory Authority; and the supermarket chain Mega Image, have experienced little or no disruption from either the COVID-19 crisis or the lockdown in Romania.

However, like other companies all over the world, during the pandemic, SPDI has experienced both delayed payment receipts as well as general delays when interacting with associates who were/ are home bound, while carrying out its business activities. Moreover, the overall investment appetite for real estate has been affected by the ongoing crisis, and this will be reflected in Group's investment activities and future valuation exercises of its properties.

b) 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, and the completion of Stage 1 of the transaction in February 2020 with the sale of Boyana in Bulgaria, which followed the Ukrainian Bella and Balabino asset disposals in Q4 2019, the two parties have been engaged in extensive discussions for formulating and agreeing the specific terms of Stage 2 of the transaction which involves EOS and Delenco assets in Romania, and Kiyanovskiy and Tsymlyanskiy land plots in Ukraine.

Despite the problems and the slow progression of the discussions during the pandemic which affected all related participants in all jurisdictions of the two parties (Holland, Czech Republic, Ukraine, Romania, Cyprus, UK), provided that final agreements are reached, signing and closing of Stage 2 is expected close to year end subject to COVID-19 effects.

c) Closing of Boyana transaction with Arcona

As part of the closing of the sale of Boyana to Arcona in 2019, the 315.591 Arcona shares and the 77.201 warrants over Arcona shares that served as consideration of the transaction, held initially in escrow, agreed to be released upon agreement of the extension terms of the associated loans. The consideration shares and warrants were in such escrow as at the end of the period and released effectively in February 2020 when the transaction closed successfully. Moreover, as part of the transaction, the parties agreed the transfer of an Alpha Bank loan of EUR 0,77m at the level of Sertland to Arcona. The loan was transferred successfully during August 2020.

d) Loan from a third party

During Q2 2020 the Company received a short term loan from an unrelated third party, of an amount of € 500.000 at 10% interest, with the purpose of funding operating needs. The loan is payable within 2020, following the re-payment of the Sellers Loan that the Company has granted as part of the sale of Boyana Residences to Arcona.

45. Events after the end of the reporting period (continued)

e) Blooming House loan re-payment

Following cash proceeds from apartment sales during H1 2020, Ketiza Real Estate Srl re-paid fully the loan with Eurobank, used to finance the acquisition and construction of Blooming House asset, therefore being able to utilize freely the proceeds from the remaining three units.

