

30 September 2021

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

### **Half Year Report**

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its unaudited half year report for the period to 30 June 2021.

#### **Financial Overview**

- Net income from continuing operations increased by 64% during H1 2021 to €657,443 (H1 2020: €399,986) due to increased management services to third parties
- EBITDA of €145,928 (H1 2020: loss of €264,101) from continuing operations
- EBITDA from total operations increased to €501,194 (H1 2020: €196,915)
- Pre-tax profit of €287,631 (H1 2020: loss of €369,014)

#### **Corporate Overview**

*The Company maintains its strategy to maximise value for shareholders through continued discussions with Arcona on the contribution of SDPI's property portfolio*

*Significant asset backing behind the Company:*

- NAV per share stood at 15.7p a share as at 30 June 2021 – more than 125% higher than the current share price
- Discussions continue with the Arcona Property Fund N.V (Arcona) in relation to the conditional agreement for the contribution of the Group's properties – Stage 2 agreements signed in June 2021, with closing still expected to take place in H2 2021

#### **Lambros G. Anagnostopoulos, Chief Executive Officer, said,**

"When set against a recovering market, impacted by the effects of COVID-19, we are delighted to report a strong improvement in our trading performance. The group continues to own and manage a valuable property portfolio in South Eastern Europe which is predominantly let to blue chip tenants on long and recently renewed leases.

"With all our income generating properties now based in Romania we are pleased to see a continued growing economy in the country. Despite the recent uptick, we continue to remain frustrated at the large discount SDPI shares trade at and look forward to updating our shareholders on our progress with Arcona."

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

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union(Withdrawal) Act 2018.

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

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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.

## **Management Report**

### **1.1 Corporate Overview and 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 H1 2021, management, in line with the Company's strategy to maximise value for shareholders, continued the discussions with Arcona Property Fund N.V ('Arcona') in relation to the conditional implementation agreement for the sale of the Company's property portfolio, excluding its Greek logistics property (which has now also separately been sold), in an all-share transaction to Arcona, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona currently holds high yielding real estate investments in the Czech Republic, Poland and Slovakia, with the transaction valuing the SPDI assets NAV at c.€29m, significantly higher than the current market value of the Company as a whole.

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

Following the completion of Stage 1 of the transaction in 2019, which involved the sale of two land plots in Ukraine and residential and land assets in Bulgaria and resulted in the Company receiving a total of 595,534 Arcona shares and 144,264 warrants over Arcona shares, in June 2021 the two parties signed SPA agreements for Stage 2 of the Arcona transaction. This stage involves the transfer of the EOS and Delenco assets in Romania and the Kiyanovskiy and Rozny land plots in Ukraine of a total net value of €8,2 million, in exchange for approximately 605,000 new ordinary shares in Arcona and approximately 145,000 warrants over shares in Arcona, as well as €1m in cash, subject to, inter alia, standard form adjustment and finalisation in accordance with the relevant agreements. Stage 2 is likely to be dependent on shareholder approval, and is expected to close in 2021 at which point the Company will be issued the relevant shares in Arcona and the warrants.

Net income from continuing and discontinued operations increased by 30% during H1 2021, due to an increase in third party management fees.

Overall, the administration expenses, adjusted by the one-off costs associated with non-recurring tasks, decreased by 15,7%, and as a result recurring EBITDA increased to €0,5m compared to €0,2m in H1 2020. Finance costs remained at the same levels leading to an overall increase in operating result after finance and taxes to €0,25m as compared to losses of €0,06m in the comparative period.

The table below represents the operating performance for H1 2021 compared to H1 2020.

EUR	H1 2021			H1 2020		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Asset Management fees	657.443	530.033	<b>1.187.476</b>	399.986	513.533	<b>913.519</b>
<b>Income from Operations</b>	<b>657.443</b>	<b>530.033</b>	<b>1.187.476</b>	<b>399.986</b>	<b>513.533</b>	<b>913.519</b>
Asset operating expenses	-	(256.068)	<b>(256.068)</b>	-	(193.889)	<b>(193.889)</b>
<b>Net Operating Income</b>	<b>657.443</b>	<b>273.965</b>	<b>931.408</b>	<b>399.986</b>	<b>319.644</b>	<b>719.630</b>
Share of profits from associates	-	194.863	<b>194.863</b>	-	218.862	<b>218.862</b>
<b>Net Operating Income from Investments</b>	<b>657.443</b>	<b>468.828</b>	<b>1.126.271</b>	<b>399.986</b>	<b>538.506</b>	<b>938.492</b>
Administration expenses	(511.515)	(113.562)	<b>(625.077)</b>	(664.087)	(77.490)	<b>(741.577)</b>
<b>Operating Result (EBITDA)</b>	<b>145.928</b>	<b>355.266</b>	<b>501.194</b>	<b>(264.101)</b>	<b>461.016</b>	<b>196.915</b>
Finance Cost, net	148.316	(382.276)	<b>(233.960)</b>	203.979	(441.396)	<b>(237.417)</b>
Income tax expense	(124)	(17.849)	<b>(17.973)</b>	(81)	(23.452)	<b>(23.533)</b>
<b>Operating Result after Finance and Tax Expenses</b>	<b>294.120</b>	<b>(44.859)</b>	<b>249.261</b>	<b>(60.203)</b>	<b>(3.832)</b>	<b>(64.035)</b>
Other income / (expenses), net	3.524	(107.144)	<b>(103.620)</b>	34.305	48	<b>34.353</b>

Oneoff costs associated with non-recurring tasks*	(42.015)	-	<b>(42.015)</b>	(16.750)	-	<b>(16.750)</b>
Fair value adjustments from Investment Properties	-	250.201	<b>250.201</b>	-	996.297	<b>996.297</b>
Net gain/(loss) on disposal of investment property	-	294.514	<b>294.514</b>	-	1.199	<b>1.199</b>
Impairment of financial investments	79.284	-	<b>79.284</b>	(284.404)	-	<b>(284.404)</b>
Foreign exchange differences, net	(47.406)	(157.942)	<b>(205.348)</b>	(42.043)	(132.904)	<b>(174.947)</b>
<b>Result for the year</b>	<b>287.507</b>	<b>234.770</b>	<b>522.277</b>	<b>(369.095)</b>	<b>860.808</b>	<b>491.713</b>
Exchange difference on I/C loans to foreign holdings	-	-	-	-	(42.638)	<b>(42.638)</b>
Exchange difference on translation due to presentation currency	-	(565.479)	<b>(565.479)</b>	-	(1.176.630)	<b>(1.176.630)</b>
<b>Total Comprehensive Income for the year</b>	<b>287.507</b>	<b>(330.709)</b>	<b>(43.202)</b>	<b>(369.094)</b>	<b>(358.460)</b>	<b>(727.554)</b>

\* Arcona transaction, Change of share custody position due to Brexit, Strike off companies

## 2. Regional Economic Developments

The Romanian economy is recovering faster than expected following the 3,9% contraction in 2020 due to the impact of the COVID-19 pandemic. GDP is now expected to grow in a 5-7% range on an annual basis as estimated by both government and analysts. Retail sales and construction works drive such recovery with an increase of c.14% and c.6% respectively. The unemployment rate has not experienced significant changes during H1 2021, standing at 5,6%, although the progress of the domestic vaccination program, as well as the relaxation of global mobility restrictions, are expected to have a positive impact on unemployment. Nonetheless, the public deficit is expected to continue to sense the effects of the pandemic crisis, with an even higher deficit - forecast, at minus 11,3%.

The Government continues to provide fiscal stimulus in response to the COVID-19 crisis. The strength of the recovery will depend on the success of the COVID-19 vaccine rollout and the policy response to the health crisis, as well as on developments in the EU. Regarding the expected economic boost through the national recovery and resilience plan established by the European Commission, Romania expects approval for almost €30 billion in the second half of the year.

The Ukraine economy contracted 4% in 2020 due to the effects of the pandemic, although improved macroeconomical management proved an asset in the crisis, helping the country to maintain economic stability. During H1 2021 the economy is set to return to growth and relevant forecasts set GDP growth at 3,5%. Industrial production was up 1,5% year-on-year and retail trade grew 14% year-on-year, while exports and imports increased by 12% and 11% respectively.

Inflation has been accelerating in 2021 on the back of rising food prices, reaching 9,5% year-on-year. The increase in prices prompted the National Bank of Ukraine to raise its key policy rate twice, to 7,5%, in April 2021.

Major risks associated with the recovery of the Ukrainian economy are the country's slow progress on the reform program which was disrupted by the pandemic, when government policy was re-

directed from structural reforms to ad-hoc measures, as well as the successful rollout of the ongoing vaccination program.

### **3. Real Estate Market Developments**

#### **3.1 Romania**

In H1 2021 the total volume invested in real estate in Romania reached c.€300 million, a 23% decrease compared to H1 2020, as some important transactions have been postponed for the second half of the year. The most active segment was the office sector representing 65% of the total investment volume, with the industrial segment representing 24% and the remaining 11% split between the retail and hospitality sectors.

Romania still has some of the most attractive yields in the EU, which are forecast to remain stable in 2021 for standard properties, while a compression is expected with regard to premium properties in prime locations which attract the interest of the majority of investors.

Industrial and logistics prime stock in Romania reached approximately 5,4 million m<sup>2</sup> at the end of H1 2021, with almost half a million square metres being new projects which entered the market. Bucharest continues to be the largest industrial/logistics hub in the country, gathering 2,7 million m<sup>2</sup> and most of the interest for future expansion. Prime yields are at 8% with a decreasing trend, while the vacancy rate for the modern industrial/ logistics assets stands at c.5,5%.

During 2021 46,000 m<sup>2</sup> of gross leasable area of office space was delivered, so that at the end of the period the Bucharest modern office stock has reached 3 million m<sup>2</sup> of space, out of which more than half, respectively 63%, being Class A. Average vacancy rates stand at 12,2% which is slightly lower than at the end of 2020. Prime yields stand at 7,15% with a stable trend, although the market monitors closely developments related to the pandemic and possible changes this might bring to general working conditions.

Sales of residential units in Romania are expected to continue to be strong in 2021 following the substantial increase in 2020 of 8,2%. Residential units in Bucharest cost around €1.480 per m<sup>2</sup>, while prices of more than €1.000 per m<sup>2</sup> are also achieved in regional cities such as Timisoara, Brasov and Constanta. Despite the devaluation of Romanian Ron against the Euro and the introduction of the consumer credit reference Index (IRCC), replacing ROBOR for consumer loans in Romania, demand has been robust and is expected to continue to remain so. It is estimated that the annual increase of sales volume will be at the same as last year's levels.

#### **3.2 Ukraine**

Real estate investment in Ukraine continues in H1 2021 to be weak, mainly due to the COVID-19 pandemic impact, and the lack of financing which does not favour relevant investment activity. The continued political uncertainty due to the tension with Russia increases the associated risk, but despite this, the market continues to operate. On the other hand, the recent change in the legislation regarding the increase of support to large investors, passed successfully during December 2020, is expected to incentivise real estate investors once the pandemic retreats and Ukraine returns to normality. The new law exempts large investors from income tax, value-added tax, import duty on

new equipment and its components, and provides financial support in the construction of infrastructure relevant to investment projects.

With regard to the Ukrainian land market, due to a lack of finance, many potential investors are placing unfinished projects in the market. However, particularly in Kiev, there is a 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, a trend which stopped in 2020 mainly due to the effects of the COVID-19 pandemic. Assuming continued economic recovery in 2021, a gradual rebound in demand is anticipated by the end of the year.

#### **4. Property Assets**

##### **4.1 EOS Business Park – Danone Headquarters, Romania**

The park consists of 5,000 m<sup>2</sup> of land including a class “A” office building of 3.386 m<sup>2</sup> 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 part of Stage 2 of the Arcona transaction and the relevant SPA for its disposal has already been signed in June 2021 with closing expected to be within H2 2021.

##### **4.2 Delenco office building, Romania**

The property is a 10.280 m<sup>2</sup> office building, which consists of two underground levels, a ground floor and ten above-ground floors. The building is strategically located in the very centre of Bucharest, close to three main squares of the City: Unirii, Alba Iulia and Muncii, only 300m from the metro station.

The Company acquired 24,35% of the property in May 2015. As at 30 June 2021, the building is 99% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (81% of GLA). The asset is part of Stage 2 of the Arcona transaction and the relevant SPA for its disposal has already been signed in June 2021 with closing to be expected within H2 2021.

##### **4.3 Innovations Logistics Park, Romania**

The park incorporates approximately 8,470 m<sup>2</sup> of multipurpose warehousing space, 6,395 m<sup>2</sup> of cold storage and 1,705 m<sup>2</sup> of office space. It is located in the area of Clinceni, south west of Bucharest centre, 200m from the city’s ring road and 6km from the 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 m<sup>2</sup> of ambient space in the warehouse which expired during April 2018 without being extended. During Q1 2019, the Company signed a lease agreement with Favorit Business Srl for 3,000 m<sup>2</sup> of cold storage space, 506 m<sup>2</sup> of ambient storage space, and 440 m<sup>2</sup> of office space. In Q2 2019 the Company agreed with Favorit Business Srl a lease of an extra 3,000 m<sup>2</sup> of cold storage space, and an extra 210 m<sup>2</sup> of office space to accommodate their new business line which involves Carrefour as its end user. Moreover, since 2019 the Company signed short term lease agreements for 2,000-3,000 m<sup>2</sup> of ambient storage space with Chipita Romania Srl, one of the fastest growing regional food companies. As at the end of the current period, the terminal was 89% leased. The asset is planned to be part of Stage 3 of the Arcona transaction.

#### **4.4 Kindergarten, Romania**

Situated on the GreenLake compound on the banks of Grivita Lake, a standalone building on the ground and first floor is used as a nursery by one of the Bucharest's leading private schools. The building is erected on a 1,428.59 m<sup>2</sup> plot with a total gross area of 1,198 m<sup>2</sup>.

The property is 100% leased to the International School for Primary Education until 2032. The Company has signed a pre-agreement for the sale of the asset to one of its partners in the Green Lake project, honouring certain commitments made in the past.

#### **4.5 Residential Portfolio**

- 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 with the Company which acquired Monaco's loan, the SPV holding the Monaco units entered insolvency in 2019 in order to protect itself from its creditors. During 2019, based on regulatory procedures for disposing of assets held by the debtor, and upon agreement of all parties and the judicial administrators approval, 5 units were sold. During 2020 another 12 units were sold and as a result the relevant loan has been fully repaid. Currently, the SPV has exited insolvency status and the Company is in the process of re-gaining full control. At the end of the period, 3 apartments were available.

- Blooming House, Bucharest, Romania

Blooming House is a residential development project located in Bucharest, Sector 3, a residential area within the biggest development and property value growth area in Bucharest, offering a number of

supporting facilities such as access to Vitan Mall, kindergartens, cafés, schools and public transportation (both bus and tram).

During H1 2021, the last available unit of the complex was sold.

- Greenlake, Bucharest, Romania

A residential compound of 40,500 m<sup>2</sup> gross building area, 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 metre 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 m<sup>2</sup>. SPDI owns c. 43% of this property asset portfolio.

During H1 2021, 12 apartments and villas were sold while at the end of the period 15 units remained unsold. The asset is planned to be part of Stage 3 of the Arcona transaction.

- Romfelt Plaza (Doamna Ghica), Bucharest, Romania

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

During 2020 the last unit was sold.

#### **4.6 Land Assets**

- Kiyanovskiy Residence – Kiev, Ukraine

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

The asset is part of Stage 2 of the Arcona transaction and the relevant SPA for its disposal has already been signed in June 2021 with closing to be expected within H2 2021.

- Tsymlyanskiy Residence – Kiev, Ukraine

The 0,36 hectare 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%.

- Rozny Lane – Kiev Oblast, Kiev, Ukraine

The 42 hectare land plot located in Kiev Oblast is destined to be developed as a residential complex.



Following a protracted legal battle, it has been registered under the Company pursuant to a legal decision in July 2015.

The asset is part of Stage 2 of the Arcona transaction and the relevant SPA for its disposal has already been signed in June 2021 with closing to be expected within H2 2021.

## UNAUDITED CONDENSED CONSOLIDATED

### INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Note	30 June 2021 €	30 June 2020 €
<b>Continued Operations</b>			
Income	10	657.443	399.986
<b>Net Operating Income</b>		<b>657.443</b>	<b>399.986</b>
Administration expenses	12	(553.530)	(680.837)
Other operating income/(expenses), net	15	3.524	34.305
Impairment of financial investments	26	79.284	(284.404)
<b>Operating profit/(Loss)</b>		<b>186.721</b>	<b>(530.950)</b>
Finance income	16	254.819	260.543
Finance costs	16	(106.503)	(56.564)
<b>Profit/ (Loss) before tax and foreign exchange differences</b>		<b>335.037</b>	<b>(326.971)</b>
Foreign exchange (loss), net	17a	(47.406)	(42.043)
<b>Profit/ (Loss) before tax</b>		<b>287.631</b>	<b>(369.014)</b>
Income tax expense	18	(124)	(81)
<b>Profit/ (Loss) for the period from continuing operations</b>		<b>287.507</b>	<b>(369.095)</b>
Profit/(Loss) from discontinued operations	9b	234.770	860.808
<b>Profit/(Loss) for the period</b>		<b>522.277</b>	<b>491.713</b>
<b>Other comprehensive income</b>			
Exchange difference on I/C loans to foreign holdings	17b	-	(42.638)
Exchange difference on translation of foreign operations	29	(565.479)	(1.176.630)
<b>Total comprehensive income for the period</b>		<b>(43.202)</b>	<b>(727.555)</b>
<b>Profit/ (Loss) for the period from continued operations attributable to:</b>			
Owners of the parent		287.507	(369.095)
Non-controlling interests		-	-
		<b>287.507</b>	<b>(369.095)</b>
<b>Profit/(Loss) for the period from discontinued operations attributable to:</b>			
Owners of the parent		146.385	962.448
Non-controlling interests		88.385	(101.640)
		<b>234.770</b>	<b>860.808</b>
<b>Profit/(Loss) for the period attributable to:</b>			
Owners of the parent		433.892	593.353
Non-controlling interests		88.385	(101.640)
		<b>522.277</b>	<b>491.713</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		(189.974)	(638.119)
Non-controlling interests		146.772	(89.436)
		<b>(43.202)</b>	<b>(727.555)</b>
<b>Earnings/(losses) per share (Euro per share):</b>	37b,c		

Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent	0,002	(0,003)
Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent	0,002	(0,003)
Basic earnings for the period from discontinued operations attributable to ordinary equity owners of the parent	0,001	0,007
Diluted earnings for the period from discontinued operations attributable to ordinary equity owners of the parent	0,001	0,007

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2021

	Note	30 June 2021 €	31 December 2020 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible and intangible assets	23	1.632	2.859
Financial Assets at FV through P&L	26	6.866.528	6.787.244
Long-term receivables and prepayments	24	826	836
		<b>6.868.986</b>	<b>6.790.939</b>
<b>Current assets</b>			
Prepayments and other current assets	25	5.887.259	6.880.076
Cash and cash equivalents	27	74.294	129.859
		<b>5.961.553</b>	<b>7.009.935</b>
Assets classified as held for sale	9d	40.201.063	41.791.409
<b>Total assets</b>		<b>53.031.602</b>	<b>55.592.283</b>
<b>EQUITY AND LIABILITIES</b>			
Issued share capital	28	1.291.281	1.291.281
Share premium		72.107.265	72.107.265
Foreign currency translation reserve	29	8.330.560	8.954.426
Exchange difference on I/C loans to foreign holdings	39.3	(211.199)	(211.199)
Accumulated losses		(57.994.908)	(58.428.800)
<b>Equity attributable to equity holders of the parent</b>		<b>23.522.999</b>	<b>23.712.973</b>
Non-controlling interests	30	6.067.925	5.921.153
<b>Total equity</b>		<b>29.590.924</b>	<b>29.634.126</b>
<b>Non-current liabilities</b>			
Borrowings	31	136.560	95.977
Bonds issued	32	1.033.842	1.033.842
Taxation	35	612.237	663.062
		<b>1.782.639</b>	<b>1.792.881</b>
<b>Current liabilities</b>			
Borrowings	31	1.577.500	2.054.400
Bonds issued	32	258.869	225.081
Trade and other payables	33	4.001.124	4.036.962
Tax payable and provisions	35	611.958	620.365
		<b>6.449.451</b>	<b>6.936.808</b>
Liabilities directly associated with assets classified as held for sale	9d	15.208.588	17.228.468
		<b>21.658.039</b>	<b>24.165.276</b>
<b>Total liabilities</b>		<b>23.440.678</b>	<b>25.958.157</b>
<b>Total equity and liabilities</b>		<b>53.031.602</b>	<b>55.592.283</b>
<b>Net Asset Value (NAV) € per share:</b>			
	37d		
Basic NAV attributable to equity holders of the parent		0,18	0,18
Diluted NAV attributable to equity holders of the parent		0,18	0,18

On 29 September 2021 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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company							Non-controlling interest	Total
	Share capital	Share premium, Net <sup>1</sup>	Accumulated losses, net of non-controlling interest <sup>2</sup>	Exchange difference on I/C loans to foreign holdings <sup>3</sup>	Foreign currency translation reserve <sup>4</sup>	Total	Total		
	€	€	€	€	€	€	€		
<b>Balance 1 January 2020</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(54.088.934)</b>	<b>(149.263)</b>	<b>10.232.119</b>	<b>29.392.468</b>	<b>7.446.255</b>	<b>36.838.723</b>	
Loss for the year	-	-	775.943	-	-	775.943	(101.640)	674.303	
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	(42.640)	-	(42.640)	-	(42.640)	
Foreign currency translation reserve	-	-	-	-	(1.087.654)	(1.087.654)	(88.976)	(1.176.630)	
<b>Balance 30 June 2020</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(53.312.991)</b>	<b>(191.903)</b>	<b>9.144.465</b>	<b>29.038.117</b>	<b>7.255.639</b>	<b>36.293.756</b>	
Loss for the year	-	-	(5.115.809)	-	-	(5.115.809)	(1.309.000)	(6.424.809)	
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	(19.296)	-	(19.296)	-	(19.296)	
Foreign currency translation reserve	-	-	-	-	(190.039)	(190.039)	(25.486)	(215.525)	
<b>Balance 31 December 2020</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(58.428.800)</b>	<b>(211.199)</b>	<b>8.954.426</b>	<b>23.712.973</b>	<b>5.921.153</b>	<b>29.634.126</b>	
Loss for the year	-	-	433.892	-	-	433.892	88.385	522.277	
Foreign currency translation reserve	-	-	-	-	(623.866)	(623.866)	58.387	(565.479)	
<b>Balance 30 June 2021</b>	<b>1.291.281</b>	<b>72.107.265</b>	<b>(57.994.908)</b>	<b>(211.199)</b>	<b>8.330.560</b>	<b>23.522.999</b>	<b>6.067.925</b>	<b>29.590.924</b>	

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

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

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

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

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	30 June 2021 €	30 June 2020 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax and non-controlling interests-continued operations		287.631	(369.014)
Profit/(Loss) before tax and non-controlling interests-discontinued operations	9b	252.619	884.260
<b>Profit/(Loss) before tax and non-controlling interests</b>		<b>540.250</b>	<b>515.246</b>
Adjustments for:			
(Gains)/losses on revaluation of investment property	13	(250.201)	(996.297)
Net gain/loss on disposal of investment properties	14	(294.514)	(1.199)
Accounts payable written off	15	(5.464)	(95)
Depreciation/ Amortisation charge	12	738	3.620
Finance income	16	(259.464)	(265.213)
Interest expense	16	489.012	498.075
Share of profit from associates	21	(194.863)	(218.862)
Fair value change on financial investment	26	(79.284)	-
Effect of foreign exchange differences	17a	205.348	174.947
<b>Cash flows from/(used in) operations before working capital changes</b>		<b>151.558</b>	<b>(289.778)</b>
Change in prepayments and other current assets	25	318.743	(108.143)
Change in trade and other payables	33	(77.966)	(112.182)
Change in VAT and other taxes receivable	25	8.471	(10.543)
Change in other taxes payables	35	55.785	22.346
Change in provisions	35	(337)	71.091
Change in deposits from tenants	34	-	(898)
<b>Cash generated from operations</b>		<b>456.254</b>	<b>(428.107)</b>
Income tax paid		(103.989)	(83.149)
<b>Net cash flows provided/(used) in operating activities</b>		<b>352.265</b>	<b>(511.256)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales proceeds from disposal of investment property	14	2.126.423	744.052
Interest received	25	139.683	180.000
(Increase)/Decrease in long term receivable	23	(149.990)	15
<b>Net cash flows from / (used in) investing activities</b>		<b>2.116.116</b>	<b>924.067</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank and non-bank loans	31	-	550.000
Repayment of principle amount of borrowings		(2.404.265)	(459.567)
Interest and financial charges paid		(108.521)	(145.544)
Decrease in financial lease liabilities	36	(197.489)	(286.995)
<b>Net cash flows from / (used in) financing activities</b>		<b>(2.710.275)</b>	<b>(342.106)</b>
<b>Net increase/(decrease) in cash at banks</b>		<b>(241.894)</b>	<b>70.705</b>
Cash:			
At beginning of the period		841.868	771.163
<b>At end of the period</b>	27	<b>599.974</b>	<b>841.868</b>

# Notes to the Condensed Consolidated Interim Financial Statements

## For the six months ended 30 June 2021

### 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:SPDI) with ISIN of 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 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, commercialising, operating and selling of property assets in the Region.

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

As at the reporting date, the companies of the Group employed and/or used the services of 15 full time equivalent people, (2020: 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 IFRS 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 a certain conditional agreement signed in December 2018 with Arcona Property Fund N.V for the sale of the 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).

### 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 made effective for the accounting period beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Significant accounting policies

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

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

#### 4.1 Basis of consolidation

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

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises 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 recognised 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 recognised 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 recognised 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 recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised 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 unrealised gains on transactions between group companies are eliminated. Unrealised 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 recognised 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

#### **4.2 Functional and presentation currency**

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

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

As Management records the consolidated financial information of the entities domiciled in Cyprus, Romania, Ukraine, 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 for the period			Closing as at		
	1 Jan 2021 - 30 June 2021	1 Jan 2020 - 31 Dec 2020	1 Jan 2020 - 30 June 2020	30 June 2021	31 December 2020	30 June 2020
USD	1,2053	1,1422	1,1020	1,1884	1,2270	1,1198
UAH	33,4936	30,8013	28,6031	32,3018	34,7396	29,9500

RON	4,900	4,8371	4,8163	4,9267	4,8694	4,8423
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### 4.3 Discontinued operations

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

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

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

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

### 4.4 Investment Property at fair value

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

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

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

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

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

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 derecognised 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 recognised in the consolidated statement of comprehensive income in the period of retirement or disposal.

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

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

#### Subsequent measurement

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

If a valuation obtained for an investment property held under a lease is net of all payments expected to be made, any related



liabilities/assets recognized separately in the statement of financial position are added back/reduced to arrive at the carrying value of the investment property for accounting purposes.

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

#### Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same the period ending 30 June 2021:

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

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

"Market Value" is defined as: "The estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arms 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 capitalised 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 capitalised into perpetuity.

The capitalisation 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 the Ukraine.

#### 4.5 Goodwill

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

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

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

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

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

Property, plant and equipment and intangible non-current assets are stated at historical cost less accumulated depreciation and amortisation 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 capitalised 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 amortisation 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 derecognised 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 recognised in the statement of comprehensive income.

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

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

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

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

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

#### **4.9 Financial Instruments**

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

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

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

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

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

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

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

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

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

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

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

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

###### ***Financial assets – Business model assessment:***

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

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

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

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

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

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

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

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

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

***Financial assets – Subsequent measurement and gains and losses:***

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

***Financial assets at amortised cost***

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

***Debt investments at FVOCI***

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

***Equity investments at FVOCI***

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

**4.9.3 Derecognition**

***Financial assets***

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

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

***Financial liabilities***

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

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

**4.9.4 Offsetting**

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

**4.9.5 Derivative financial instruments and hedge accounting**

***Derivative financial instruments and hedge accounting –***

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

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

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

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

### **Cash flow hedges**

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

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

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

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

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

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

### **Net investment hedges**

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

### **4.10 Leases**

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

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

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

### **The Company as lessor**

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

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

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

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

### **The Company as lessee**

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

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

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

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

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

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

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

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

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

### **Short term leases and leases of low value assets**

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

### **4.11 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the 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 capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised 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 capitalised 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, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

#### **4.12 Tenant security deposits**

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

#### **4.13 Impairment of tangible and intangible assets other than goodwill**

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss account, 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 recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **4.14 Share Capital**

Ordinary shares are classified as equity.

#### **4.15 Share premium**

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

#### **4.16 Share-based compensation**

The Group had in the past and intends in the future to operate a number of equity-settled, share-based compensation plans, under which the Group receives services from Directors and/or employees as consideration for equity instruments (options) of the Group. The fair value of the Director and employee cost related to services received in exchange for the grant of the options is recognised 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 recognised 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 recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

#### **4.17 Provisions**

Provisions are recognised 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 recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **4.18 Non-current liabilities**

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

#### **4.19 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. It is recognised 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 recognised on the following bases:

##### 4.19.1 Income from investing activities

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

##### 4.19.2 Dividend income

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

##### 4.19.3 Interest income

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

##### 4.19.4 Rental income

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

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

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

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

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

#### **4.22 Borrowing costs**

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

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

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

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

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

#### **4.24 Taxation**

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

##### 4.24.1 Current tax



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

#### 4.24.2 Deferred tax

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

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

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

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

Current and deferred tax are recognised in the statement of comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 the Ukraine and Romania, while the Parent and some holding companies are incorporated in Cyprus. The Group's management and control is exercised in Cyprus.

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

#### 4.24.4 Withholding Tax

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

#### 4.24.5 Dividend distribution

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

### **4.25 Value added tax**

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

- 20% on Ukrainian domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside the 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 the export of goods and provision of works or services to be used outside Romania.

### **4.26 Operating segments analysis**

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

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

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

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

#### 4.27 Earnings and Net Assets value per share

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

Basic EPS amounts are calculated by dividing net profit/loss for the year, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Basic NAV amounts are calculated by dividing net asset value as at the 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 the year end, attributable to ordinary equity holders of the parent with the number of ordinary shares outstanding at year end plus the number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

#### 4.28 Comparative Period

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

### 5. New accounting pronouncement

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

### 6. Critical accounting estimates and judgments

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

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

- **Provision for impairment of receivables**

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the counterparties 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 the profit and loss account. 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 judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. For the current period, the Group has used the same fair values as those determined for 31 December 2020 (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 recognises 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 recognised 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 the Ukraine, Greece and Romania. Management estimates that the assets will be realised 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**

Ukraine continues to limit its economic ties with Russia demonstrating refocus on the European Union market, and realising the potential of established Deep and Comprehensive Free Trade Area ("DCFTA") with EU, thus effectively responding to mutual trade restrictions between Ukraine and Russia. At the same time long-standing tensions between the two countries have flared up again, although a general conflict is highly unlikely.

The economy has performed better than anticipated during the pandemic, when GDP contracted by 4% in 2020, mainly due to better macroeconomic conditions, and is expected to recover gradually with economic output returning to 2019 levels in 2022. The main concern is whether the government's commitment and focus to structural reforms will continue, as relevant wavering has been observed recently.

##### **7.1.1.2 Romania**

After a milder than anticipated decline in 2020, Romania's economy is set to recover from the COVID-19 crisis and return to pre-crisis levels of economic activity before the end of 2021. Nevertheless, uncertainty remains high given the unpredictable evolution of the pandemic and the slow deployment of the domestic vaccination roll-out.

Romania is set to receive significant amounts of EU funds, which, if absorbed effectively, will be crucial for boosting investment and protect local vulnerable households and businesses. On a more general context, the development of digital infrastructure and the reduction of regulatory barriers to competition are deemed essential to help the economy achieve sustainable 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.

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

#### 7.1.7 Capital risk management

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

#### 7.1.8 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of each country in which 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 minimise the effects of such situations on the Group's asset base.

## 7.2. Operational risk

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

## 7.3. Fair value estimation

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

## 8. Investment in subsidiaries

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

Name	Country	Related Asset	Holding %		
			as at 30 June 2021	as at 31 Dec 2020	as at 30 June 2020
SC Secure Capital Limited	Cyprus		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100	100
LLC Trade Center	Ukraine		100	100	100
LLC Almaz-Pres-Ukraine	Ukraine	Tsymlyanskiy Residence	55	55	55
LLC Retail Development Balabino	Ukraine		100	100	100
LLC Interterminal	Ukraine		100	100	100
LLC Aisi Ilvo	Ukraine		100	100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100	100
Best Day Real Estate Srl	Romania		100	100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100	100
N-E Real Estate Park First Phase Srl	Romania		100	100	100
Victini Holdings Limited	Cyprus		100	100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100	100
Bluehouse Accession Project IV Limited	Cyprus		100	100	100
BlueBigBox 3 Srl	Romania		100	100	100
SPDI Real Estate Srl	Romania	Kindergarten	50	50	50
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100	100
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100	100
Demetiva Holdings Limited	Cyprus		100	100	100
Ketiza Holdings Limited	Cyprus		90	90	90
Frizomo Holdings Limited	Cyprus		100	100	100
Ketiza Real Estate Srl	Romania		90	90	90
Edetrio Holdings Limited	Cyprus		100	100	100
Emakei Holdings Limited	Cyprus		100	100	100
RAM Real Estate Management Limited	Cyprus		50	50	50
Iuliu Maniu Limited	Cyprus		45	45	45
Moselin Investments Srl	Romania		45	45	45
Rimasol Enterprises Limited	Cyprus		70,56	44,24	44,24
Rimasol Real Estate Srl	Romania		70,56	44,24	44,24
Ashor Ventures Limited	Cyprus		44,24	44,24	44,24
Ashor Development Srl	Romania		44,24	44,24	44,24
Jenby Ventures Limited	Cyprus		44,30	44,30	44,30
Jenby Investments Srl	Romania		44,30	44,30	44,30
Ebenem Limited	Cyprus		44,30	44,30	44,30
Ebenem Investments Srl	Romania		44,30	44,30	44,30
Sertland Properties Limited	Cyprus		100	100	100
Mofben Investments Limited	Cyprus		100	100	100
SPDI Management Srl	Romania	100	100	100	

During the period the Company initiated the process of striking off six holding subsidiaries in Cyprus, which became idle following recent disposals of local asset owning companies and properties. The companies to be struck off are: Bluehouse Accession Project IV Limited, Demetiva Holdings Limited, Diforio Holdings Limited, Jenby Ventures Limited, Ebenem Limited and Mofben Investments Limited. Relevant official clearance from local Trade Registry and Tax Authorities is expected in the following period.

During H1 2021 the Group acquired an additional 26,32% stake in Rimasol Enterprises Limited, which through Rimasol Real Estate Srl owns Plot R in GreenLake, part of the Second Phase of the overall GreenLake project. With this acquisition the total stake of the Group in this particular plot increased to 70,56% (Note 20).

## 9. Discontinued operations

### 9.(a) Description

The Company announced on 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to the 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 the 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 the Ukraine, while in June 2021 the Company has signed SPAs relating to Stage 2 of the transaction, namely for the EOS and Delenco assets in Romania, as well as the Kiyanskiy and Rozny assets in the Ukraine, which are expected to close in Q4 2021.

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

- **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
- **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 Ukraine, LLC Almaz - Pres -Ukraine, LLC Trade Center, LLC Retail Development Balabino

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

### 9.(b) Results of discontinued operations

#### For the period ended 30 June 2021

	Note	30 June 2021	30 June 2020
		€	€
Income	10	530.033	513.533
Asset operating expenses	11	(256.068)	(193.889)
<b>Net Operating Income</b>		<b>273.965</b>	<b>319.644</b>
Administration expenses	12	(103.110)	(77.490)
Share of profits from associates	21	194.863	218.862
Valuation gains/(losses) from Investment Property	13	250.201	996.297
Net profit/(loss) on disposal of investment property	14	294.514	1.199
Other operating income/(expenses), net	15	(107.144)	48
<b>Operating profit</b>		<b>792.837</b>	<b>1.458.560</b>
Finance income	16	4.645	4.670
Finance costs	16	(386.921)	(446.066)
<b>Profit/(Loss) before tax and foreign exchange differences</b>		<b>410.561</b>	<b>1.017.164</b>
Foreign exchange (loss), net	17a	(157.942)	(132.904)
<b>Profit/(Loss) before tax</b>		<b>252.619</b>	<b>884.260</b>
Income tax expense	18	(17.849)	(23.452)
<b>Profit/(Loss) for the year</b>		<b>234.770</b>	<b>860.808</b>
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent		146.385	962.448
Non-controlling interests		88.385	(101.640)
		<b>234.770</b>	<b>860.808</b>

### 9.(c) Cash flows from (used in) discontinued operations

	30 June 2021	30 June 2020
	€	€
Net cash flows provided in operating activities	(218.890)	179.050
Net cash flows from / (used in) financing activities	(2.392.148)	744.056

Net cash flows from / (used in) investing activities	2.201.166	(1.122.110)
<b>Net increase/(decrease) from discontinued operations</b>	<b>(409.872)</b>	<b>(199.004)</b>

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

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 June 2021:

	Note	30 June 2021	31 Dec 2020
		€	€
<b>Assets classified as held for sale</b>			
Investment properties	19.4	33.209.123	34.903.480
Tangible and intangible assets	23	12.203	12.357
Long-term receivables and prepayments	24	465.000	315.000
Investments in associates	21	5.155.858	5.071.656
Financial asset at fair value through OCI	22	1	1
Prepayments and other current assets	25	833.198	748.127
Cash and cash equivalents	27	525.680	740.788
<b>Total assets of group held for sale</b>		<b>40.201.063</b>	<b>41.791.409</b>
<b>Liabilities directly related with assets classified as held for sale</b>			
Borrowings	31	4.515.536	6.324.461
Finance lease liabilities	36	9.494.540	9.692.029
Trade and other payables	33	828.344	870.472
Taxation	35	305.937	277.275
Deposits from tenants	34	64.231	64.231
<b>Total liabilities of group held for sale</b>		<b>15.208.588</b>	<b>17.228.468</b>

#### 10. Income

Income from *continued operations* for the period ended 30 June 2021 represents:

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

<b>Continued operations</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Rental income	339.831	286.536
Service charges and utilities income	116.675	93.450
Asset management income	200.937	20.000
<b>Total income</b>	<b>657.443</b>	<b>399.986</b>

Income from *discontinued operations* for the period ended 30 June 2021 represents:

- rental income, as well as service charges and utilities income collected from tenants as a result of the rental agreements concluded with tenants of the Innovations Logistics Park (Romania), and EOS Business Park (Romania), and;
- income from third parties and /or partners for consulting and managing real estate properties.

<b>Discontinued operations (Note 9)</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Rental income	515.772	497.248
Service charges and utilities income	13.798	15.238
Property management income	463	1.047
<b>Total income</b>	<b>530.033</b>	<b>513.533</b>

Occupancy rates in the various income producing assets of the Group as at 30 June 2021 were as follows:

<b>Income producing assets</b>			
%		<b>30 June 2021</b>	<b>30 June 2020</b>
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	89	83
Kindergarten	Romania	100	100

#### 11. Asset operating expenses

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

Under continued operations there are no such expenses related to asset operating expenses.

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

<b>Discontinued operations (Note 9)</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Property related taxes	(55.871)	(54.682)
Repairs and technical maintenance	(37.883)	(14.701)
Utilities	(110.518)	(88.711)
Property security	(22.922)	(13.903)
Property insurance	(3.804)	(1.495)
Leasing expenses	(22.908)	(20.319)
Other investment property operating expenses	(2.162)	(78)
<b>Total</b>	<b>(256.068)</b>	<b>(193.889)</b>

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

Repairs and technical maintenance increased substantially in H1 2021 due to required works performed at the Innovations Logistics Park and Green Lake stock in Bucharest.

Utilities refer mainly to electricity and fuel costs which increased as a result of the increased consumption by the tenant in Innovations Logistics Park (Romania) during the period. Such costs are re-invoiced to the tenant.

Property security refers to expenses related to the security of the assets by third party service providers, and its increase resulted mainly from the need to upgrade the security contract in the Innovations Logistics Park.

Leasing expenses reflect expenses related to long term land leasing.

## 12. Administration Expenses

<b>Continued operations</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Salaries and Wages	(174.753)	(188.094)
Advisory and broker fees	(86.136)	(218.475)
Public group expenses	(73.538)	(71.053)
Corporate registration and maintenance fees	(32.285)	(24.791)
Vat Expensed	(5.253)	(4.447)
Audit and accounting fees	(60.523)	(62.185)
Legal fees	(25.390)	(41.275)
Depreciation/Amortisation charge	(688)	(1.724)
Corporate operating expenses	(94.964)	(68.793)
<b>Total Administration Expenses</b>	<b>(553.530)</b>	<b>(680.837)</b>

<b>Discontinued operations (Note 9)</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	€	€
Salaries and Wages	(16.241)	(10.608)
Advisory fees and broker fees	(38.003)	(2.169)
Corporate registration and maintenance fees	(19.998)	(18.586)
Vat Expensed	(3.871)	(4.483)
Audit and accounting fees	(19.406)	(19.174)
Legal fees	(2.195)	-
Depreciation/Amortisation charge	(50)	(1.896)
Corporate operating expenses	(13.798)	(20.574)
<b>Total Administration Expenses</b>	<b>(113.562)</b>	<b>(77.490)</b>

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

Advisory and broker fees mainly relate 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. The increase in relevant fees in discontinued operations resulted from the increased sales commissions and brokerage fees mainly associated with extended sales of units in the GreenLake complex.

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 London Stock Exchange and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company, such as public relations and registry expenses.



Corporate registration and maintenance fees represent fees charged for the annual maintenance of the Company and its subsidiaries, as well as fees and expenses related to the normal operation of the companies including charges by the relevant local authorities. The increase during the period is a result of ad hoc relevant fees associated with the strike off of six Companies in Cyprus.

Legal fees represent legal expenses incurred by the Group in relation to corporate matters and asset operations (rentals, sales, etc.), ongoing legal cases in Ukraine, Cyprus and Romania, compliance with the AIM listing, as well as one-off fees associated with legal services and advise in relation to due diligence processes, and transactions.

Corporate operating expenses include office expenses, travel expenses, (tele)communication expenses, D&O insurance and all other general expenses for the Cypriot, Romanian and Ukrainian operations. The increase during the current period resulted from the substantial increase of the cost of the D&O insurance policy.

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

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

Discontinued operations (Note 9) Property Name (€)	Valuation gains/(losses)	
	30 June 2021	30 June 2020
	€	€
Kiyanovskiy Residence	(101.366)	349.653
Tsymlyanskiy Residence	(37.168)	135.349
Rozny Lane	30.137	23.586
Innovations Logistics Park	118.108	138.654
EOS Business Park	78.349	100.720
Residential Portfolio	1.783	9.588
GreenLake	143.542	219.937
Kindergarten	16.816	18.810
<b>Total</b>	<b>250.201</b>	<b>996.297</b>

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

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

During H1 2021 the Group sold nothing (H1 2020: 2 parking spaces) in the Romfelt Plaza (Doamna Ghica) and 1 apartment and 3 parking spaces in Zizin (H1 2020: 2 apartments, 8 parking spaces and 1 commercial space). The Group also during H1 2021 sold 5 villas in Moselin (Greenlake Parcel K) (H1 2020: 1 villa).

Discontinued operations (Note 9)	30 June 2021	30 June 2020
	€	€
Income from sale of investment property	2.126.423	744.052
Cost of investment property	(1.831.909)	(742.853)
<b>Profit from disposal of investment property</b>	<b>294.514</b>	<b>1.199</b>

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

Continued operations	30 June 2021	30 June 2020
	€	€
Other income	5.464	39.653
<b>Other income</b>	<b>5.464</b>	<b>39.653</b>
Penalties	(233)	(4.638)
Other expenses	(1.707)	(710)
<b>Other expenses</b>	<b>(1.940)</b>	<b>(5.348)</b>
<b>Other operating income/(expenses), net</b>	<b>3.524</b>	<b>34.305</b>

Discontinued operations (Note 9)	30 June 2021	30 June 2020
	€	€
Accounts payable written off	2.081	95
<b>Other income</b>	<b>2.081</b>	<b>95</b>
Penalties	(240)	-
Other expenses	(108.985)	(47)
<b>Other expenses</b>	<b>(109.225)</b>	<b>(47)</b>
<b>Other operating income/(expenses), net</b>	<b>(107.144)</b>	<b>48</b>

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

## 16. Finance costs and income

<b>Continued operations</b>		
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>€</b>	<b>€</b>
<b>Finance income</b>		
Interest received from non-bank loans (Note 39.1.1)	254.819	260.543
<b>Total finance income</b>	<b>254.819</b>	<b>260.543</b>
<b>Finance costs</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>€</b>	<b>€</b>
Interest expenses (non-bank) (Note 39.1.2)	(69.490)	(19.381)
Finance charges and commissions	(3.226)	(3.210)
Bonds interest	(33.787)	(33.973)
<b>Total finance costs</b>	<b>(106.503)</b>	<b>(56.564)</b>
<b>Net finance result</b>	<b>148.316</b>	<b>203.979</b>
<b>Discontinued operations (Note 9)</b>		
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>€</b>	<b>€</b>
<b>Finance income</b>		
Interest received from non-bank loans (Note 39.1.1)	4.645	4.670
<b>Total finance income</b>	<b>4.645</b>	<b>4.670</b>
<b>Finance costs</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>€</b>	<b>€</b>
Interest expenses (bank)	(215.867)	(201.500)
Interest expenses (non-bank) (Note 39.1.2)	(12.702)	(7.048)
Finance leasing interest expenses	(157.166)	(236.173)
Finance charges and commissions	(1.186)	(1.345)
<b>Total finance costs</b>	<b>(386.921)</b>	<b>(446.066)</b>
<b>Net finance result</b>	<b>(382.276)</b>	<b>(441.396)</b>

Interest income from non-bank loans, reflects income from loans granted by the Group for the 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 signed on 30 June 2021 the loan has certain one-off and monthly payments and is fully payable by 30 June 2022. The loan is bearing a fixed interest rate of 10% and the Company is in the process of getting agreed security in the form of a pledge of shares following the relevant process provided in the initial Loan Agreement as well as the last Addendum of it.

Borrowing interest expense represents the interest expense charged on bank and non-bank borrowings (Note 31).

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

Finance charges and commissions include regular banking commissions and various fees paid to the banks.

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

## 17. Foreign exchange profit / (losses)

### a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 30 June 2021 from continued operations amounted to €47.406 (30 June 2020: loss €42.043).

The exchange loss from discontinued operations for the year ended 30 June 2021 amounted to €157.942 (30 June 2020: loss €132.904) (Note 9).

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

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 39.3). For these intercompany loans the foreign exchange differences are recognised initially in other comprehensive income and in a separate component of equity. During 30 June 2021, the Group did not recognise foreign exchange loss (30 June 2020: loss of €42.638).

## 18. Tax Expense

Continued operations	30 June 2021	30 June 2020
	€	€
Income and defence tax expense	(124)	(81)
<b>Taxes</b>	<b>(124)</b>	<b>(81)</b>

  

Discontinued operations (Note 9)	30 June 2021	30 June 2020
	€	€
Income and defence tax expense	(17.849)	(23.452)
<b>Taxes</b>	<b>(17.849)</b>	<b>(23.452)</b>

For the period ended 30 June 2021 the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, and in Romania 16%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

## 19. Investment Property

### 19.1 Investment Property Presentation

Investment Property consists of the following assets:

#### Income Producing Assets

- **EOS Business Park** consists of 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania until 2025.
- **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, 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. The Innovations Logistics Park was acquired by the Group in May 2014 and was 89% leased at the end of the reporting period.
- During 2017 the Company proceeded with an internal reorganization and the Kindergarten asset of GreenLake which was under the ownership of the associate GreenLake Development Srl was acquired by a separate entity (SPDI Real Estate). The Kindergarten is fully let to one of Bucharest's leading private schools and produces an annual rental income of c.€115.000.

#### Residential Assets

The Company owns a **residential portfolio**, consisting at the end of the reporting period of 4 apartments and villas in GreenLake Residential complex in Bucharest. All units in Romfelt Plaza and the Blooming House complexes have been effectively sold. Regarding the Monaco Towers complex, during 2017 Tonescu Finance (the company which acquired the Monaco Towers related loan) commenced legal proceedings against SecMon Real Estate Srl and in order for SecMon Real Estate Srl to protect itself it entered voluntarily in January 2018 into the insolvency process. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl (Monaco Towers assets) is not consolidated in the present financial statements. The company has exited insolvency during the current period and the relevant process for re-gaining full control has been commenced. (Note 8).

#### Land Assets

- **Kiyanovskiy Residence** consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighborhood.
- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex.
- **Rozny Lane** is a 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex. It has been registered under the Group pursuant to a legal decision in 2015.
- **GreenLake land** is a 40.360 sqm plot and is adjacent to the GreenLake part of the Company's residential portfolio, which is classified under Investments in Associates (Note 21). It is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns c.44% of these plots, but has effective management control.

## 19.2 Investment Property Movement during the reporting period

For measuring the fair values of the assets during the period, the Group used the same valuation reports as at 30/12/2020. The table below presents a reconciliation of the Fair Value movements of the investment property during the reporting period due to relevant transactions and foreign exchange impact of local currency vs. reporting currency.

### Continued Operations

In H1 2021 and 2020, the Company did not have any Investment Property assets classified within continued operations.

### Discontinued Operations

30 June 2021 (€)		Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount as at 30/06/2021	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Disposals H1 2021	Additions H1 2021	Carrying amount as at 31/12/2020
Kiyanovskiy Residence	Land	2.524.403	180.781	(101.366)	-	-	2.444.988
Tsymlyanskiy Residence	Land	925.614	66.286	(37.168)	-	-	896.496
Rozny Lane	Land	925.614	(1.019)	30.137	-	-	896.496
<b>Total Ukraine</b>		<b>4.375.631</b>	<b>246.048</b>	<b>(108.397)</b>	-	-	<b>4.237.980</b>
Innovations Logistics Park	Warehouse	10.100.000	(118.108)	118.108	-	-	10.100.000
EOS Business Park	Office	6.700.000	(78.349)	78.349	-	-	6.700.000
Residential portfolio	Residential	-	(1.783)	1.783	(152.500)	-	152.500
GreenLake	Land & Residential	10.595.492	(143.542)	143.542	(1.679.508)	-	12.275.000
Kindergarten	Retail	1.438.000	(16.816)	16.816	-	-	1.438.000
<b>Total Romania</b>		<b>28.833.492</b>	<b>(358.598)</b>	<b>358.598</b>	<b>(1.832.008)</b>	-	<b>30.665.500</b>
<b>Total</b>		<b>33.209.123</b>	<b>(112.550)</b>	<b>250.201</b>	<b>(1.832.008)</b>	-	<b>34.903.480</b>

31 December 2020 (€)		Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2020	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2020	Additions 2020	Carrying amount as at 31/12/2019
Kiyanovskiy Residence	Land	2.444.988	(704.961)	390.469	-	-	2.759.480
Tsymlyanskiy Residence	Land	896.496	(266.501)	94.811	-	-	1.068.186
Rozny Lane	Land	896.496	-	(171.690)	-	-	1.068.186
<b>Total Ukraine</b>		<b>4.237.980</b>	<b>(971.462)</b>	<b>313.590</b>	-	-	<b>4.895.852</b>
Innovations Logistics Park	Warehouse	10.100.000	(194.106)	(305.894)	-	-	10.600.000
EOS Business Park	Office	6.700.000	(136.749)	(863.251)	-	-	7.700.000
Residential portfolio	Residential	152.500	(13.835)	(1.950)	(564.715)	-	733.000
GreenLake	Land & Residential	12.275.000	(293.437)	(2.664.980)	(1.580.583)	-	16.814.000
Kindergarten	Retail	1.438.000	(26.785)	26.785	-	-	1.438.000
<b>Total Romania</b>		<b>30.665.500</b>	<b>(664.912)</b>	<b>(3.809.290)</b>	<b>(2.145.298)</b>	-	<b>37.285.000</b>
<b>TOTAL</b>		<b>34.903.480</b>	<b>(1.636.374)</b>	<b>(3.495.700)</b>	<b>(2.145.298)</b>	-	<b>42.180.852</b>

### 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 on 31/12/2020 by the appointed valuer and after the effect of the foreign exchange adjustments due to local currency valuations and translation differences.

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				30 June 2021		31 Dec 2020	
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€		€
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential development	LLC Aisi Ukraine LLC Trade Center	-	2.524.403	-	2.444.988
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz - Pres - Ukraine	-	925.614	-	896.496
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	925.614	-	896.496
<b>Total Ukraine</b>				-	<b>4.375.631</b>	-	<b>4.237.980</b>
Innovations Logistics Park	Clinceni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	10.100.000	-	10.100.000
EOS Business Park	Bucharest	Office building	Yamano Holdings Limited, N-E Real Estate Park First Phase Srl	-	6.700.000	-	6.700.000
Kindergarten	Bucharest	Retail	SPDI Real Estate Srl	-	1.438.000	-	1.438.000
Residential Portfolio	Bucharest	Residential apartments	SEC South East Continent Unique Real Estate Investments II Limited Ketiza Holdings Limited Ketiza Real Estate Srl	-	-	-	152.500
GreenLake	Bucharest	Residential villas (4 villas) & Land for Residential Development	Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Moselin Investments Srl Rimasol Enterprises Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Development Srl Jenby Investments Srl Ebenem Investments Srl	-	10.595.492	-	12.275.000
<b>Total Romania</b>				-	<b>28.833.492</b>	-	<b>30.665.500</b>
<b>TOTAL</b>				-	<b>33.209.123</b>	-	<b>34.903.480</b>

### 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 the Ukraine, and GreenLake in Romania.

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
<b>At the beginning of the reporting period</b>	-	<b>34.903.480</b>	-	<b>42.180.852</b>
Disposal of investment Property	-	(1.832.008)	-	(2.145.298)
Revaluation (loss)/gain on investment property	-	250.201	-	(3.495.700)
Translation difference	-	(112.550)	-	(1.636.374)
<b>As at the end of the reporting period</b>	-	<b>33.209.123</b>	-	<b>34.903.480</b>

Disposals in H1 2021 of Investment Properties represent the sales of parking spaces in Residential portfolio and villas in Greenlake Parcel K.

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

#### Acquisition of asset

On 31 March 2021 the Group acquired an additional 26,32% stake in Rimasol Ltd, which through Rimasol Srl owns Plot R in the Greenlake complex, part of the Second Phase land of the overall project. With this purchase the total stake of the Group in this particular plot increased to 70,56%. The asset is a land plot of 3.777 square meters situated in the perimeter of Greenlake residential development, and currently there are ongoing discussions for its co-development independently. The value of the transaction reached €200.000 while the fair value of such stake according to the valuation report as at 31/12/2020 is €212.402.

#### Disposal pre-contract

During the period, the Company honouring certain commitments made in the past during the restructuring of the holdings of Greenlake project, signed a pre-agreement for the sale of its 50% stake in the Kindergarten asset in Greenlake, Bucharest. The consideration of the transaction has been set at €175.000 plus release of available company's cash pledged by the Bank, while the agreement is conditional on the effective payment of the price by the buyer until 31/12/2021.

#### 21. Investments in associates

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	-	5.071.656	-	5.380.021
Share of profits from associates	-	194.863	-	(179.775)
Dividend Income	-	-	-	(242.403)
Foreign exchange difference	-	(110.661)	-	113.813
<b>Total</b>	<b>-</b>	<b>5.155.858</b>	<b>-</b>	<b>5.071.656</b>

Dividend Income reflects dividends received from Delenco Srl, owner of the Delea Nuova building, where the Group maintains a 24,35% participation. During the period ended 30 June 2021, there was no dividend received.

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

As at 30 June 2021, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/(loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	22.598.967	(1.428.496)	800.126	24,35%	194.863	Romania	Office building
Green Lake Project	GreenLake Development Srl	5.765.057	(8.613.170)	375.735	40,35%	-	Romania	Residential assets
		<b>28.364.024</b>	<b>(10.041.666)</b>	<b>1.175.861</b>		<b>194.863</b>		

As at 30 June 2020, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/(loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	25.589.484	(2.631.805)	898.671	24,35%	218.862	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	9.670.127	(11.085.797)	153.953	40,35%	-	Romania	Residential assets
<b>Total</b>		<b>35.259.611</b>	<b>(13.717.602)</b>	<b>1.052.624</b>		<b>218.862</b>		

#### 22. Financial assets at fair value through OCI

The Group proceeded in 2018 with an impairment of €297.200 on Monaco Towers, following the court decision in relation to the SPV company SecMon Real Estate Srl to enter into insolvency in January 2018. As a result, the Company lost control over the asset and as such it was reclassified as Financial assets at fair value through OCI as per table below (where the fair value of the property was adjusted at 80% of its value). Although, during the current period the SPV has exited insolvency status and the Group is in the process of regaining full control, for H1 2021 the Management maintained the accounting treatment of the asset as a Financial asset at fair value through OCI, and its value is the same as in the previous period, until the local Court resolves officially on this.

<b>Discontinued operations (Note 9)</b>		
	<b>Unadjusted</b>	<b>Adjusted</b>
<b>ASSETS</b>	<b>€</b>	<b>€</b>
<b>Non-current assets</b>		
Investment property	1.486.000	1.188.800
<b>Current assets</b>		
Prepayments and other current assets	20.447	20.447
Cash and cash equivalents	10.321	10.321
<b>Total assets</b>	<b>1.516.768</b>	<b>1.219.568</b>
<b>Current liabilities</b>		
Borrowings	(1.075.176)	(1.075.176)
Other liabilities	(19.433)	(19.433)
Intercompany loans	(1.845.700)	(124.958)
<b>Total liabilities</b>	<b>(2.940.309)</b>	<b>(1.219.567)</b>
<b>Total Net equity</b>	<b>(1.423.541)</b>	<b>1</b>
<b>Add back</b> Intercompany loans	1.845.700	-
<b>Total Net equity (excluding IC)</b>	<b>422.159</b>	<b>1</b>
<b>Financial Asset at fair value through OCI</b>		<b>1</b>

### 23. Tangible and intangible assets

As at 30 June 2021 the intangible assets were composed of the capitalised expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2020: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (31 Dec 2020: €103.193) and therefore net value amounts to €0 (31 Dec 2020: €0).

As at 30 June 2021 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €1.632 (31 Dec 2020: €2.859).

As at 30 June 2021 the tangible non-current assets under discontinued operations mainly consisted of the machinery and equipment used for servicing the Group's investment properties in Ukraine and Romania amount to €79.863 (31 Dec 2020: €77.978). Accumulated depreciation as at the reporting date amounts to €67.660 (31 Dec 2020: €65.621).

### 24. Long Term Receivables and prepayments

	<b>30 June 2021</b>		<b>31 Dec 2020</b>	
	<b>Continued operations</b>	<b>Discontinued operations</b>	<b>Continued operations</b>	<b>Discontinued operations</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Long Term Receivables	826	465.000	836	315.000
<b>Total</b>	<b>826</b>	<b>465.00</b>	<b>836</b>	<b>315.000</b>

Long term receivables mainly include cash pledged in favour of Piraeus Leasing and in favour of Alpha Leasing.

## 25. Prepayments and other current assets

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	362.268	533.576	307.549	487.185
VAT and other tax receivables	232.167	103.901	239.191	105.348
Deferred expenses	90	49.983	-	1.095
Receivables due from related parties	69.297	6.744	45.077	10.783
Loan receivables from 3 <sup>rd</sup> parties	5.285.539	124.958	6.365.654	124.958
Loan to associates (Note 39.4)	9.187	306.244	9.026	301.600
Allowance for impairment of prepayments and other current assets	(71.289)	(292.208)	(86.421)	(282.842)
<b>Total</b>	<b>5.887.259</b>	<b>833.198</b>	<b>6.880.076</b>	<b>748.127</b>

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

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

Deferred expenses include mainly recognition of property tax expenses. During the current period, pursuant to recent local norms in Romania, the total annual amount is recognised instead of just the amount which is payable during the period.

Loan receivables from 3<sup>rd</sup> 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 €1.161.860 (2020 €1.071.271) less accumulated expected credit loss of €54.256. The loan provided initially with a convertibility option which was not exercised. On 30 June 2021 an addendum was signed by the two parties providing certain one-off and monthly payments for a period until 30 June 2022 when the loan is fully re-payable. The loan bears 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 as well as the last signed annex in force.

Loan receivable from 3<sup>rd</sup> 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 21).

Loan to associates reflects a loan receivable from GreenLake Development Srl, holding company of GreenLake Project-Phase A (Notes 21 and 40.4).

## 26. Financial Assets at FV through P&L

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

	30 June 2021	31 Dec 2020
	€	€
Arcona shares	6.783.642	3.549.453
Transfer from Receivables	-	4.030.234
FV change in Arcona shares	27.754	(796.045)
<b>Arcona shares at reporting date</b>	<b>6.811.396</b>	<b>6.783.642</b>
Warrants over Arcona shares	3.602	32.190
Transfer from Receivables	-	1
FV change in warrants	51.530	(28.589)
<b>Arcona warrants at reporting date</b>	<b>55.132</b>	<b>3.602</b>
<b>Total Financial Assets at FV</b>	<b>6.866.528</b>	<b>6.787.244</b>
FV change in Arcona shares	27.754	(796.045)
FV change in warrants	51.530	(28.589)
<b>Fair Value loss on Financial Assets at FV through P&amp;L</b>	<b>79.284</b>	<b>(824.634)</b>

The Company received during 2019, 277.943 Arcona shares as part of the disposal of Aisi Bella LLC, the owner of Bella and Balabino assets in the Ukraine, to Arcona Property Fund N.V. Moreover the Company received during 2020, 315.591 Arcona shares as part of the disposal of Boyana, and therefore a relevant transfer from receivables account took place. At the end of the reporting period the shares revalued to their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value gain of €27.754 is recognised.



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 €1, and 77.201 warrants over Arcona shares for the sale of Boyana, for a consideration of €1. The warrants are exercisable upon the volume weighted average price of the Arcona shares traded on a regulated market at €8,10 or higher. At the end of the reporting period, the warrants are re-valued to fair value and as a result a relevant gain of €51.530 is recognised. The terms and assumptions used for such warrant re-valuation are:

- Current stock price (as retrieved from Amsterdam Stock Exchange): €5,95 per share
- Strike price of the warrants: €8,10 per share
- Expiration date: 1 November 2024
- Standard deviation in stock price: 23,41%
- Annualised dividend yield on shares: 0,00%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 0,908%

## 27. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	15.855	-	15.755	-
Cash with banks in EUR	25.372	1.124	33.234	216.224
Cash with banks in UAH	64	340	6	418
Cash with banks in RON	30.206	524.216	79.577	524.146
Cash with banks in GBP	2.797	-	1.287	-
<b>Total</b>	<b>74.294</b>	<b>525.680</b>	<b>129.859</b>	<b>740.788</b>

## 28. Share capital

### Number of Shares

€	30 June 2021	31 Dec 2020
<b>Authorised</b>		
Ordinary shares of €0,01	989.869.935	989.869.935
<b>Total ordinary shares</b>	<b>989.869.935</b>	<b>989.869.935</b>
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	8.618.997	8.618.997
<b>Total redeemable shares</b>	<b>8.618.997</b>	<b>8.618.997</b>
<b>Issued and fully paid</b>		
Ordinary shares of €0,01	129.191.442	129.191.442
<b>Total ordinary shares</b>	<b>129.191.442</b>	<b>129.191.442</b>
<b>Total</b>	<b>129.191.442</b>	<b>129.191.442</b>

### Nominal value (€)

€	30 June 2021	31 Dec 2020
<b>Authorised</b>		
Ordinary shares of €0,01	9.898.699	9.898.699
<b>Total ordinary shares</b>	<b>9.898.699</b>	<b>9.898.699</b>
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	86.190	86.190
<b>Total redeemable shares</b>	<b>86.190</b>	<b>86.190</b>
<b>Issued and fully paid</b>		
Ordinary shares of €0,01	1.291.281	1.291.281
<b>Total ordinary shares</b>	<b>1.291.281</b>	<b>1.291.281</b>
<b>Total</b>	<b>1.291.281</b>	<b>1.291.281</b>

### 28.1 Authorised share capital

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

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

### 28.2 Issued Share Capital

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

- a) 127.270.481 Ordinary Shares of €0,01 nominal value each,
- b) 392.500 Redeemable Preference Class A Shares of €0,01 nominal value each, cancelled during 2018 as per the Annual General Meeting decision of 29 December 2017 ,
- 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 28.3) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 40.3). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

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

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

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

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

### 28.3 Capital Structure as at the end of the reporting period

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

Number of		(as at) 30 June 2021	(as at) 31 December 2020	(as at) 31 December 2019
<b>Ordinary shares of €0,01</b>	<b>Issued and Listed on AIM</b>	<b>129.191.442</b>	<b>129.191.442</b>	<b>129.191.442</b>
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442	129.191.442
<b>Total number of Shares</b>	<b>Full Dilutive Basis</b>	<b>129.191.442</b>	<b>129.191.442</b>	<b>129.191.442</b>
Options	-	-	-	-

### Redeemable Preference Class B Shares

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

### 28.4 Other share capital related matters

Pursuant to decisions taken by the AGM of 31<sup>st</sup> December 2018, the Board has been authorised and empowered to:

- issue and allot up to 20.000.000 ordinary shares of €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 €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.

## 29. 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 losses on translation due to presentation currency of €565.479 for H1 2021, in comparison to €1.176.630 relevant losses for H1 2020.

## 30. Non-Controlling Interests

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

% Group Company	Non-controlling interest portion	
	30 June 2021	31 Dec 2020
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Holdings Limited	10,00	10,00
Ketiza Real Estate Srl	10,00	10,00
Ram Real Estate Management Limited	50,00	50,00
Iuliu Maniu Limited	55,00	55,00
Moselin Investments Srl	55,00	55,00
Rimasol Enterprises Limited	29,44	55,76
Rimasol Real Estate Srl	29,44	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

## 31. Borrowings

	Project	30 June 2021		31 Dec 2020	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Principal of bank Loans</b>					
Bancpost SA	GreenLake – Parcel K	-	133.834	-	1.901.094
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten – SPDI RE	-	510.188	-	670.293
Loans from other 3 <sup>rd</sup> parties and related parties (Note 39.5)		1.585.749	214.070	2.061.514	235.191
Overdrafts		-	3.146	-	853
<b>Total principal of bank and non-bank Loans</b>		<b>1.585.749</b>	<b>3.387.176</b>	<b>2.061.514</b>	<b>5.333.369</b>
Interest accrued on bank loans		-	1.088.031	-	952.321
Interests accrued on non-bank loans		128.311	40.329	88.863	38.771
<b>Total</b>		<b>1.714.060</b>	<b>4.515.536</b>	<b>2.150.377</b>	<b>6.324.461</b>

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	1.577.500	3.647.186	2.054.400	3.510.366
Non-current portion	136.560	868.350	95.977	2.814.095
<b>Total</b>	<b>1.714.060</b>	<b>4.515.536</b>	<b>2.150.377</b>	<b>6.324.461</b>

### **Continued Operations**

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

A) Loans from 3 Directors of €375.000 provided as bridge financing. The loans bear interest at 8% annually and expired on 31 August 2021. The Company and the Directors are discussing the extension of the loans and relevant process is currently in place. (Note 39.5).

B) Safe Growth Investments, a third party company, provided a loan of €1m to the Company in November 2020 to be used for general working capital purposes. The loan bears interest of 5,35% per annum and is payable by end of 2021.

### **Discontinued Operations**

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. During 2020 the loan was fully repaid.

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. During 2020, the loan was fully repaid.

Moselin Investments Srl entered into a construction loan agreement in 2010 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 €133.834 and bears interest of EURIBOR 3M plus 2,5%. Following the 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.

Sertland Properties Limited entered into a loan agreement in 2008 with Alpha Bank Bulgaria for an acquisition loan related to the acquisition of Boyana Residence ood. As at the end of 2019, the balance of the loan was €666.468 bearing interest of EURIBOR 3M plus 5,75%. On 29 July 2020 the loan was transferred to Arcona as part of the transaction for the sale of Boyana Residence in Bulgaria.

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank for the acquisition of the GreenLake land in Bucharest Romania. As at the end of the reporting period the balance of the loan was €2.525.938 plus accrued interest €1.080.426 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. During September 2019, the company received a termination notice from Piraeus Bank and a payment order from court in relation to this loan, and currently relevant discussions with the Bank are taking place for a mutual agreed solution.

N-E Real Estate Park First Phase Srl entered in 2016 into a loan agreement with Alpha Bank Romania for a credit facility of €1.000.000 for working capital purposes. During 2020, the balance of the loan was fully repaid.

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Bancpost SA Romania. As at 30 June 2021 the balance of the loan was €510.188 and bears interest of EURIBOR 3m plus 4,6% per annum. The loan is repayable by 2027.

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

### **32. Bonds**

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument which was in the value of €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. The associated interest accrued is € 258.869.

### **33. Trade and other payables**

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

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	3.362.338	765.951	3.243.465	841.122
Payables to related parties (Note 39.2)	586.156	41.307	582.829	-
Deferred income from tenants	-	7.873	-	7.965
Accruals	52.630	13.213	101.112	21.385

Pre-sale advances (Advances received for sale of properties)	-	-	109.556	-
<b>Total</b>	<b>4.001.124</b>	<b>828.344</b>	<b>4.036.962</b>	<b>870.472</b>

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	4.001.124	820.471	4.036.962	862.507
Non-current portion	-	7.873	-	7.965
<b>Total</b>	<b>4.001.124</b>	<b>828.344</b>	<b>4.036.962</b>	<b>870.472</b>

Payables to third parties represents:

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

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

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

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

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 had to be returned to the prospective buyer.

#### 34. Deposits from Tenants

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Deposits from tenants non-current	-	64.231	-	64.231
<b>Total</b>	<b>-</b>	<b>64.231</b>	<b>-</b>	<b>64.231</b>

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

#### 35. Provisions and Taxes Payables

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax – non current	199.654	29.010	237.521	30.374
Defence tax – non current	13.132	-	26.091	15
Tax provision – non current	399.450	-	399.450	-
Corporate income tax - current	432.254	42.739	449.844	58.960
Other taxes including VAT payable - current	173.234	212.046	163.972	165.521
Provisions – current	6.470	22.142	6.549	22.405
<b>Total Provisions and Taxes Payables</b>	<b>1.224.195</b>	<b>305.937</b>	<b>1.283.427</b>	<b>227.275</b>

Corporate income tax represents taxes payable in Cyprus and Romania.

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

Non current amounts represent the part of the settlement plan agreed with the Cyprus tax authorities up to 2022.

#### 36. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €8.977.818 and the current portion of €516.722 (31 December 2020: €9.235.265 and €456.764, accordingly).

##### Discontinued operations

30 June 2021	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2 &	960.235	443.374	516.861
Between two and five years	42.6	10.252.025	1.298.497	8.953.528

More than five years		38.220	103.223	(65.003)
		<b>11.250.480</b>	<b>1.845.094</b>	<b>9.405.386</b>
Accrued Interest				89.154
<b>Total Finance Lease Liabilities</b>				<b>9.494.540</b>

31 Dec 2020	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2 & 42.6	917.759	455.241	462.518
Between two and five years		5.265.225	1.414.550	3.850.675
More than five years		5.506.778	209.027	5.297.751
		<b>11.689.762</b>	<b>2.078.818</b>	<b>9.610.944</b>
Accrued Interest				81.085
<b>Total Finance Lease Liabilities</b>				<b>9.692.029</b>

### 36.1 Land Plots Financial Leasing

The Group holds land plots in the Ukraine under leasehold agreements. 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 €33.534 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

### 36.2 Sale and Lease Back Agreements

#### A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of the 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 €6.621.641 bearing interest rate at 3M EURIBOR plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon payment of €5.244.926. At the maturity of the lease agreement and upon payment of the balloon Best Day Real Estate Srl will become owner of the asset.

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

1. Best Day Real Estate Srl pledged its future receivables from its tenants.
2. Best Day Real Estate Srl pledged its shares.
3. Best Day Real Estate Srl pledged all current and reserved accounts opened in Piraeus Leasing, Romania.
4. Best Day Real Estate Srl was obliged to provide cash collateral in the amount of €250.000 in Piraeus Leasing Romania, which had been deposited as follows, half in May 2014 and half in May 2015.

SPDI provided a corporate guarantee in favour of the bank towards the liabilities of Best Day Real Estate Srl arising from the sale and lease back agreement.

#### B. EOS Business Park

In October 2014 the Group concluded the acquisition of the 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 €2.839.365 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 5<sup>th</sup> year of the agreement.
6. SPDI provided a corporate guarantee in favour of the bank towards the liabilities of N-E Real Estate Park First Phase Srl arising from the sales and lease back agreement.

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

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

	30 June 2021	31 Dec 2020	30 June 2020
Issued ordinary shares capital	129.191.442	129.191.442	129.191.442
Weighted average number of ordinary shares (Basic)	129.191.442	129.191.442	129.191.442
Diluted weighted average number of ordinary shares	129.191.442	129.191.442	129.191.442

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

Earnings per share	30 Jun 2021	30 Jun 2020
	€	€
Profit/ (Loss) after tax attributable to owners of the parent	287.507	(369.095)
Basic	0,002	(0,003)
Diluted	0,002	(0,003)

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

Earnings per share	30 Jun 2021	30 Jun 2020
	€	€
Profit/ (Loss) after tax from discontinued operations attributable to owners of the parent	234.770	860.808
Basic	0,001	0,007
Diluted	0,001	0,007

**d. Net assets per share**

Net assets per share	30 June 2021	31 Dec 2020
	€	€
Net assets attributable to equity holders of the parent	23.523.001	23.712.973
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,18	0,18
Diluted	0,18	0,18

### 38. Segment information

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

**Commercial-Industrial**

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

**Residential**

- Residential segment

**Land Assets**

- Land assets

There are no sales between the segments.

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

**Continued Operations**

**Profit and Loss for the period ended 30 June 2021**

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Segment profit</b>							
Rental income (Note 10)	-	-	-	-	-	339.831	339.831
Service charges and utilities income (Note 10)	-	-	-	-	-	116.675	116.675
Profit from discontinued operation (Note 9)	183.623	600.369	70.569	15.393	252.626	(109.037)	1.013.543
Impairment of financial investments	-	-	-	-	-	79.284	79.284
Property management (Note 10)	-	-	-	-	-	200.937	200.937
<b>Segment profit</b>	<b>183.623</b>	<b>600.369</b>	<b>70.569</b>	<b>15.393</b>	<b>252.626</b>	<b>627.690</b>	<b>1.750.270</b>

Administration expenses (Note 12)	-	-	-	-	-	-	(553.530)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	3.524
Finance income (Note 16)	-	-	-	-	-	-	254.819
Interest expenses (Note 16)	-	-	-	-	-	-	(103.277)
Other finance costs (Note 16)	-	-	-	-	-	-	(3.226)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(47.406)
Income tax expense (Note 18)	-	-	-	-	-	-	(124)
Profit from discontinued operations (Note 9)	-	-	-	-	-	-	(778.773)
Exchange difference on translation foreign holdings (Note 29)	-	-	-	-	-	-	(565.479)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>(43.202)</b>

\* It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park (Romania) is currently invoiced by the Company as part of a relevant 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 it succeeds, upon completion such income will also be transferred.

#### Continued Operations

##### Profit and Loss for the period ended 30 June 2020

	Warehouse €	Office €	Retail €	Residential €	Land Plots €	Corporate €	Total €
<b>Segment profit</b>							
Rental income (Note 10)	5.924	-	-	-	-	280.612	286.536
Service charges and utilities income (Note 10)	-	-	-	-	-	93.450	93.450
Profit from discontinued operation (Note 9)	217.576	621.585	77.408	33.146	669.141	(88.284)	1.530.572
Impairment of financial investments	-	-	-	-	-	(284.404)	(284.404)
Property management (Note 10)	-	-	-	-	-	20.000	20.000
<b>Segment profit</b>	<b>223.500</b>	<b>621.585</b>	<b>77.408</b>	<b>33.146</b>	<b>669.141</b>	<b>21.374</b>	<b>1.646.154</b>
Administration expenses (Note 12)	-	-	-	-	-	-	(680.837)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	34.305
Finance income (Note 16)	-	-	-	-	-	-	260.543
Interest expenses (Note 16)	-	-	-	-	-	-	(53.355)
Other finance costs (Note 16)	-	-	-	-	-	-	(3.209)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(42.043)
Income tax expense (Note 18)	-	-	-	-	-	-	(81)
Profit from discontinued operations (Note 9)	-	-	-	-	-	-	(669.764)
Exchange difference on I/C loan to foreign holdings (Note 17b)	-	-	-	-	-	-	(42.638)
Exchange difference on translation foreign holdings (Note 29)	-	-	-	-	-	-	(1.176.630)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>(727.555)</b>

#### Discontinued Operations

##### Profit and Loss for the period ended 30 June 2021

	Warehouse €	Office €	Retail €	Residential €	Land Plots €	Corporate €	Total €
<b>Segment profit</b>							
Property Sales income (Note 14)	-	-	-	168.817	1.957.606	-	2.126.423
Cost of Property sold (Note 14)	-	-	-	(152.400)	(1.679.509)	-	(1.831.909)





assets							
Prepayments and other current assets	-	-	-	-	-	-	5.887.259
Cash and cash equivalents	-	-	-	-	-	-	74.294
<b>Total assets</b>	-	-	-	-	-	-	<b>53.031.602</b>
Borrowings	-	-	-	-	-	1.714.060	1.714.060
Liabilities associated with assets classified as held for disposal	6.685.873	2.839.629	697.355	-	3.851.450	1.134.281	15.208.588
<b>Segment liabilities</b>	<b>6.685.873</b>	<b>2.839.629</b>	<b>697.355</b>	<b>-</b>	<b>3.851.450</b>	<b>2.848.341</b>	<b>16.922.648</b>
Trade and other payables	-	-	-	-	-	-	4.001.124
Taxes payable and provisions	-	-	-	-	-	-	1.224.195
Bonds	-	-	-	-	-	-	1.292.709
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.440.676</b>

### Total Operations

#### Balance Sheet as at 31 December 2020

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Assets</b>							
Long-term receivables and prepayments	-	-	-	-	-	836	836
Financial Assets at FV through P&L	-	-	-	-	-	6.787.244	6.787.244
Assets held for sale	10.415.000	11.771.656	1.438.000	152.501	15.444.794	2.569.458	41.791.409
<b>Segment assets</b>	<b>10.415.000</b>	<b>11.771.656</b>	<b>1.438.000</b>	<b>152.501</b>	<b>15.444.794</b>	<b>9.357.538</b>	<b>48.579.489</b>
Tangible and intangible assets	-	-	-	-	-	-	2.859
Prepayments and other current assets	-	-	-	-	-	-	6.880.076
Cash and cash equivalents	-	-	-	-	-	-	129.859
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.592.283</b>
Borrowings	-	-	-	-	-	2.150.377	2.150.377
Liabilities associated with assets classified as held for disposal	6.771.706	2.953.643	873.108	-	5.482.264	1.147.747	17.228.468
<b>Segment liabilities</b>	<b>6.771.706</b>	<b>2.953.643</b>	<b>873.108</b>	<b>-</b>	<b>5.482.264</b>	<b>3.298.124</b>	<b>19.378.845</b>
Trade and other payables	-	-	-	-	-	-	4.036.962
Taxation	-	-	-	-	-	-	1.283.427
Bonds	-	-	-	-	-	-	1.258.923
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.958.157</b>

### Discontinued operations

#### Assets and Liabilities held for sale 30 June 2021

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Assets</b>							
Investment properties	10.100.000	6.700.000	1.438.000	-	14.075.646	895.477	33.209.123
Long-term receivables and prepayments	315.000	150.000	-	-	-	-	465.000
Investments in associates	-	5.155.858	-	-	-	-	5.155.858
Financial asset at fair value through OCI	-	-	-	1	-	-	1
<b>Segment assets</b>	<b>10.415.000</b>	<b>12.005.858</b>	<b>1.438.000</b>	<b>1</b>	<b>14.075.646</b>	<b>895.477</b>	<b>38.829.982</b>
Tangible and intangible assets	-	-	-	-	-	-	12.203
Prepayments and other current assets	-	-	-	-	-	-	833.198
Cash and cash equivalents	-	-	-	-	-	-	525.680
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.201.063</b>
Borrowings	1	264	697.355	-	3.817.916	-	4.515.536
Finance lease liabilities	6.621.641	2.839.365	-	-	33.534	-	9.494.540
Deposits from tenants	64.231	-	-	-	-	-	64.231

<b>Segment liabilities</b>	<b>6.685.873</b>	<b>2.839.629</b>	<b>697.355</b>	<b>-</b>	<b>3.851.450</b>	<b>-</b>	<b>14.074.307</b>
Trade and other payables	-	-	-	-	-	-	828.344
Taxes payable and provisions	-	-	-	-	-	-	305.937
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.208.588</b>

## Discontinued operations

### Assets and Liabilities held for sale 2020

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
<b>Assets</b>							
Investment properties	10.100.000	6.700.000	1.438.000	152.500	15.444.794	1.068.186	34.903.480
Long-term receivables and prepayments	315.000	-	-	-	-	-	315.000
Investments in associates	-	5.071.656	-	-	-	-	5.071.656
Financial Asset at FV through OCI	-	-	-	1	-	-	1
<b>Segment assets</b>	<b>10.415.000</b>	<b>11.771.656</b>	<b>1.438.000</b>	<b>152.501</b>	<b>15.444.794</b>	<b>1.068.186</b>	<b>40.290.137</b>
Tangible and intangible assets	-	-	-	-	-	-	12.357
Prepayments and other current assets	-	-	-	-	-	-	748.127
Cash and cash equivalents	-	-	-	-	-	-	740.788
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.791.409</b>
Borrowings	-	270	873.108	-	5.451.083	-	6.324.461
Finance lease liabilities	6.707.475	2.953.373	-	-	31.181	-	9.692.029
Deposits from tenants	64.231	-	-	-	-	-	64.231
<b>Segment liabilities</b>	<b>6.771.706</b>	<b>2.953.643</b>	<b>873.108</b>	<b>-</b>	<b>5.482.264</b>	<b>-</b>	<b>16.080.721</b>
Trade and other payables	-	-	-	-	-	-	870.472
Taxation	-	-	-	-	-	-	277.275
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.228.468</b>

## Geographical information

Income (Note 9)	30 June 2021		30 June 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	1.836	530.033	5.924	513.533
Cyprus *	655.607	-	394.062	-
<b>Total</b>	<b>657.443</b>	<b>530.033</b>	<b>399.986</b>	<b>513.533</b>

\* It is noted that part of the rental and service charges/ utilities income related to Innovations Logistics Park (Romania) is currently invoiced by the Company as part of a relevant 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 a transfer, the Company will negotiate with the lender its release from the aforementioned lease agreement, and if successful, upon completion such income will also be transferred.

Gain/(loss) from disposal of investment properties (Note 14)	30 June 2021		30 June 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	294.515	-	1.199
<b>Total</b>	<b>-</b>	<b>294.515</b>	<b>-</b>	<b>1.199</b>

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
<b>Carrying amount of assets</b> (investment properties, associates and Financial asset at fair value through OCI)				
Ukraine	-	4.375.631	-	4.237.980
Romania	-	33.989.351	-	35.737.157

<b>Total</b>	-	<b>38.364.982</b>	-	<b>39.975.137</b>
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### 39. Related Party Transactions

The following transactions were carried out with related parties:

#### 39.1 Income/ Expense

##### 39.1.1 Income

	30 June 2021		30 June 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income on loan to related parties (Note 16)	-	-	2.294	-
Interest Income from loan to associates (Note 16)	161	4.645	162	4.670
<b>Total</b>	<b>161</b>	<b>4.645</b>	<b>2.456</b>	<b>4.670</b>

Interest income on loan to related parties relates to interest income from GreenLake Development Srl (associate) and interest income from Delia Lebada Srl for the period ended 30 June 2020.

##### 39.1.2 Expenses

	30 June 2021		30 June 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration and incentives (Note 12)	114.343	-	145.904	-
Interest expenses on Director and Management Loans (Note 16)	19.967	-	15.167	-
Interest expenses on Narrowpeak loan (Note 16)	-	-	6	-
<b>Total</b>	<b>134.310</b>	<b>-</b>	<b>161.077</b>	<b>-</b>

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

#### 39.2 Payables to related parties (Note 33)

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	129.364	-	129.364	-
Secure Management Services Ltd	-	-	1.146	-
SecMon SRL	6.212	-	6.285	-
Sec South East Continent Unique Real Estate Management Limited	65	41.307	7.899	-
Management Remuneration	450.515	-	438.135	-
<b>Total</b>	<b>586.156</b>	<b>41.307</b>	<b>582.829</b>	<b>-</b>

##### 39.2.1 Board of Directors & Committees

The amount payable represents costs payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's cash flow used to receive their payment in shares of the Company. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to €73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to €74.162,04 in lieu of their before H2 2016 fees. Any H2 2019 and 2020 fees has been decided that will be paid in cash.

##### 39.2.2 Management Remuneration

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

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

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

Borrower	Limit	Principal as at 30 June 2021	Principal as at 31 Dec 2020
	€	€	€
LLC "Trade Center"		5.443	5.266
LLC "Aisi Ukraine"	23.062.351	171.197	137.966
LLC "Almaz-Press-Ukraine"	8.236.554	247.135	239.079
LLC "Aisi Ilvo"	150.537	-	21.750
<b>Total</b>	<b>31.449.442</b>	<b>423.775</b>	<b>404.061</b>

### 39.4 Loans to associates (Note 25)

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans to GreenLake Development Srl	9.187	306.244	9.026	301.600
<b>Total</b>	<b>9.187</b>	<b>306.244</b>	<b>9.026</b>	<b>301.600</b>

The loan was provided to GreenLake Development Srl from Edetrio Holdings Limited (continued operations) and Sc Capital (discontinued operations). The agreement with Edetrio Holdings Limited was signed on 17 February 2012 and bears interest 5% and the agreement with Sc Capital Limited was signed on 4 December 2017 and bears interest 4% per annum. The maturity date is 30 April 2022 for the Edetrio loan and 4 December 2021 for the SC Capital Limited loan.

### 39.5 Loans from related parties (Note 31)

	30 June 2021		31 Dec 2020	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Directors and Management	577.500	-	604.400	-
Interest accrued on loans from related parties	93.833	-	77.394	-
<b>Total</b>	<b>671.333</b>	<b>-</b>	<b>681.794</b>	<b>-</b>

Loans from directors of the order of €375.000 reflect loans provided from 3 Directors as bridge financing. The loans bear interest 8% annually and expired on 31 August 2021. The Company and the directors are discussing the extension of the loans and relevant process is currently in place.

Rest amount of the order of €202.500 reflect payables of €42.000 to 2 executives and of €160.500 to one Director, converted to loans for facilitating Company's cash flow.

## 40. Contingent Liabilities

### 40.1 Tax Litigation

The Group performed during the reporting period part of its operations in the Ukraine, within the jurisdiction of the Ukrainian tax authorities. The Ukrainian tax system can be characterised 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 the Ukraine was significantly reduced.

The Group performed during the reporting period part of its operations also in Romania, Greece and Bulgaria. In respect of the Romanian, taxation system it is 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.

#### 40.2 Construction related litigation

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

#### 40.3 Bluehouse Accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. (Bluehouse) filed in Cypriot courts in December 2018 lawsuit against the Company for the total amount of €5.042.421,87, in relation to the Praktiker Craiova acquisition in 2015, and the redemption of the Redeemable Preference Class A shares which were issued as part of the transaction to the vendor, plus special compensations of €2.500.000 associated with the related pledge agreement. The redemption of such shares was requested in 2016, and in lieu of such redemption the Company transferred to the vendor the 20% holding in Autounion asset which was used as a guarantee to the transaction for the effective redemption of the Redeemable Preference Class A shares. At the same time the Company has posted in its accounts a relevant payable provision for Bluehouse in the amount of €2.521.211 (Note 33). 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. Relevant actions for direction for both cases have been set from Cypriot courts in November 2021, when next hearing will be set.

#### 40.4 Other Litigation

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

#### 40.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2021.

#### 41. Commitments

The Group had no other commitments as at 30 June 2021.

#### 42. Financial Risk Management

##### 42.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be available to implement its stated growth strategy in order to maximise the return to stakeholders through the optimisation of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 31), bonds (Note 32), trade and other payables (Note 33) deposits from tenants (Note 34), financial leases (Note 36), taxes payable (Note 35) and equity attributable to ordinary or preferred shareholders.

Management reviews the capital structure on an ongoing 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 maximising the shareholders' Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

##### 42.2 Categories of Financial Instruments

	Note	30 June 2021		31 Dec 2020	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
<b>Financial Assets</b>					
Cash at Bank	27	74.294	525.680	129.859	740.788
Long-term Receivables and prepayments	24	826	465.000	836	315.000
Financial Assets at FV through P&L	26	6.866.528	-	6.787.244	-
Prepayments and other receivables	25	5.887.259	833.198	6.880.076	748.127
Financial Asset at FV through OCI	22	-	1	-	1
<b>Total</b>		<b>12.828.907</b>	<b>1.823.879</b>	<b>13.798.015</b>	<b>1.803.916</b>

<b>Financial Liabilities</b>					
Borrowings	31	1.714.060	4.515.536	2.150.377	6.324.461
Trade and other payables	33	4.001.124	828.344	4.036.962	870.472
Deposits from tenants	34	-	64.231	-	64.231
Finance lease liabilities	36	-	9.494.540	-	9.692.029
Taxes payable and provisions	35	1.224.195	305.937	1.283.430	277.275
Bonds	32	1.292.709	-	1.258.923	-
<b>Total</b>		<b>8.232.088</b>	<b>15.208.588</b>	<b>8.729.692</b>	<b>17.228.468</b>

#### 42.3 Financial Risk Management Objectives

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

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

#### 42.4 Economic Market Risk Management

The Group currently operates in Romania and the 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 recognised 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 minimised.

##### Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30<sup>th</sup>, 2021, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to € 599.974 (31 December 2020: € 870.647) of which approx. €404 in UAH and €554.422 in RON (Note 27) while the remaining are mainly denominated in either GBP, USD or the Euro.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to € 6.229.596 (31 December 2020: €8.474.838) as they are issued at variable rates tied to the Libor or EURIBOR. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

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

As at 30 June 2021 the weighted average interest rate for all the interest bearing borrowings of the Group stands at 4,63% (31 December 2020: 4%).

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 30 June 2021 is presented below:

	<b>Actual as at 30.06.2021</b>	+100 bps	+200 bps
Weighted average interest rate	4,63%	5,63%	6,63%
Influence on yearly finance costs		49.729	99.459

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2020 is presented below:

	<b>Actual as at 31.12.2020</b>	+100 bps	+200 bps
Weighted average interest rate	4%	5%	6%
Influence on yearly finance costs		73.949	147.898

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

#### 42.5 Credit Risk Management

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

#### 42.6 Liquidity Risk Management

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

##### Continued Operations

30 June 2021	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	74.294	<b>74.294</b>	74.294	-	-
Financial Assets at FV through P&L	6.866.528	<b>6.866.528</b>	6.866.528	-	-
Prepayments and other receivables	5.887.259	<b>5.887.259</b>	5.887.259	-	-
Long-term Receivables and prepayments	826	<b>826</b>	-	-	826
<b>Total Financial assets</b>	<b>12.828.907</b>	<b>12.828.907</b>	<b>12.828.081</b>	-	<b>826</b>
<b>Financial liabilities</b>					
Borrowings	1.714.060	<b>1.872.634</b>	582.598	1.290.036	-
Trade and other payables	4.001.124	<b>4.001.124</b>	4.001.124	-	-
Bonds issued	1.292.709	<b>1.628.708</b>	326.067	67.200	1.235.441
Taxes payable and provisions	1.224.195	<b>1.224.195</b>	611.958	612.237	-
<b>Total Financial liabilities</b>	<b>8.232.085</b>	<b>8.726.661</b>	<b>5.521.747</b>	<b>1.969.473</b>	<b>1.235.441</b>
<b>Total net (liabilities)/ assets</b>	<b>4.596.822</b>	<b>4.102.246</b>	<b>7.306.334</b>	<b>(1.969.473)</b>	<b>(1.234.615)</b>

##### Discontinued Operations

30 June 2021	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	525.680	<b>525.680</b>	525.680	-	-
Prepayments and other receivables	833.198	<b>833.198</b>	833.198	-	-
Long-term Receivables and prepayments	465.000	<b>465.000</b>	-	-	465.000
Financial Asset at fair Value through OCI	1	<b>1</b>	1	-	-
<b>Total Financial assets</b>	<b>1.823.879</b>	<b>1.823.879</b>	<b>1.358.879</b>	-	<b>465.000</b>
<b>Financial liabilities</b>					
Borrowings	4.515.536	<b>4.682.637</b>	<b>3.822.644</b>	246.492	613.501
Trade and other payables	828.344	<b>828.344</b>	<b>820.471</b>	-	7.873
Deposits from tenants	64.231	<b>64.231</b>	-	-	64.231
Finance lease liabilities	9.494.540	<b>11.250.478</b>	<b>960.234</b>	947.166	9.343.078
Taxes payable and provisions	305.937	<b>305.937</b>	<b>276.927</b>	29.010	-
<b>Total Financial liabilities</b>	<b>15.208.588</b>	<b>17.131.62717</b>	<b>5.880.276</b>	1.222.668	10.028.683
<b>Total net liabilities</b>	<b>(13.384.709)</b>	<b>(15.307748)</b>	<b>(4.521.397)</b>	<b>(1.222.668)</b>	<b>(9.563.683)</b>

##### Continued Operations

31 December 2020	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	129.859	<b>129.859</b>	129.859	-	-
Prepayments and other receivables	836	<b>836</b>	-	-	836
Financial Assets at FV through P&L	6.787.244	<b>6.787.244</b>	6.787.244	-	-



Long-term Receivables and prepayments	6.880.076	<b>6.880.076</b>	6.880.076	-	-
<b>Total Financial assets</b>	<b>13.798.015</b>	<b>13.798.015</b>	<b>13.797.179</b>	-	<b>836</b>
<b>Financial liabilities</b>					
Borrowings	2.150.377	<b>2.356.528</b>	566.938	1.789.590	-
Trade and other payables	4.036.962	<b>4.036.962</b>	4.036.962	-	-
Bonds issued	1.258.923	<b>1.594.922</b>	292.281	67.200	1.235.441
Taxes payable and provisions	1.283.426	<b>1.283.426</b>	712.903	570.523	-
<b>Total Financial liabilities</b>	<b>8.729.688</b>	<b>9.271.838</b>	<b>5.609.084</b>	<b>2.427.313</b>	<b>1.235.441</b>
<b>Total net assets/(liabilities)</b>	<b>5.068.327</b>	<b>4.526.177</b>	<b>8.188.095</b>	<b>(2.427.313)</b>	<b>(1.234.605)</b>

#### Discontinued Operations

31 December 2020	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
<b>Financial assets</b>					
Cash at Bank	740.788	<b>740.788</b>	740.788	-	-
Long-term receivables	315.000	<b>315.000</b>	-	-	315.000
Financial Asset at FV through OCI	1	<b>1</b>	1	-	-
Prepayments and other receivables	748.127	<b>748.127</b>	748.127	-	-
<b>Total Financial assets</b>	<b>1.803.916</b>	<b>1.803.916</b>	<b>1.488.916</b>	-	<b>315.000</b>
<b>Financial liabilities</b>					
Borrowings	6.324.461	<b>4.019.940</b>	2.933.480	272.757	813.702
Trade and other payables	870.472	<b>870.472</b>	862.507	-	7.965
Deposits from tenants	64.231	<b>64.231</b>	-	-	64.231
Finance lease liabilities	9.692.029	<b>11.689.763</b>	917.759	953.700	9.818.303
Taxation	277.275	<b>277.275</b>	246.885	30.390	-
<b>Total Financial liabilities</b>	<b>17.228.468</b>	<b>16.921.681</b>	<b>4.960.631</b>	<b>1.256.847</b>	<b>10.704.201</b>
<b>Total net assets/(liabilities)</b>	<b>(15.424.552)</b>	<b>(15.117.764)</b>	<b>(3.471.715)</b>	<b>(1.256.847)</b>	<b>(10.389.201)</b>

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

##### a) Group re-gained control in Monaco Towers SPV

In July 2021 the Group officially regained full control of SecMon Real Estate Srl, the company which owns Monaco Towers assets and was into insolvency status since 2018. Currently the company has one remaining unit as all other units have been sold and relevant considerations have been effectively cashed to the Group.

##### b) Group took over 50% of Vic City shareholder SPV

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

