29 September 2022

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

Interim Results

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its unaudited interim results for the period ended 30 June 2022.

Corporate Overview

- NAV per share stood at 13p a share as at 30 June 2022 - 126% higher than the current share price

- Progress of Stage 2 of the indirect merger with Arcona Property Fund N.V (Arcona) with the closing and transfer of the following Romanian assets:

    - Transfer of Lelar Holdings Limited (Delenco Office Building asset in Bucharest) to Arcona

    - Transfer of N-E Real Estate Park First Phase SRL (EOS Business Park in Bucharest) to Arcona

- SPDI now has a total holding of 1,072,910 shares in Arcona and 259,627 warrants over shares in Arcona which based on the closing price of Arcona's shares on 29 September 2022, values the SPDI's stake in Arcona at c.€7.1 million (excluding the issue of the warrants), while based on the current net asset value per Arcona share (as at 30 June 2022), values the stake at €12.48 million (excluding the issue of the warrants)

- Stage 2 is ongoing with the remaining assets in the Kiev region of Ukraine. Discussions regarding Stage 3 of the transaction are at a preliminary stage and will be intensified upon successful closing of Stage 2

- Net income from continuing operations decreased to €651,139 due to a drop in third party management fees as a result of the disposal process

Michael Beys, Board Chairman, said, "The first half of 2022 has been a period in which we have made substantial progress in line with the Company’s strategy to maximise value for shareholders. We closed two transactions with Arcona as part of the conditional implementation agreement for the sale of Company’s property portfolio, resulting in us having a 25.3% shareholding in Arcona currently. 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.

"The war in Ukraine has, obviously, meant a reprioritisation of our efforts to ensure the safety first and foremost of our team on the ground and the consequent ongoing delays in the progress of the Ukrainian aspect of the Arcona transaction.

"Despite facing a number of continuing headwinds, we are pleased with the progress we have made on our strategy even though it is not reflected in the trading price of SPDI shares. We will continue to update shareholders as we move forward implementing that strategy."

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

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Notes to Editors

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

Management Report

1.1 Corporate Overview & Financial Performance

SPDI's core property asset portfolio consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases. During H1 2022, management, in line with the Company's strategy to maximise value for shareholders, closed two transactions with Arcona Property Fund N.V (Arcona) as part of the conditional implementation agreement for the sale of Company's property portfolio, excluding its Greek logistics property (which has now also separately been sold), in an all-share transaction to Arcona, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona originally held high yielding real estate investments in Czech Republic, Poland and Slovakia, with the total agreement valuing the SPDI NAV at ~ €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 Company receiving a total of 593.534 Arcona shares and 144.084 warrants over Arcona shares, in June 2021, the two parties signed SPA agreements for Stage 2 of the Arcona transaction. This stage involves the transfer of the EOS and Delenco assets in Romania and the Kiyanovskiy and Rozny land plots in Ukraine with a total net asset value of €8,2 million, in exchange for approximately 560.000 new ordinary shares in Arcona and approximately 135.000 warrants over shares in Arcona, as well as €1m in cash, subject to, inter alia, standard form adjustment and finalisation in accordance with the relevant agreements.

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

The invasion of Ukraine by Russia during February 2022 suspended the transfer process of the relevant Ukrainian assets included in Stage 2 of the transaction. Any development of such process is expected to take place in the future upon normalisation of current conditions.

Moreover, the war in Ukraine has also affected our standard local business. In particular, despite submitting the official request to the City of Kiev to extend the lease of Tsymlyanskiy for another 5 years last November (as we have first extension rights over any other interested party) we have not managed to get an official approval yet. The first step in the process whereby the approval by presiding committee of the municipality, before the final approval by the City Council, did not take place as too many other cases had accumulated which had time priority over our case. During the period between 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian invasion of Ukraine. However, management remains confident that the Company will be awarded the lease extension once the war status permits.

Net income from operations decreased by 31% during H1 2022, due to an expected drop in third party management fees as a result of the disposal process.

Overall, the administration expenses, adjusted by the one-off costs associated with non-recurring tasks, decreased by 8%, but recurring EBITDA decreased to €0,07m compared to €0,5m in H1 2021, not only due to the decrease in net operating income but also due to non-existance of share of profits from associates, resulted from the sale of the Delenco asset. Finance result remained at the same levels and the operating result after finance and taxes decreased to losses €0,2m as compared to profits of €0,25m in the comparative period.

Table 1

EUR	H1 2022			H1 2021		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Asset Management fees	509.750	417.610	**927.360**	657.443	530.033	**1.187.476**
Income from Operations	**509.750**	**417.610**	**927.360**	**657.443**	**530.033**	**1.187.476**
Asset operating expenses	-	(276.221)	**(276.221)**	-	(256.068)	**(256.068)**
Net Operating Income	**509.750**	**141.389**	**651.139**	**657.443**	**273.965**	**931.408**
Share of profits from associates	-		**-**	-	194.863	**194.863**
Net Operating Income from Investments	**509.750**	**141.389**	**651.139**	**657.443**	**468.828**	**1.126.271**
Administration expenses	(504.980)	(70.823)	**(575.803)**	(511.515)	(113.562)	**(625.077)**
Operating Result (EBITDA)	**4.770**	**70.566**	**75.336**	**145.928**	**355.266**	**501.194**
Finance Cost, net	126.095	(359.407)	**(233.312)**	148.316	(382.276)	**(233.960)**
Income tax expense	2.277	(33.251)	**(30.974)**	(124)	(17.849)	**(17.973)**
Operating Result after Finance and Tax Expenses	**133.142**	**(322.092)**	**(188.950)**	**294.120**	**(44.859)**	**249.261**
Other income / (expenses), net	860	(104.116)	**(103.256)**	3.524	(107.144)	**(103.620)**
One-off costs associated with non-recurring tasks*	(184.500)	-	**(184.500)**	(34.142)	-	**(34.142)**
One-off costs associated with Arcona transaction	(170.192)	-	**(170.192)**	(7.873)	-	**(7.873)**
Fair value adjustments from Investment Properties	-	(1.793.710)	**(1.793.710)**	-	250.201	**250.201**
Net gain/(loss) on disposal of investments	-	(3.953.743)	**(3.953.743)**	-	294.514	**294.514**
Impairment of financial investments	(446.671)	-	**(446.671)**	79.284	-	**79.284**
Foreign exchange differences, net	(11.068)	(30.976)	**(42.044)**	(47.406)	(157.942)	**(205.348)**
Result for the year	**(678.429)**	**(6.204.637)**	**(6.883.066)**	**287.507**	**234.770**	**522.277**
Exchange difference on I/C loans to foreign holdings	-	-	**-**	-	-	**-**
Exchange difference on translation due to presentation currency	-	19.148	**19.148**	-	(565.479)	**(565.479)**
Total Comprehensive Income for the year	**(678.429)**	**(6.185.489)**	**(6.863.918)**	**287.507**	**(330.709)**	**(43.202)**
*Incentives, Change of share custody position due to Brexit, Strike off companies						

2. Regional Economic Developments [1]

The main macroeconomic indicators reveal a steady, but at a slower pace, economic rebound at two years after the contraction of the economy due to the impact of the COVID-19 pandemic in 2020. After a GDP growth of 5,9% for 2021, economic performance in 2022 is forecasted considerably lower, with a modest 3% growth. The reason for such performance is mainly the ongoing conflict in neighbouring Ukraine and the considerably high inflation rate which is recorded during the year at +10% and is expected to reach 9,7% at the end of 2022. At the same time, the unemployment rate increased marginally from 5,4% at the end of 2021 to 5,7% at mid H1 2022.

The Government announced recently the launch of a new package of social and economic measures of the order of €1,1bn, including financial support for pensioners and low income citizens, as well as the postponement for nine months of bank debts for corporates and people facing economic difficulties. At the same time, the Government adopted measures for restraining public deficit, including among others the reduction of public expenditures by 10%, excluding salaries, pensions and investments.

Following the invasion of Ukraine by Russia in February 2022, Ukraine's economy is expected to shrink by an estimated 45% this year, although the magnitude of the contraction will depend on the duration and intensity of the ongoing war. The Russian invasion is delivering a devastating blow to Ukraine's economy and it has caused enormous damage to country's infrastructure, so that the country is in need of immediate financial support in order to keep its economy going and the government providing aid to the population who face an extreme situation.

3. Real Estate Market Developments[2]

3.1 Romania

Sales of residential units in Romania are expected to continue to be strong in 2022 with an increase of c.15% as compared to 2021. Residential units in Bucharest cost on average €1.660 per m^2, while

[1] Sources: World Bank Group, Eurostat, EBRD, National Institute of Statistics- Romania, National Institute of Statistics – Ukraine, IMF, European Commission.
[2] Sources : Eurobank, CBRE Research, Colliers International, Cushman & Wakefield, Crosspoint Real Estate, Knight Frank, Coldwell Banker Research, National Institute of Statistics- Romania, State Statistics Service-Ukraine, JLL

prices of more than €1.000 per m^2 are also achieved in regional cities such as Timisoara, Brasov and Constanta. Despite the social and economic impact of the conflict in Ukraine, the demand for new houses in H1 2022 turned out to be stronger than expected.

3.2 Ukraine

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

4. Property Assets

4.1 EOS Business Park – Danone headquarters, Romania

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

The Company acquired the office building in November 2014. The complex is fully let to Danone Romania, the French multinational food company, until 2025. The asset was sold in June 2022 as part of Stage 2 of the Arcona transaction.

4.2 Delenco office building, Romania

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

The Company acquired 24,35% of the property in May 2015. As at the end 2021, the building is 99% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (81% of GLA). The stake in the asset was sold in March and June 2022 as part of Stage 2 of the Arcona transaction.

4.3 Innovations Logistics Park, Romania

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

The terminal is currently is 73% leased. Anchor tenant with 46% is Favorit Business Srl, a large Romanian logistics operator, which accommodates in the terminal their new business line which involves as end user Carrefour. Following recent relevant agreement, Favorit's leases extended until 2026. In 2019, the Company also signed short term lease agreements for ambient storage space with

Chipita Romania Srl, one of the fastest growing regional food companies. 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 1.429 m2 plot with a total gross area of 1.198 m2.

The property is 100% leased to the International School for Primary Education until 2032.

4.5 Residential portfolio

- **GreenLake, Bucharest, Romania**

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

During H1 2022, 2 apartments and villas were sold while at the end of the period 9 units remained unsold. The asset is planned to be part of Stage 3 of the Arcona transaction.

4.5 Land Assets

- **Kiyanovskiy Residence – Kiev, Ukraine**

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

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

- **Tsymlyanskiy Residence – Kiev, Ukraine**

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

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

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

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

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2022

	Note	30 June 2022	30 June 2021
Continued Operations		**€**	**€**
Income	10	509.750	657.443
Net Operating Income		**509.750**	**657.443**
Administration expenses	12	(859.672)	(553.530)
Other operating income/(expenses), net	15	3.641	3.524
Fair value (loss)/gain on financial assts at FV through P&L	25	(446.674)	79.284
Gain/(loss) realized on acquisition of assets/subsidiary		1.041	-
Share of profits/(losses) associates	21	(3.822)	-
Operating profit/(Loss)		**(795.736)**	**186.721**
Finance income	16	187.273	254.819
Finance costs	16	(61.178)	(106.503)
Profit/ (Loss) before tax and foreign exchange differences		**(669.641)**	**335.037**
Foreign exchange (loss), net	17a	(11.065)	(47.406)
Profit/ (Loss) before tax		**(680.706)**	**287.631**
Income tax expense	18	2.277	(124)
Profit/ (Loss) for the period from continuing operations		**(678.429)**	**287.507**
Profit/(Loss) from discontinued operations	9b	(6.204.637)	234.770
Profit/(Loss) for the period		**(6.883.066)**	**522.277**
Other comprehensive income			
Total comprehensive income for the period		**(6.863.918)**	**(43.202)**
Profit/ (Loss) for the period from continued operations attributable to:			
Owners of the parent		(678.429)	287.507
Non-controlling interests		-	-
		(678.429)	**287.507**
Profit/(Loss) for the period from discontinued operations attributable to:			
Owners of the parent		(5.982.678)	146.385
Non-controlling interests		(221.959)	88.385
		(6.204.637)	**234.770**
Profit/(Loss) for the period attributable to:			
Owners of the parent		(6.661.107)	433.892
Non-controlling interests		(221.959)	88.385
		(6.883.066)	**522.277**
Total comprehensive income attributable to:			
Owners of the parent		(6.690.897)	(189.974)
Non-controlling interests		(173.021)	146.772
		(6.863.918)	**(43.202)**
Earnings/(losses) per share (Euro per share):	36 b,c		
Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent		(0,005)	0,002
Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent		(0,005)	0,002
Basic earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent		(0,05)	0,001
Diluted earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent		(0,05)	0,001

The notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the six months ended 30 June 2022

	Note	30 June 2022	31 December 2021
			€
ASSETS			
Non-current assets			
Tangible and intangible assets	22	1.297	1.628
Financial Assets at FV through P&L	25	12.703.253	7.470.722
Investments in associates	21	5.219	-
Long-term receivables and prepayments	23	823	824
		12.710.592	**7.473.174**
Current assets			
Prepayments and other current assets	24	4.150.836	4.510.381
Cash and cash equivalents	26	235.742	2.160.576
		4.386.578	**6.670.957**
Assets classified as held for sale	9d	23.635.136	39.011.516
Total assets		**40.732.306**	**53.155.647**
EQUITY AND LIABILITIES			
Issued share capital	27	1.291.281	1.291.281
Share premium		72.107.265	72.107.265
Foreign currency translation reserve	28	8.874.608	8.969.787
Exchange difference on I/C loans to foreign holdings	38.3	(211.199)	(211.199)
Accumulated losses		(65.142.572)	(58.903.610)
Equity attributable to equity holders of the parent		**16.919.383**	**23.253.524**
Non-controlling interests	29	5.218.355	5.748.132
Total equity		**22.137.738**	**29.001.656**
Non-current liabilities			
Borrowings	30	140.181	126.066
Bonds issued	31	1.033.842	1.033.842
Taxation	34	611.225	627.130
		1.785.248	**1.787.038**
Current liabilities			
Borrowings	30	535.500	1.577.500
Bonds issued	31	136.266	293.214
Trade and other payables	32	3.998.125	4.396.123
Tax payable and provisions	34	73.193	256.437
		4.743.084	**6.523.274**
Liabilities directly associated with assets classified as held for sale	9d	12.066.236	15.843.679
		16.809.320	**22.366.953**
Total liabilities		**18.594.568**	**24.153.991**
Total equity and liabilities		**40.732.306**	**53.155.647**
Net Asset Value (NAV) € per share:	36 d		
Basic NAV attributable to equity holders of the parent		**0,13**	**0,17**
Diluted NAV attributable to equity holders of the parent		**0,13**	**0,17**

On 28 September 2022 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company							
	Share capital	Share premium, Net[1]	Accumulated losses, net of non-controlling interest[2]	Exchange difference on I/C loans to foreign holdings[3]	Foreign currency translation reserve[4]	**Total**	Non- controlling interest	**Total**
	€	**€**	**€**	**€**	**€**	**€**	**€**	**€**
Balance 1 January 2021	**1.291.281**	**72.107.265**	**(58.428.800)**	**(211.199)**	**8.954.426**	**23.712.973**	**5.921.153**	**29.634.126**
Loss for the year	-	-	433.892	-	-	**433.892**	88.385	**522.277**
Foreign currency translation reserve	-	-	-	-	(623.866)	**(623.866)**	58.387	**(565.479)**
Balance 30 June 2021	**1.291.281**	**72.107.265**	**(57.994.908)**	**(211.199)**	**8.330.560**	**23.522.999**	**6.067.925**	**29.590.924**
Loss for the year	-	-	(908.702)	-	-	**(908.702)**	(310.344)	**(1.219.046)**
Foreign currency translation reserve	-	-	-		639.227	**639.227**	(9.449)	**629.778**
Balance 31 December 2021	**1.291.281**	**72.107.265**	**(58.903.610)**	**(211.199)**	**8.969.787**	**23.253.524**	**5.748.132**	**29.001.656**
Loss for the year	-	-	(6.238.962)	-	-	**(6.238.962)**	(644.104)	**(6.883.066)**
Foreign currency translation reserve	-	-		-	(95.179)	**(95.179)**	114.327	**19.148**
Balance 30 June 2022	**1.291.281**	**72.107.265**	**(65.142.572)**	**(211.199)**	**8.874.608**	**16.919.383**	**5.218.355**	**22.137.738**

[1] Share premium is not available for distribution.

[2] 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.

[3] Exchange differences on intercompany loans to foreign holdings arose as a result of devaluation of the Ukrainian Hryvnia during previous years. The Group treats the mentioned loans as a part of the net investment in foreign operations (Note 38.3).

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Note	30 June 2022	30 June 2021
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		(680.706)	287.631
Profit/(Loss)before tax and non-controlling interests-discontinued operations	9b	(6.171.386)	252.619
Profi/(Loss) before tax and non-controlling interests		**(6.852.092)**	**540.250**
Adjustments for:			
(Gains)/losses on revaluation of investment property	13	1.793.710	(250.201)
Net gain/loss on disposal of investment properties	14	982.792	(294.514)
Accounts payable written off	15	-	(5.464)
Depreciation/ Amortization charge	12	852	738
Finance income	16	(191.918)	(259.464)
Interest expense	16	421.551	489.012
Share of profit from associates	21	3.822	(194.863)
(Gain)/loss realized in acquisition of asset/subsidiary		(1.041)	-
(Gain)/loss on disposal of subsidiaries	20.2.2	2.970.951	-
Fair value change on financial investment	25	446.674	(79.284)
Effect of foreign exchange differences	17a	42.041	205.348
Cash flows from/(used in) operations before working capital changes		**(382.658)**	**151.558**
Change in prepayments and other current assets	24	(461.427)	458.426
Change in trade and other payables	32	105.445	(77.966)
Change in VAT and other taxes receivable	24	(27.016)	8.471
Change in other taxes payables	34	157.299	55.785
Change in provisions	34	-	(337)
Change in deposits from tenants	33	(41.229)	-
Cash generated from operations		**(649.586)**	**595.937**
Income tax paid		(112.321)	(103.989)
Net cash flows provided/(used) in operating activities		**(761.907)**	**491.948**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	14	774.833	2.126.423
Payment for acquisition of associate	21	(6.296)	-
Dividend received from associates	21	121.772	-
Interest received	24	95.649	139.682.89
(Increase)/Decrease in long term receivable	23	(13.809)	(149.990)
Net cash flows from / (used in) investing activities		**972.149**	**1.976.433**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principle amount of borrowings	30	(1.224.086)	(2.404.265)
Interest and financial charges paid	30	(267.725)	(108.521)
Decrease in financial lease liabilities	35	(142.951)	(197.489)
Net cash flows from / (used in) financing activities		**(1.634.762)**	**(2.710.275)**
Net increase/(decrease) in cash at banks		**(1.424.520)**	**(241.894)**
Cash:			
At beginning of the period		2.555.246	841.868
At end of the period	26	**1.130.726**	**599.974**

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2022

1. General Information

Country of incorporation

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

Principal activities

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

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

As at the reporting date, the companies of the Group employed and/or used the services of 15 full time equivalent people, (2021 → 15 full time equivalent people).

2. Basis of preparation

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

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Following certain conditional agreement signed in December 2018 with Arcona Property Fund N.V for the sale of Company's non-Greek portfolio of assets, the Company classifies its assets since 2018 as discontinued operations (Note 4.3) .

3. Adoption of new and revised Standards and Interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

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

4.1 Basis of consolidation

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

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control and Disposal of Subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

4.2 Functional and presentation currency

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

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

As Management records the consolidated financial information of the entities domiciled in Cyprus, Romania, Ukraine in their functional currencies, in translating financial information of the entities domiciled in these countries into Euro for inclusion in the consolidated financial statements, the Group follows a translation policy in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", and the following procedures are performed:

- All assets and liabilities are translated at closing rate;
- Equity of the Group has been translated using the historical rates;
- Income and expense items are translated using exchange rates at the dates of the transactions, or where this is not practicable the average rate has been used;
- All resulting exchange differences are recognized as a separate component of equity;
- When a foreign operation is disposed of through sale, liquidation, repayment of share capital or abandonment of all, or part of that entity, the exchange differences deferred in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale;
- Monetary items receivable from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future and in substance are part of the Group's net investment in those foreign operations are recongised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

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

	Average for the period			**Closing as at**		
Currency	**1 Jan 2022 - 30 June 2022**	**1 Jan 2021 - 31 Dec 2021**	**1 Jan 2021 - 30 June 2021**	**30 June 2022**	**31 December 2021**	**30 June 2021**
USD	1,0934	1,1827	1,2053	1,0387	1,1326	1,1884
UAH	31,7356	32,3009	33,4936	30,7776	30,9226	32,3018
RON	4,9463	4,9204	4,9000	4,9454	4,9481	4,9267

4.3 Discontinued operations

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

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

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

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

4.4 Investment Property at fair value

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

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

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

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

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

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

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

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

Initial measurement and recognition

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

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

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

Subsequent measurement

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

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

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

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same the period ending 30 June 2022:

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

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

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

In expressing opinions on Market Value, in certain cases the appraisers have estimated net annual rentals/income from sale. These are assessed on the assumption that they are the best rent/sale prices at which a new letting/sale of an interest in property would have been completed at the date of valuation assuming: a willing landlord/buyer; that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the letting/sale; that the state of the market, levels of value and other circumstances were, on any earlier assumed date of entering into an agreement for lease/sale, the same as on the valuation date; that no account is taken of any additional bid by a prospective tenant/buyer with a special interest; that the principal deal conditions assumed to apply are the same as in the market at the time of valuation; that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

A number of properties are held by way of ground leasehold interests granted by the City Authorities. The ground rental payments of such interests may be reviewed on an annual basis, in either an upwards or downwards direction, by reference to an established formula. Within the terms of the lease, there is a right to extend the term of the lease upon expiry in line with the existing terms and conditions thereof. In arriving at opinions of Market Value, the appraisers assumed that the respective ground leases are capable of extension in accordance with the terms of each lease. In addition, given that such interests are not assignable, it was assumed that each leasehold interest is held by way of a special purpose vehicle (“SPV”), and that the shares in the respective SPVs are transferable.

With regard to each of the properties considered, in those instances where project documentation has been agreed with the respective local authorities, opinions of the appraisers of value have been based on such agreements.

In those instances where the properties are held in part ownership, the valuations assume that these interests are saleable in the open market without any restriction from the co-owner and that there are no encumbrances within the share agreements which would impact the sale ability of the properties concerned.

The valuation is exclusive of VAT and no allowances have been made for any expenses of realization or for taxation which might arise in the event of a disposal of any property.

In some instances the appraisers constructed a Discounted Cash Flow (DCF) model. DCF analysis is a financial modeling technique based on explicit assumptions regarding the prospective income and expenses of a property or business. The analysis is a forecast of receipts and disbursements during the period concerned. The forecast is based on the assessment of market prices for comparable premises, build rates, cost levels etc. from the point of view of a probable developer.

To these projected cash flows, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property. In this case, it is a development property and thus estimates of capital outlays, development costs, and anticipated sales income are used to produce net cash flows that are then discounted over the projected development and marketing periods. The Net Present Value (NPV) of such cash flows could represent what someone might be willing to pay for the site and is therefore an indicator of market value. All the payments are projected in nominal US Dollar/Euro amounts and thus incorporate relevant inflation measures.

Valuation Approach
In addition to the above general valuation methodology, the appraisers have taken into account in arriving at Market Value the following:

Pre Development
In those instances where the nature of the ‘Project’ has been defined, it was assumed that the subject property will be developed in accordance with this blueprint. The final outcome of the development of the property is determined by the Board of Directors decision, which is based on existing market conditions, profitability of the project, ability to finance the project and obtaining required construction permits.

Development
In terms of construction costs, the budgeted costs have been taken into account in considering opinions of value. However, the appraisers have also had regard to current construction rates prevailing in the market which a prospective purchaser may deem appropriate to adopt in constructing each individual scheme. Although in some instances the appraisers have adopted the budgeted costs provided, in some cases the appraisers’ own opinions of costs were used.

Post Development
Rental values have been assessed as at the date of valuation but having regard to the existing occupational markets taking into account the likely supply and demand dynamics during the anticipated development period. The standard letting fees were assumed within the valuations. In arriving at their estimates of gross development value (“GDV”), the appraisers have capitalized their opinion of net operating income, having deducted any anticipated non-recoverable expenses, such as land payments, and permanent void allowance, which has then been capitalized into perpetuity.

The capitalization rates adopted in arriving at the opinions of GDV reflect the appraisers’ opinions of the rates at which the properties could be sold as at the date of valuation.

In terms of residential developments, the sales prices per sq. m. again reflect current market conditions and represent those levels the appraisers consider to be achievable at present. It was assumed that there are no irrecoverable operating expenses and that all costs will be recovered from the occupiers/owners by way of a service charge.

The valuations take into account the requirement to pay ground rental payments and these are assumed not to be recoverable from the occupiers. In terms of ground rent payments, the appraisers have assessed these on the basis of information available, and if not available they have calculated these payments based on current legislation defining the basis of these assessments.

4.5 Goodwill

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

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

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

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

4.6 Property, Plant and equipment and intangible assets

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

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

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

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

No depreciation is charged on land.

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

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

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

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

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

4.7 Cash and Cash equivalents

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

4.8 Assets held for sale

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

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

4.9 Financial Instruments

4.9.1 Recognition and initial measurement

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

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

4.9.2 Classification and subsequent measurement

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

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

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

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

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

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

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

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale 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 –

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

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

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

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

Cash flow hedges

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

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

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

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

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

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

Net investment hedges

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

4.10 Leases

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

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

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

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

- the Company has the right to operate the asset; or

- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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

The Company as lessor

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

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

If an arrangement contains lease and non lease components, the Company applies IFRS 15 to allocate the consideration in the contract. The Company recognises lease payments received under operating leases as income om a straight line basis over the lease term as part of 'other income'.

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

The Company as lessee

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

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

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

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

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

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

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

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

Short term leases and leases of low value assets

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

4.11 Borrowings

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

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

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

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

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

4.12 Tenant security deposits

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

4.13 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.14 Share Capital

Ordinary shares are classified as equity.

4.15 Share premium

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

4.16 Share-based compensation

The Group had in the past and intends in the future to operate a number of equity-settled, share-based compensation plans, under which the Group receives services from Directors and/or employees as consideration for equity instruments (options) of the Group. The fair value of the Director and employee cost related to services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each financial position date, the Group revises its estimates on the number of options that are expected to vest based on the non-marketing vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

4.17 Provisions

Provisions are recognized when the Group has a present obligation (legal, tax or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. As at the reporting date the Group has settled all its construction liabilities.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.18 Non-current liabilities

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

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. It is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. Revenue earned by the Group is recognized on the following bases:

4.19.1 Income from investing activities

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

4.19.2 Dividend income

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

4.19.3 Interest income

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

4.19.4 Rental income

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

4.20 Service charges and expenses recoverable from tenants

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

4.21 Other property expenses

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

4.22 Borrowing costs

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

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

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

4.23 Asset Acquisition Related Transaction Expenses

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

4.24 Taxation

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

<u>4.24.1 Current tax</u>

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.

<u>4.24.2 Deferred tax</u>

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

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

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

<u>4.24.3 Current and deferred tax for the year</u>

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

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

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

<u>4.24.4 Withholding Tax</u>

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.

<u>4.24.5 Dividend distribution</u>

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

4.25 Value added tax

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

- 20% on Ukrainian domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Ukraine.
- 19% on Cyprus domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Cyprus.

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

4.26 Operating segments analysis

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

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

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

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

4.27 Earnings and Net Assets value per share

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

Basic EPS amounts are calculated by dividing net profit/loss for the year, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Basic NAV amounts are calculated by dividing net asset value as at year end, attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the year.

Diluted EPS is calculated by dividing net profit/loss for the year, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

Diluted NAV is calculated by dividing net asset value as at year end, attributable to ordinary equity holders of the parent with the number of ordinary shares outstanding at year end plus the number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

4.28 Comparative Period

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

5. New accounting pronouncement

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

6. Critical accounting estimates and judgments

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

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

- **Provision for impairment of receivables**

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

- **Fair value of financial assets**

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

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. For the current period, the Group has used the same fair values as those determined for 31 December 2021, except for the Ukrainian assets for which updated valuations were prepared in order to take into account the developments from the ongoing conflict. Following the updated valuations, the Management has agreed to further impair the value of those assets at 50% of their end of previous year value (Note 19.2).

- **Income taxes**

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

- **Impairment of tangible assets**

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

- **Provision for deferred taxes**

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

- **Application of IFRS 10**

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

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

7. Risk Management

7.1 Financial risk factors

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

7.1.1 Operating Country Risks

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

7.1.1.1 Ukraine

The risk associated with Company's interests in Ukraine has increased dramatically with the invasion of the country by Russia in February 2022. Currently, the political and economic risks associated with Company's activities in the region do not really allow for any relevant assessment for the future.

The Company owns land plots in Ukraine, either in Kiev or close to the capital, reported at time of publishing still under Ukrainian control. The plots do not generate income and therefore the cash flow of the Group is not affected by the invasion.
Due to the situation, the Management decided to proceed with the re-valuation of the Ukrainian properties, although this is not the standard course of action in relation to interim accounts. To that end, the Company received updated valuation reports for these properties, and finally the Management, given the associated uncertainty, decided to value those assets even lower than the current values as provided by the third-party valuers (CBRE Ukraine). As a result, the Ukrainian assets contribute €1,8 million in Group's assets, as compared to €3,1 million provided by the valuers and €3,6 million in 2021 accounts.

Moreover, the war, as well as the preceded tensions during the previous period, affect also the land leaseholds that the Company has in the country. In particular, as of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. The Management remains confident that the Group will be awarded the lease extension once the war status permits. However, as a result of such development, the asset does not contribute value commencing from current reporting period. The Management will monitor developments in the country and change policy if necessary.

The Company will revert to inform investors upon having a clearer view on the developments associated with the conflict and its consequences on real estate assets.

7.1.1.2 Romania

Romanian economy grew significantly by 5,9% in 2021, following the contraction of the economy due to the impact of the COVID-19 pandemic in 2020. However, economic performance for current year is forecasted considerably lower at 3%, due to the ongoing conflict in neighboring Ukraine, and the associated impact on inflation rate, which stands and expected to continue to do so at double digit levels.

Following the impacts of that conflict, local Government forced to announce social and economic measures for the support of low income citizens, increasing the risk of higher budget deficits and public debt, which might further weaken the macroeconomic indicators and therefore the associated risk.

7.1.2 Risks associated with property holding and development associated risks

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

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

7.1.3 Property Market price risk

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

7.1.4 Interest rate risk

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

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

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

7.1.5 Credit risk

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

7.1.6 Currency risk

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

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

7.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's core strategy is described in Note 41.1 of the consolidated financial statements.

7.1.8 Compliance risk

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

7.1.9 Litigation risk

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

7.1.10 Insolvency risk

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

7.2. Operational risk

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

7.3. Fair value estimation

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

8. Investment in subsidiaries

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

			Holding %		
Name	**Country**	**Related Asset**	**as at 30 June 2022**	**as at 31 Dec 2021**	**as at 30 June 2021**
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
Victini Holdings Limited	Cyprus		-	-	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
SecMon Real Estate Sr	Romania		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	70,56	70,56
Rimasol Real Estate Srl	Romania		70,56	70,56	70,56
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

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

** During 2020 the Company initiated the process of striking off six holding subsidiaries in Cyprus, which became idle following recent disposals of local asset owning companies and properties. The companies to be struck off are: Bluehouse Accession Project IV Limited, Demetiva Holdings Limited, Diforio Holdings Limited, Jenby Ventures Limited, Ebenem Limited and Mofben Investments Limited. Relevant official clearance from local Trade Registry and Tax Authorities is expected in the following period. Currently the Group has initiated strike off process for two additional Ukrainian entities.

As part of Stage 2 of the transaction with Arcona, during the first half of 2022 the Group proceeded with closing the disposal of N-E Real Estate Park First Phase Srl, the entity which owns the EOS asset, in exchange of 116.688 new ordinary shares in Arcona and 28.125 warrants over shares in Arcona.

During 2021 the Group proceeded with the disposal of Victini Holdings Limited in Cyprus which was idle after the disposal in 2019 of its subsidiary that used to hold the warehouse asset in Greece.

Additionally during 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%.

Following extended but unsuccessful negotiations for more than 2 years with Tonescu Finance Srl, the company which had acquired Monaco Towers property's loan, SecMon Real Estate Srl entered voluntarily in January 2018 into insolvency process, in order to protect its interests against its creditor, given that the value of the assets was higher than the value of the relevant loan. The entering of SecMon Real Estate Srl in the insolvency process meant loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl was not consolidated in previous periods in Group's financial statements. However, during 2021 and after the successful re-organization of SecMon Real Estate Srl through the insolvency process, the company re-paid fully its loan and the Group regained full control of the subsidiary. Following that, by the end of 2021, the subsidiary had managed to sell successfully all its units stock .

9. Discontinued operations

9.(a) Description

The Company announced on 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to Arcona Property Fund N.V. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona Property Fund N.V. shares), as well as successful negotiating and signature of transaction documents. During 2019 and as part of the Arcona transaction the Company sold the Boyana Residence asset in Bulgaria, as well as the Bela and Balabino land plots in Ukraine, while in June 2021 signed SPAs related to Stage 2 of the transaction, namely for the EOS and Delenco assets in Romania, as well as the Kiyanovskiy and Rozny assets in Ukraine. In March and June 2022, the Company sold effectively to Arcona the Delenco and EOS assets in Romania. On the other hand, the invasion of Ukraine by Russia in February 2022 has put on hold the completion of the transactions regarding the Ukrainian assets and any development is expected to take place in the future upon normalization of current conditions in the country.

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

- **Cyprus**: Ashor Ventures Limited, Edetrio Holdings Limited, Rimasol Enterprises Limited, Emakei Holdings Limited, Iuliu Maniu Limited, Ram Real Estate Management Limited, Frizomo Holdings Limited, 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, Ketiza Real Estate Srl, SPDI Real Estate Srl and Secmon SRL
- **Ukraine**: LLC Aisi Ukraine, LLC Almaz-Pres-Ukraine, LLC Trade Center, LLC Retail Development Balabino

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

9.(b) Results of discontinued operations

For the period ended 30 June 2022

	Note	30 June 2022	30 June 2021
		€	**€**
Income	10	417.610	530.033
Asset operating expenses	11	(276.221)	(256.068)
Net Operating Income		**141.389**	**273.965**
Administration expenses	12	(70.823)	(113.562)
Share of profits from associates	21	-	194.863
Valuation gains/(losses) from Investment Property	13	(1.793.710)	250.201
Gain/(loss) on disposal of subsidiary	20.2.2	(2.970.951)	-
Net profit /(loss) on disposal of investment property	14	(982.792)	294.514
Other operating income/(expenses), net	15	(104.116)	(107.144)
Operating profit		**(5.781.003)**	**792.837**
Finance income	16	4.645	4.645
Finance costs	16	(364.052)	(386.921)
Profit /(Loss) before tax and foreign exchange differences		**(6.140.410)**	**410.561**
Foreign exchange (loss), net	17a	(30.976)	(157.942)
Profit/(Loss) before tax		**(6.171.386)**	**252.619**
Income tax expense	18	(33.251)	(17.849)
Profit/(Loss) for the year		**(6.204.637)**	**234.770**
Profit/(Loss) attributable to:			
Owners of the parent		(5.982.678)	146.385
Non-controlling interests		(221.959)	88.385
		(6.204.637)	**234.770**

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

	30 June 2022	30 June 2021
	€	**€**
Net cash flows provided in operating activities	(2.014.264)	(218.890)
Net cash flows from / (used in) financing activities	5.473.653	(2.392.148)
Net cash flows from / (used in) investing activities	(565.587)	2.201.166
Net increase/(decrease) from discontinued operations	**2.893.802**	**(409.872)**

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 2022:

	Note	30 June 2022	31 Dec 2021
		€	**€**
Assets classified as held for sale			
Investment properties	19.4	18.567.057	31.554.991
Tangible and intangible assets	22	52	11.988
Long-term receivables and prepayments	23	317.084	333.263
Investments in associates	21	1	5.476.576
Prepayments and other current assets	24	3.855.958	1.240.028
Cash and cash equivalents	26	894.984	394.670
Total assets of group held for sale		**23.635.136**	**39.011.516**
Liabilities directly related with assets classified as held for sale			
Borrowings	30	4.615.242	8.022.899
Finance lease liabilities	35	6.372.896	6.515.847
Trade and other payables	32	802.476	997.392
Taxation	34	252.620	243.310
Deposits from tenants	33	23.002	64.231
Total liabilities of group held for sale		**12.066.236**	**15.843.679**

10. Income

Income from ***continued operations*** for the period ended 30 June 2022 represents:

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

b) Asset management income.

Continued operations	**30 June 2022**	**30 June 2021**
	€	**€**
Rental income	358.514	339.831
Service charges and utilities income	151.236	116.675
Asset management income	-	200.937
Total income	**509.750**	**657.443**

Income from ***discontinued operations*** for the period ended 30 June 2022 represents:

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

Discontinued operations (Note 9)	**30 June 2022**	**30 June 2021**
	€	**€**
Rental income	408.891	515.772
Service charges and utilities income	8.719	13.798
Property management income	-	463
Total income	**417.610**	**530.033**

Occupancy rates in the various income producing assets of the Group as at 30 June 2022 were as follows:

Income producing assets			
%		**30 June 2022**	**30 June 2021**
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	73	89
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. 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 operation of the Asset.

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

Discontinued operations (Note 9)	**30 June 2022**	**30 June 2021**
	€	**€**
Property related taxes	(82.212)	(55.871)
Repairs and technical maintenance	(13.432)	(37.883)
Utilities	(147.382)	(110.518)
Property security	(17.565)	(22.922)
Property insurance	(6.208)	(3.804)
Leasing expenses	(3.421)	(22.908)
Other investment property operating expenses	(6.001)	(2.162)
Total	**(276.221)**	**(256.068)**

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 decreased substantially in H1 2022 following extensive maintenance works that took place in Innovations iLogistics Park and Green Lake unit stock in Bucharest during H1 2021.

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.

Leasing expenses reflect expenses related to long term land leasing.

12. Administration Expenses

Continued operations	**30 June 2022**	**30 June 2021**
	€	**€**
Salaries and Wages	(166.927)	(174.753)
Incentives pursuant to RemCo proposal	(184.500)	-

Advisory and broker fees	(85.107)	(86.136)
Public group expenses	(75.005)	(73.538)
Corporate registration and maintenance fees	(24.395)	(32.285)
Vat Expensed	(10.711)	(5.253)
Audit and accounting fees	(47.468)	(60.523)
Legal fees	(152.731)	(25.390)
Depreciation/Amortization charge	(787)	(688)
Corporate operating expenses	(112.041)	(94.964)
Total Administration Expenses	**(859.672)**	**(553.530)**

Discontinued operations (Note 9)	**30 June 2022**	**30 June 2021**
	€	**€**
Salaries and Wages	(14.592)	(16.241)
Advisory fees and broker fees	(1.918)	(38.003)
Corporate registration and maintenance fees	(22.188)	(19.998)
Vat Expensed	(4.385)	(3.871)
Audit and accounting fees	(21.368)	(19.406)
Legal fees	(432)	(2.195)
Depreciation/Amortization charge	(65)	(50)
Corporate operating expenses	(5.875)	(13.798)
Total Administration Expenses	**(70.823)**	**(113.562)**

Salaries and wages include the remuneration of the CEO (H1 2022: €63.123 , H1 2021: €63.123), the CFO, the Group Commercial Director and the Country Managers of Ukraine and Romania, as well as the salary cost of personnel employed in the various Company's offices in the region.

Incentives provided in H1 2022 to personnel for the sussessful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the BoD on 01 June 2021.

Advisory 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 decrease in relevant fees in discontinued operations resulted from the lower sales commissions and brokerage fees associated with the sales of units in GreenLake complex, following estensive sales that took place during the comparative period.

Accounting and related fees include fees from external accounting services, as well as fees for transfer pricing and tax consulting services.

Public group expenses include among others fees paid to the AIM:LSE stock exchange and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company, 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 decrease during the period in continued operations resulted from the strike off of Cypriot SPV's which remained idle after the disposal of relevant assets.

Legal fees represent legal expenses incurred by the Group in relation to asset operations (rentals, sales, etc.), ongoing legal cases in Ukraine, Cyprus and Romania, compliance with AIM listing, as well as one-off fees associated with legal services and advise in relation to due diligence processes and transactions. During the current period, the Group incurred €146k relevant legal fees associated with the signing of the SPA's and the partial closing of Stage 2 of the transaction with Arcona.

Corporate operating expenses include office expenses, travel expenses, (tele)communication expenses, D&O insurance and all other general expenses for Cypriot, Romanian and Ukrainian operations. Current increase is a result of the higher cost for the D&O insurance policy, following the continuous increase of such premiums in the insurance market.

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 2022	**30 June 2021**
	€	**€**
Kiyanovskiy Residence	(1.296.510)	(101.366)
Tsymlyanskiy Residence *	-	(37.168)
Rozny Lane	(485.608)	30.137
Innovations Logistics Park	(5.295)	118.108
EOS Business Park	-	78.349
Residential Portfolio	-	1.783
GreenLake	(5.576)	143.542
Kindergarten	(721)	16.816
Total	**(1.793.710)**	**250.201**

* As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the

presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits.

In relation to the Ukrainian assets, and in view of the ongoing conflict in the country, the Company received updated third-party valuation reports instead of keeping the values as at the end of 2021 which is the standard practice for interim accounts. Following the new valuations of such properties, the Management decided to further impair the value of those assets at 50% of their value as at the end of 2021.

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

14. Gain/ (Loss) from disposal of 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 disposal of such properties are presented below:

During H1 2022 the Group sold nothing in Zizin (H1 2021: 1 apartment, 3 parking spaces) and 2 villas in Moselin (Greenlake Parcel K) (H1 2021: 5 villas). During the period the Group also sold Green Lake Phase 2 land, and in particular Parcels B,C,F and part of G and additional adjacent land owned by Green Lake Development SRL, in a transaction with a local developer. The results of the part of the transaction which conducted by Green Lake Development SRL are not included in the table below since the selling entity is an associate.

Discontinued operations (Note 9)	**30 June 2022**	**30 June 2021**
	€	**€**
Income from sale of investment property	3.495.146	2.126.423
Cost of investment property	(4.477.938)	(1.831.909)
Loss from disposal of investment property	**(982.792)**	**294.514**

15. Other operating income/(expenses), net

Continued operations	**30 June 2022**	**30 June 2021**
	€	**€**
Other income	9.198	-
Accounts payable written off	-	5.464
Other income	**9.198**	**5.464**
Penalties	(5.557)	(233)
Other expenses	-	(1.707)
Other expenses	**(5.557)**	**(1.940)**
Other operating income/(expenses), net	**3.641**	**3.524**

Discontinued operations (Note 9)	**30 June 2022**	**30 June 2021**
	€	**€**
Accounts payable written off	-	2.081
Other income	123	-
Other income	**123**	**2.081**
Penalties	(215)	(240)
Other expenses	(104.024)	(108.985)
Other expenses	**(104.239)**	**(109.225)**
Other operating income/(expenses), net	**(104.116)**	**(107.144)**

Continued operations

Other income represents income from services to an associate company.

The accounts payable written off in H1 2021 are mainly related to writing off an old balance.

Discontinued operations

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

16. Finance costs and income

Continued operations		
Finance income	**30 June 2022**	**30 June 2021**
	€	**€**
Interest received from non-bank loans (Note 38.1.1)	187.273	254.819
Total finance income	**187.273**	**254.819**

Finance costs	**30 June 2022**	**30 June 2021**
	€	**€**
Interest expenses (non-bank) (Note 38.1.2)	(24.985)	(69.490)
Finance charges and commissions	(2.406)	(3.226)
Bonds interest	(33.787)	(33.787)
Total finance costs	**(61.178)**	**(106.503)**
Net finance result	**126.095**	**148.316**

Discontinued operations (Note 9)		
Finance income	**30 June 2022**	**30 June 2021**
	€	**€**
Interest received from non-bank loans (Note 38.1.1)	4.645	4.645
Total finance income	**4.645**	**4.645**

Finance costs	**30 June 2022**	**30 June 2021**
	€	**€**
Interest expenses (bank)	(199.643)	(215.867)
Interest expenses (non-bank) (Note 38.1.2)	(11.993)	(12.702)
Finance leasing interest expenses	(151.143)	(157.166)
Finance charges and commissions	(1.273)	(1.186)
Total finance costs	**(364.052)**	**(386.921)**
Net finance result	**(359.407)**	**(382.276)**

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates . This amount includes also interest on Loan receivables from 3rd parties provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania The funds provided initially with a convertibility option which was not exercised, and is currently treated as a loan.

According to the last addendum of the loan agreement, part of the principal equal to €2,5 million will be contributed to a joint venture between the Company and the borrower for the development of logistics assets in Romania (Note 24). The remaining principal plus the interest is repayable by the end of 2022. The loan is bearing a fixed interest rate of 10%.

Borrowing interest expense represents interest expense charged on bank and non-bank borrowings (Note 30).

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

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

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

17. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 30 June 2022 from continued operations amounted to €11.065 (30 June 2021: loss €47.406).

The exchange loss from discontinued operations for the year ended 30 June 2022 amounted to €30.976 (30 June 2021: loss €157.942) (Note 9).

b. Exchange difference on intercompany loans to foreign holdings

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 38.3). For these intercompany loans the foreign exchange differences are recognized initially in other comprehensive income and in a separate component of equity. During 30 June 2022, the Group recognized a foreign exchange loss of €0 (30 June 2021: loss of €0).

18. Tax Expense

Continued operations	**30 June 2022**	**30 June 2021**
	€	**€**
Income and defence tax expense	2.277	(124)
Taxes	**2.277**	**(124)**

Discontinued operations (Note 9)	30 June 2022	30 June 2021
	€	€
Income and defence tax expense	(33.251)	(17.849)
Taxes	**(33.251)**	**(17.849)**

For the period ended 30 June 2022 the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, and in Romania 16%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

19. Investment Property

19.1 Investment Property Presentation

Investment Property consists of the following assets:

Income Producing Assets

- **EOS Business Park** consists of 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania until 2025. In June 2022 the Company proceeded to the sale of the Romanian SPV which holds the asset as part of Stage 2 of the transaction with Arcona.

- **Innovations Logistics Park** is a 16.570 sqm gross leasable area logistics park located in Clinceni in Bucharest, which benefits from being on the Bucharest ring road. Its construction was tenant specific, completed in 2008 and is separated in four warehouses, two of which offer cold storage (freezing temperature), the total area of which is 6.395 sqm. Innovations Logistics Park was acquired by the Group in May 2014 and was 73% leased at the end of the reporting period.

Residential Assets

At the end of the reporting period the Company does not own any more residential units, having sold during the period the remaining **residential portfolio** held by Moselin Investments Srl in GreenLake Residential complex. The associate company Green Lake Developments Srl still owns 9 units in the Green Lake Residential complex, classified under associates (Note 21).

Land Assets

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

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

- **Rozny Lane** is a 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex. It has been registered under the Group pursuant to a legal decision in 2015.

- **GreenLake land** refers to land plots in GreenLake complex adjacent to the already developed assets by the associate Greenlake Development Srl, consisting the Second Phase of the overall project (Note 21). The complex is situated in the northern part of Bucharest on the bank of Grivita Lake. SPDI owns indirectly ~44% of these plots, but has effective management control. At the beginning of the period the asset consisted by 40.850 sqm of land plots and during H1 2022, the Company sold 15.960 sqm of plots to a local developer in a combined transaction with the associate Greenlake Development Srl which sold extra 3.983 sqm of plots. At the end of the period the remaining land in Second Phase of Green Lake project was 24.890 sqm.

19.2 Investment Property Movement during the reporting period

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

Discontinued Operations

30 June 2022 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 30/06/2022	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Disposals H1 2022	Additions H1 2022	Carrying amount as at 31/12/2021
Kiyanovskiy Residence	Land	1.324.386	(27.877)	(1.296.510)	-	-	2.648.773
Tsymlyanskiy Residence	Land	1	-	-	-	-	1

Rozny Lane	Land	485.608	-	(485.609)	-	-	971.217
Total Ukraine		**1.809.995**	**(27.877)**	**(1.782.119)**	**-**	**-**	**3.619.991**
Innovations Logistics Park	Warehouse	9.700.000	5.295	(5.295)	-	-	9.700.000
EOS Business Park	Office	-	-	-	(6.700.000)	-	6.700.000
Residential portfolio	Residential	-	-	-	-	-	-
GreenLake	Land & Resi	5.737.062	5.576	(5.576)	(4.477.938)	-	10.215.000
Kindergarten	Retail	1.320.000	721	(721)	-	-	1.320.000
Total Romania		**16.757.062**	**11.592**	**(11.592)**	**(11.177.938)**	**-**	**27.935.000**
Total		**18.567.057**	**(16.285)**	**(1.793.711)**	**(11.177.938)**	**-**	**31.554.991**

31 December 2021 (€)			**Fair Value movements**			**Asset Value at the Beginning of the period or at Acquisition/Transfer date**	
Asset Name	**Type**	**Carrying amount as at 31/12/2021**	**Foreign exchange translation difference (a)**	**Fair value gain/(loss) based on local currency valuations (b)**	**Disposals 2021**	**Additions 2021**	**Carrying amount as at 31/12/2020**
Kiyanovskiy Residence	Land	2.648.773	297.620	(93.835)	-	-	2.444.988
Tsymlyanskiy Residence	Land	1	67.683	(964.178)	-	-	896.496
Rozny Lane	Land	971.217	(1.019)	75.740	-	-	896.496
Total Ukraine		**3.619.991**	**364.284**	**(982.273)**	-	**-**	**4.237.980**
Innovations Logistics Park	Warehouse	9.700.000	(159.294)	(240.706)	-	-	10.100.000
EOS Business Park	Office	6.700.000	(107.164)	107.164	-	-	6.700.000
Residential portfolio	Residential	-	(4.438)	4.438	(277.458)	124.958	152.500
GreenLake	Land & Resi	10.215.000	(197.765)	452.062	(2.314.297)	-	12.275.000
Kindergarten	Retail	1.320.000	(22.336)	(95.664)	-	-	1.438.000
Total Romania		**27.935.000**	**(490.997)**	**227.294**	**(2.591.755)**	**124.958**	**30.665.500**
TOTAL		**31.554.991**	**(126.713)**	**(754.979)**	**(2.591.755)**	**124.958**	**34.903.480**

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

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

Asset Name	**Location**	**Principal Operation**	**Related Companies**	**Carrying amount as at**			
				30 June 2022		**31 Dec 2021**	
				Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
				€	**€**		**€**
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential development	LLC Aisi Ukraine LLC Trade Center	-	1.324.386	-	2.648.773
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz-Pres-Ukraine	-	1	-	1
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	485.608	-	971.217
Total Ukraine				**-**	**1.809.995**	**-**	**3.619.991**
Innovations Logistics Park	Clinceni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	9.700.000	-	9.700.000
EOS Business Park	Bucharest	Office building	Yamano Holdings Limited, N-E Real Estate Park First Phase Srl	-	-	-	6.700.000
Kindergarten	Bucharest	Retail	SPDI Real Estate Srl	-	1.320.000	-	1.320.000
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	-	5.737.062	-	10.215.000
Total Romania				**-**	**16.757.062**	**-**	**27.935.000**
TOTAL				**-**	**18.567.057**	**-**	**31.554.991**

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 and GreenLake parcel K, as well as all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residence and Rozny Lane in Ukraine, and

GreenLake in Romania.

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At the beginning of the reporting period	**-**	**31.554.991**	**-**	**34.903.480**
Additions		**-**	**-**	**124.958**
Disposal of investment Property	-	(11.177.938)	-	(2.591.755)
Revaluation (loss)/gain on investment property	-	(1.793.711)	-	(754.979)
Translation difference	-	(16.285)	-	(126.713)
As at the end of the reporting period	**-**	**18.567.057**	**-**	**31.554.991**

Disposals in H1 2022 of Investment Properties represent the sales of villas in Green Lake Parcel K and sale of land Parcels B,C,F and part of G in Green Lake project Second Phase.

20. Investment Property Acquisitions, Goodwill Movement and Disposals

20.1 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 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 sqm 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 and as at 31/12/2021 €212.666.

20.2 Disposals

20.2.1 Disposal pre-contract

During previous periods, the Company honouring certain commitment made in the past during the restructuring of the holdings of Green Lake project, signed a pre-agreement for the sale of its 50% stake in 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 effective payment of the price by the buyer until 30/09/2022.

20.2.2 Disposal of subsidiaries and associates

<u>20.2.2 (A) Disposal of EOS Bussiness Park</u>

Following relevant SPA signed in June 2021 and as part of Stage 2 of the transaction with Arcona, during H1 2022 the Company closed the agreement for the disposal of the Romanian SPV which owns the EOS Business Park asset in Bucharest. In exchange for the sale the Company received 116.688 new ordinary shares in Arcona and 28.125 warrants over shares in Arcona.

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

In view of closing the transaction with Arcona for EOS, the Company entered in December 2021 a new loan facility for re-financing the previous leasing contract of the asset, securing a net amount of ~€800k which used to partially re-pay the shareholder loan provided by the Company to the relevant SPV.

20.2.2 (B) Disposal of Associate Lelar Holdings Limited (Note 21)

During H1 2022 and as part of Stage 2 of the transaction with Arcona, the Company sold Lelar Holdings Limited, the Cypriot holding company associated with Delea Nuova asset in Bucharest. In exchange of the transfer, the Company received 362.688 new ordinary shares in Arcona and 87.418 warrants over shares in Arcona, while at the same time the parties agreed that the already declared dividends by Lelar Holding Limited will be allocated and paid to the Company. The relevant amount of such dividends corresponding to the transferred ownership stake of 24,35% was €298k which will be collected during 2022.

	€
Value of associate at date of Disposal (Note 21)	5.178.669
Consideration:	
Shares in Arcona	4.292.953
Loss on Disposal	**885.716**

Total losses on Disposals (A) & (B)	**2.970.951**

21. Investments in associates

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	- -	5.476.576	-	5.071.656
Aqusition of investment in associate	9.041	-	-	-
Share of profits/(losses) from associates	(3.822)	-	-	344.746
Dividend Income	-	(297.906)	-	(198.137)
Disposal of investments	-	(5.178.669)	-	-
Foreign exchange difference	-	-	-	258.311
Total	**5.219**	**1**	**-**	**5.476.576**

During H1 2022 the Company acquired 50% of the share capital of Equardo Holdings Limited, an SPV holding stake in Victoria City (Vic City) project in Bucharest. The participation took place through a share capital increase of the order of €8.000. Vic City is a plot of land for development in north Bucharest on Bucuresti Noi Boulevard near the metro station, where a commercial mixed use center was to be developed. The project was to be contributed to SPDI by its promoters at the time, but neither its development nor its contribution progressed due to other priorities. SPDI participated in Equardo Holdings Limited so as to retain some of the value originally destined to be part of its asset portfolio.

Dividend Income reflects dividends declared by Lelar Holdings Limited the holding SPV of Delea Nuova building, where the Group used to hold a 24,35% participation. The associate was sold during the H1 2022 with the declared dividends agreed to be paid to the Company (Note 20.2.2).

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

Project Name	Associates	Total assets	Total liabilities	Profit/ (loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	-	-	-	-	-	Romania	Office building
Vic City Project	Equardo Holdings Limited	273.954	(255.872)	(7.643)	50%	(3.822)	Romania	Land
Green Lake Project	GreenLake Development Srl	3.783.789	(5.426.760)	1.233.492	40,35%	-	Romania	Residential assets
		4.057.743	**(5.682.632)**	**1.225.849**		**(3.822)**		

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
GreenLake Project – Phase A	GreenLake Development Srl	5.765.057	(8.613.170)	375.735	40,35%	-	Romania	Residential assets
Total		**28.364.024**	**(10.041.666)**	**1.175.861**		**194.863**		

22. Tangible and intangible assets

As at 30 June 2022 the intangible assets were composed of the capitalized expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2021: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (31 Dec 2021: €103.193) and therefore net value amounts to €0 (31 Dec 2021: €0).

As at 30 June 2022 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €1.297 (31 Dec 2021: €1.628).

As at 30 June 2022 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 €39.960 (31 Dec 2021 €79.863). Accumulated depreciation as at the reporting date amounts to €39.908 (31 Dec 2021: €67.660).

23. Long Term Receivables and prepayments

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	823	317.084	824	333.263
Total	**823**	**317.084**	**824**	**333.263**

Long term receivables mainly include cash pledged in favor of Piraeus Leasing and in favor of Alpha Leasing, and the guarantee deposit from tenants in Innovations Logistics Park.

24. Prepayments and other current assets

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	476.042	3.245.473	498.869	576.656
VAT and other tax receivables	253.069	88.927	199.808	127.550
Deferred expenses	-	-	-	433
Receivables due from related parties	67.864	516.913	44.084	516.631
Loan receivables from 3rd parties	3.413.062	-	3.825.949	-
Loan to associates (Note 38.4)	9.512	315.611	9.351	310.966
Allowance for impairment of prepayments and other current assets	(68.713)	(310.966)	(67.680)	(292.208)
Total	**4.150.836**	**3.855.958**	**4.510.381**	**1.240.028**

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.

Receivables due from related parties refer to an amount owed by the associate Greenlake Development Srl to Moselin Srl as part of the use of latter's cash for the re-payment of former's loan with Eurobank, as a result of the fact that there was a cross collateral arrangement securing the loans of the two companies with Eurobank.

Loan receivables from 3rd parties refer to an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania, as well as associated interest less accumulated expected credit loss of €54.256. The loan provided initially with a convertibility option which was not exercised. According to the last addendum in force and based on a relevant SHA signed by the two parties in August 2022 an amount of the loan equal to €2,5 million will be converted into equity in a joint venture for the development of logistics properties in Bucharest, Romania, while the remaining principal plus accrued interest is repayable by end of 2022. The loan bears a fixed interest rate of 10%.

Loan to associates reflects a loan receivable from GreenLake Development Srl, holding company of GreenLake Project-Phase A (Notes 21 and 38.4).

25. Financial Assets at FV through P&L

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

	30 June 2022	31 Dec 2021
	€	€
Arcona shares	7.330.145	6.783.642
FV change in Arcona shares	(531.404)	546.503
Acquired Arcona shares	5.679.202	-
Arcona shares at reporting date	**12.477.943**	**7.330.145**
Warrants over Arcona shares	140.577	3.602
FV change in warrants	84.730	136.975
Acquired Arcona shares	3	-
Arcona warrants at reporting date	**225.310**	**140.577**
Total Financial Assets at FV	**12.703.253**	**7.470.722**
FV change in Arcona shares	(531.404)	546.503
FV change in warrants	84.730	136.975
Fair Value loss on Financial Assets at FV through P&L	**(446.674)**	**683.478**

The Company received during 2019 and 2020 593.534 Arcona shares as part of the completion of Stage 1 of the transaction with Arcona, for the sale of Bella and Balabino assets in Ukraine, and the Boyana asset in Bulgaria. During the current period the Company received 479.376 additional shares in Arcona as part of Stage 2 of the transaction with Arcona, for the sale of EOS and Delea Nuova assets in Romania.

At the end of the reporting period the shares are revalued at their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value loss of €531.404 (2021: gain €546.503) is recognized.

On top of the aforementioned shares, the Company received for the sale of Bella and Balabino assets, 67.063 warrants over shares in Arcona for a consideration of EUR 1, and 77.021 warrants over Arcona shares for the sale of Boyana for a consideration of EUR 1. The warrants are exercisable upon the volume weighted average price of Arcona shares traded on a regulated market at €8,10 or higher.

Moreover, during the current period the Company received 28.125 warrants over shares in Arcona for the sale of EOS asset, and 87.418 warrants over shares in Arcona for the sale of Delea Nuova asset for a total consideration of €2. These warrants are exercisable upon the volume weighted average price of Arcona shares traded on a regulated market at €7,2 or higher.

At year end, the warrants are re-valued to fair value and as a result a relevant gain of €84.730 (2021: gain €136.975) is recognized. The terms and assumptions used for such warrant re-valuation are:

- Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 6,25 per share
- Strike price of the warrants: EUR 8,10 and EUR 7,20 per share
- Expiration date: 1 November 2024, 25 March 2027, 15 June 2027
- Standard deviation of stock price: 22,10%
- Annualized dividend yield on shares: 0%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 5,021%

26. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	15.811	-	15.778	-

Cash with banks in EUR	191.785	86	2.081.700	7.872
Cash with banks in UAH	97	883	84	1.826
Cash with banks in RON	27.857	894.015	62.841	384.972
Cash with banks in GBP	192	-	173	-
Total	**235.742**	**894.984**	**2.160.576**	**394.670**

27. Share capital

Number of Shares

€	30 June 2022	31 Dec 2021
Authorised		
Ordinary shares of €0,01	**989.869.935**	**989.869.935**
Total ordinary shares	**989.869.935**	**989.869.935**
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	**8.618.997**	**8.618.997**
Total redeemable shares	**8.618.997**	**8.618.997**
Issued and fully paid		
Ordinary shares of €0,01	**129.191.442**	**129.191.442**
Total ordinary shares	**129.191.442**	**129.191.442**
Total	**129.191.442**	**129.191.442**

Nominal value (€)

€	30 June 2022	31 Dec 2021
Authorised		
Ordinary shares of €0,01	**9.898.699**	**9.898.699**
Total ordinary shares	**9.898.699**	**9.898.699**
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	**86.190**	**86.190**
Total redeemable shares	**86.190**	**86.190**
Issued and fully paid		
Ordinary shares of €0,01	**1.291.281**	**1.291.281**
Total ordinary shares	**1.291.281**	**1.291.281**
Total	**1.291.281**	**1.291.281**

27.1 Authorised share capital

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

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

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

27.2 Issued Share Capital

As at the end of 2021, the issued share capital of the Company was as follows:

a) 129.191.442 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 (Note 27.3),

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 27.3) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 39.3). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

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

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

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

a) 129.191.442 Ordinary Shares of €0,01 nominal value each,
b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 27.3).

27.3 Capital Structure as at the end of the reporting period

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

Number of		(as at) 30 June 2022	(as at) 31 December 2021	(as at) 31 December 2020
Ordinary shares of €0,01	**Issued and Listed on AIM**	**129.191.442**	**129.191.442**	**129.191.442**
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442	129.191.442
Total number of Shares	**Full Dilutive Basis**	**129.191.442**	**129.191.442**	**129.191.442**
Options	-	-	-	-

Redeemable Preference Class B Shares

The Redeemable Preference Class B Shares, issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. as part of the Praktiker Craiova asset acquisition do not have voting rights but have economic rights at par with ordinary shares. As at the reporting date all of the Redeemable Preference Class B Shares have been redeemed but the Company is in legal proceedings with the vendor in respect of a final settlement (Notes 32, 39.3).

28. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency to EUR of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where the Company's subsidiaries' functional currencies are not EUR. The Company had foreign exchange gain on translation due to presentation currency of €19.148 for H1 2022, in comparison to €565.479 relevant losses for H1 2021.

29. Non-Controlling Interests

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

%	Non-controlling interest portion	
Group Company	**30 June 2022**	**31 Dec 2021**
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	29,44
Rimasol Real Estate Srl	29,44	29,44
Ashor Ventures Limited	55,76	55,76
Ashor Development Srl	55,76	55,76
Jenby Ventures Limited	55,70	55,70
Jenby Investments Srl	55,70	55,70
Ebenem Limited	55,70	55,70
Ebenem Investments Srl	55,70	55,70
SPDI Real Estate Srl	50,00	50,00

30. Borrowings

	Project	30 June 2022		31 Dec 2021	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Principal of bank Loans					
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten – SPDI RE	-	478.666	-	510.188
Patria bank	First Phase	-	-	-	3.500.000
Loans from other 3rd parties and related parties (Note 38.5)		545.336	186.374	1.587.128	183.140
Overdrafts		-	1.644	-	1.048
Total principal of bank and non-bank Loans		**545.336**	**3.192.622**	**1.587.128**	**6.720.314**
Interest accrued on bank loans		-	1.358.701	-	1.251.191
Interests accrued on non-bank loans		130.345	63.919	116.438	51.394
Total		**675.681**	**4.615.242**	**1.703.566**	**8.022.899**

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations

	€	€	€	€
Current portion	535.500	693.410	1.577.500	3.787.614
Non-current portion	140.181	3.921.832	126.066	4.235.285
Total	**675.681**	**4.615.242**	**1.703.566**	**8.022.899**

Continued Operations

Loans from other 3rd parties and related parties under continued operations include among others:

A) Loans from 3 Directors of €375k provided as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 August 2022 The Company is in the process of extending the maturity of these Loans.(Note 38.5).

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. This loan was fully repaid within April 2022.

Discontinued Operations

Moselin Investments Srl entered in 2010 into a construction loan agreement with Bancpost SA covering the construction works of Parcel K Green Lake project.The loan was fully repaid on 25 November 2021 through sale proceeds. The loan borne interest of EURIBOR 3M plus 2,5%, secured with the property itself and the shares of Moselin Investments Srl.

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 €1.356.889 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.

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Bancpost SA Romania. As at 30 June 2022 the balance of the loan was €478.666 and bears interest of Euribor 3m plus 4,6% per annum. The loan is repayable by 2027.

Loans from other 3rd parties and related parties under discontinued operations includes borrowings from non-controlling interest parties. During the last nine years and in order to support the Green Lake 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.

31. Bonds

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument which was in the value of €1.033.842 bears a 6,5% coupon, has a 7 year term and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018.

32. Trade and other payables

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

	30 June 2022		**31 Dec 2021**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Payables to third parties	3.115.256	455.496	3.256.166	564.810
Payables to related parties (Note 38.2)	705.165	209.666	929.142	218.359
Deferred income from tenants	-	7.843	-	7.839
Accruals	54.045	129.471	87.735	206.384
Pre-sale advances (Advances received for sale of properties)	123.659	-	123.080	-
Total	**3.998.125**	**802.476**	**4.396.123**	**997.392**

	30 June 2022		**31 Dec 2021**	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Current portion	3.998.125	794.633	4.396.123	989.553
Non-current portion	-	7.843	-	7.839
Total	**3.998.125**	**802.476**	**4.396.123**	**997.392**

Payables to third parties represents: a) payables due to Bluehouse Capital (under continued operations) as a result of the Redeemable Convertible Class B share redemption (Note 27.3) which is under legal proceedings for a final settlement (Note 39.3), b) amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group, and c) guarantee amounts collected from tenants.

Payables to related parties under continued operations represent amounts due to directors, accrued management remuneration and other related parties balances (Note 38.2). Payables to related parties under discontinued operations represent payables to non-contolling intetest shareholders.

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

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

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.

33. Deposits from Tenants

	30 June 2022		31 Dec 2021	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Deposits from tenants non-current	-	23.002	-	64.231
Total	**-**	**23.002**	**-**	**64.231**

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants of Innovations Logistics Park and EOS Business Park (only for 2021), as advances/guarantees and are to be reimbursed to these clients at the expiration of the lease agreements.

34. Provisions and Taxes Payables

	30 June 2022		31 Dec 2021	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Corporate income tax – non current	197.523	41.047	200.295	52.221
Defence tax – non current	14.252	-	27.385	-
Tax provision – non current	399.450	-	399.450	-
Non-current	**611.225**	**41.047**	**627.130**	**52.221**
Corporate income tax - current	50.860	29.934	127.528	9.085
Other taxes including VAT payable - current	22.333	181.639	128.909	182.004
Provisions – current	-	-	-	-
Current	**73.193**	**211.573**	**256.437**	**191.089**
Total Provisions and Taxes Payables	**684.418**	**252.620**	**883.567**	**243.310**

Corporate income tax represents taxes payable in Cyprus and Romania.

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

Current amounts corporate income tax represent the part of the settlement plan agreed with the Cyprus tax authorities up to 2022. This amount will be fully repaid by the end of 2022.

35. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €6.091.808 and the current portion of €281.088 (31 December 2021: €6.234.852 and €280.995, accordingly).

Discontinued operations

30 June 2022	**Note**	**Minimum lease payments**	**Interest**	**Principal**
		€	**€**	**€**
Less than one year	41.2 & 41.6	576.328	295.245	281.083
Between two and five years		6.861.520	790.645	6.070.875
More than five years		30.671	9.960	20.711
		7.468.519	**1.095.850**	**6.372.669**
Accrued Interest				227
Total Finance Lease Liabilities				**6.372.896**

31 Dec 2021	**Note**	**Minimum lease payments**	**Interest**	**Principal**
		€	**€**	**€**
Less than one year	41.2 & 41.6	582.862	301.868	280.994
Between two and five years		7.144.878	934.758	6.210.120
More than five years		33.844	11.813	22.031
		7.761.584	**1.248.439**	**6.513.14**
Accrued Interest				2.702
Total Finance Lease Liabilities				**6.515.847**

35.1 Land Plots Financial Leasing

The Group holds land plots in Ukraine under leasehold agreements which in terms of the accounts are classified as finance leases. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as included above. Following the appropriate discounting, finance lease liabilities are carried at €31.263 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Regarding Tsymlyanskiy, as of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the

City Council, did not place as too many other cases had accumulated which had time priority over Group's case. During the period between December 15th 2021 and January 20th of 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits, and we continue calculate relevant future lease obligations.

35.2 Sale and Lease Back Agreements

A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the end of the reporting period the balance is €6.372.896 (2021:€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 favor 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 EOS Business Park in Bucharest, owned by the SPV N-E Real Estate Park First Phase Srl, through a sale and lease back agreement with Alpha Bank Romania SA. The leasing facility borne an interest of 3M Euribor plus 5,25% margin. During December 2021 the SPV re-paid fully the leasing facility and acquired the property, through a new loan from Patria Bank of the order of €3,5 million, bearing an interest rate of 3M Euribor plus 3,5% margin.

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

a. Weighted average number of ordinary shares

	30 June 2022	31 Dec 2021	30 June 2021
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 2022	30 Jun 2021
	€	€
Profit/ (Loss) after tax attributable to owners of the parent	(678.429)	287.507
Basic	(0,005)	0,002
Diluted	(0,005)	0,002

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

Earnings per share	30 Jun 2022	30 Jun 2021
	€	€
Profit/ (Loss) after tax from discontinued operations attributable to owners of the parent	(6.204.637)	234.770
Basic	(0,05)	0,001
Diluted	(0,05)	0,001

d. Net assets per share

Net assets per share	30 June 2022	31 Dec 2021
	€	€
Net assets attributable to equity holders of the parent	16.919.383	23.253.524
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,13	0,17
Diluted	0,13	0,17

37. Segment information

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

Commercial-Industrial

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

Residential

- Residential segment

Land Assets

- Land assets

There are no sales between the segments.

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

Continued Operations

Profit and Loss for the period ended 30 June 2022

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

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

Continued Operations

Profit and Loss for the period ended 30 June 2021

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
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
Segment profit	**183.623**	**600.369**	**70.569**	**15.393**	**252.626**	**627.690**	**1.750.270**
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 28)	-	-	-	-	-	-	(565.479)
Total Comprehensive Income	-	-	-	-	-	-	**(43.202)**

Discontinued Operations

Profit and Loss for the period ended 30 June 2022

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14)	-	-	-	-	3.495.146	-	3.495.146
Cost of Property sold (Note 14)	-	-	-	-	(4.477.938)	-	(4.477.938)
Rental income (Note 10)	16.930	331.363	59.998	600	-	-	408.891
Service charges and utilities income (Note 10)	2.393	-	-	-	6.326	-	8.719
Valuation gains/(losses) from investment property (Note 13)	(5.295)	-	(721)	-	(1.787.694)	-	(1.793.710)
Loss on disposal of subsidiary (Note 20.2.2)	-	(885.614)	-	-	-	(2.085.337)	(2.970.951)
Asset operating expenses (Note 11)	(55.214)	(15.072)	(8.011)	(1.112)	(55.186)	(141.626)	(276.221)
Segment profit	**(41.186)**	**(569.323)**	**51.266**	**(512)**	**(2.819.346)**	**(2.226.963)**	**(5.606.064)**
Administration expenses (Note 12)	-	-	-	-	-	-	(70.823)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(104.116)
Finance income (Note 16)	-	-	-	-	-	-	4.645
Interest expenses (Note 16)	-	-	-	-	-	-	(362.779)
Other finance costs (Note 16)	-	-	-	-	-	-	(1.273)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(30.976)
Income Tax (Note 18)	-	-	-	-	-	-	(33.251)
Exchange difference on translation foreign holdings (Note 28)							(46.241)
Total Comprehensive Income	-	-	-	-	-	-	**(6.250.878)**

Discontinued Operations

Profit and Loss for the period ended 30 June 2021

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
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)
Rental income (Note 10)	114.612	340.436	59.974	750	-	-	515.772
Service charges and utilities income (Note 10)	13.798	-	-	-	-	-	13.798
Service and Property Management income (Note 10)	-	-	-	-	463	-	463
Valuation gains/(losses) from investment property (Note 13)	118.108	78.349	16.816	1.783	35.145	-	250.201
Share of profits/(losses) from associates (Note 21)	-	194.863	-	-	-	-	194.863
Asset operating expenses (Note 11)	(62.895)	(13.279)	(6.221)	(3.556)	(61.080)	(109.037)	(256.068)
Segment profit	**183.623**	**600.369**	**70.569**	**15.394**	**252.625**	**(109.037)**	**1.013.543**
Administration expenses (Note 12)	-	-	-	-	-	-	(113.562)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(107.144)
Finance income (Note 16)	-	-	-	-	-	-	4.645
Interest expenses (Note 16)	-	-	-	-	-	-	(385.735)

Other finance costs (Note 16)	-	-	-	-	-	-	(1.186)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(157.942)
Income Tax (Note 18)	-	-	-	-	-	-	(17.849)
Total Comprehensive Income	-	-	-	-	-	-	**234.770**

Total Operations

Balance Sheet as at 30 June 2022

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Long-term receivables and prepayments	823	-	-	-	-	-	823
Investment in associates	-	-	-	-	-	5.219	5.219
Available-for-sale investments	-	-	-	-	-	12.703.253	12.703.253
Assets held for sale	10.015.000	-	1.322.084	-	7.547.057	4.750.995	23.635.136
Segment assets	**10.015.823**	**-**	**1.322.084**	**-**	**7.547.057**	**17.459.467**	**36.344.431**
Tangible and intangible assets	-	-	-	-	-	-	1.297
Prepayments and other current assets	-	-	-	-	-	-	4.150.836
Cash and cash equivalents	-	-	-	-	-	-	235.742
Total assets	-	-	-	-	-	-	**40.732.306**
Borrowings	9.836	-	-	-	-	665.845	675.681
Liabilities associated with assets classified as held for disposal	6.364.676	-	669.567	-	3.976.897	1.055.096	12.066.236
Segment liabilities	**6.374.512**	**-**	**669.567**	**-**	**3.976.897**	**1.720.941**	**12.741.917**
Trade and other payables	-	-	-	-	-	-	3.998.125
Taxes payable and provisions	-	-	-	-	-	-	684.418
Bonds	-	-	-	-	-	-	1.170.108
Total liabilities	-	-	-	-	-	-	**18.594.568**

Total Operations

Balance Sheet as at 31 December 2021

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€		€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	823	823
Financial Assets at FV through P&L	-	-	-	-	-	7.470.723	7.470.723
Assets held for sale	10.015.000	12.176.575	1.338.263	-	12.939.514	2.542.163	39.011.515
Segment assets	**10.015.000**	**12.176.575**	**1.338.263**	**-**	**12.939.514**	**10.013.709**	**46.483.061**
Tangible and intangible assets	-	-	-	-	-	-	1.628
Prepayments and other current assets	-	-	-	-	-	-	4.510.381
Cash and cash equivalents	-	-	-	-	-	-	2.160.577
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**53.155.647**
Liabilities associated with assets classified as held for disposal	6.545.868	3.504.083	696.741	-	3.856.285	1.240.702	15.843.679
Borrowings	-	-	-	-	-	1.703.566	1.703.566
Segment liabilities	**6.545.868**	**3.504.083**	**696.741**		**3.856.285**	**2.944.268**	**17.547.245**
Trade and other payables	**-**	**-**	**-**	**-**	-	-	4.396.123
Taxation	**-**	**-**	**-**	**-**	-	-	883.567
Bonds	**-**	**-**	**-**	**-**	-	-	1.327.056
Total liabilities	-	-	-	-	-	-	**24.153.991**

Discontinued operations

Assets and Liabilities held for sale 30 June 2022

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	9.700.000	-	1.320.000	-	7.547.057	-	18.567.057
Long-term receivables and prepayments	315.000	-	2.084	-	-	-	317.084
Investments in associates	-	1	-	-	-	-	1
Segment assets	**10.015.000**	**1**	**1.322.084**	**-**	**7.547.057**	**-**	**18.884.142**

Tangible and intangible assets	-	-	-	-	-	-	52
Prepayments and other current assets	-	-	-	-	-	-	3.855.958
Cash and cash equivalents	-	-	-	-	-	-	894.984
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**23.635.136**
Borrowings	41	-	669.567	-	3.945.634	-	4.615.242
Finance lease liabilities	6.341.633	-	-	-	31.263	-	6.372.896
Deposits from tenants	23.002	-	-	-	-	-	23.002
Segment liabilities	**6.364.676**	**-**	**669.567**	**-**	**3.976.897**	**-**	**11.011.140**
Trade and other payables	-	-	-	-	-	-	802.476
Taxation	-	-	-	-	-	-	252.620
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**12.066.236**

Assets and Liabilities held for sale 31 December 2021

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	9.700.000	6.700.000	1.320.000	-	12.939.514	895.477	31.554.991
Long-term receivables and prepayments	315.000	-	18.263	-	-	-	333.263
Investments in associates	-	5.476.575	-	-	-	-	5.476.575
Segment assets	**10.015.000**	**12.176.575**	**1.338.263**	**-**	**12.939.514**	**895.477**	**37.364.829**
Tangible and intangible assets	-	-	-	-	-	-	11.988
Prepayments and other current assets	-	-	-	-	-	-	1.240.028
Cash and cash equivalents	-	-	-	-	-	-	394.670
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**39.011.515**
Borrowings	-	3.504.083	696.741	-	3.822.075	-	8.022.899
Finance lease liabilities	6.481.637	-	-	-	34.210	-	6.515.847
Deposits from tenants	64.231	-	-	-	-	-	64.231
Segment liabilities	**6.545.868**	**3.504.083**	**696.741**	**-**	**3.856.285**	**-**	**14.602.977**
Trade and other payables	-	-	-	-	-	-	997.392
Taxation	-	-	-	-	-	-	243.310
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**15.843.679**

Geographical information

	30 June 2022		30 June 2021	
Income (Note 10)	**Continued operations**	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	€	€	€
Romania	-	417.610	1.836	530.033
Cyprus *	509.750	-	655.607	-
Total	**509.750**	**417.610**	**657.443**	**530.033**

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

Gain/(loss) from disposal of investment properties (Note 14)	30 June 2022		30 June 2021	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	€	€	€
Romania	-	(982.792)	-	294.515
Total	**-**	**(982.792)**	**-**	**294.515**

	30 June 2022		31 Dec 2021	
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	€	€	€
Carrying amount of assets (investment properties and associates)				
Ukraine	-	1.809.995	-	4.375.631
Romania	-	16.757.063	-	33.989.351
Total	**-**	**18.567.058**	**-**	**38.364.982**

38. Related Party Transactions

The following transactions were carried out with related parties:

38.1 Income/ Expense

38.1.1 Income

	30 June 2022		30 June 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income from loan to associates (Note 16)	161	4.645	161	4.645
Total	**161**	**4.645**	**161**	**4.645**

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

38.1.2 Expenses

	30 June 2022		30 June 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration and incentives (Note 12)	298.843	-	114.343	-
Interest expenses on Director and Management Loans (Note 16)	19.100	-	19.967	-
Total	**317.943**	**-**	**134.310**	-

Management remuneration includes the remuneration of the CEO, the CFO, the Group Commercial Director and that of the Country Managers of Ukraine and Romania pursuant to the decisions of the remuneration committee, while incentives refer to incentives to the personnel for the implementation of the plan of the Group, pursuamt to the proposal of the Remuneration Committee dated 7 May 2021 as approved by the BoD on 1 June 2021.

38.2 Payables to related parties (Note 32)

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	297.009	-	373.187	-
Sec South East Continet Unique Real Esate Management Limited	65	-	65	-
Management Remuneration	363.467	-	508.511	-
Total	**660.541**	**-**	**881.763**	**-**

38.2.1 Board of Directors & Committees
The amount payable represents remuneration and expenses payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's cash flow used to receive their payment in shares of the Company. During 2018 the directors received 344.371 ordinary shares in lieu of their 2016 H1 remuneration amounting to GBP 120.530. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to EUR 73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to EUR 74.162,04 in lieu of their before H2 2016 fees. Since H2 2019 it has been decided that relevant fees will be paid in cash.

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

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

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

Borrower	Limit	Principal as at 30 June 2022	Principal as at 31 Dec 2021
	€	€	€
LLC " Trade Center''	-	6.150	5.707
LLC "Aisi Ukraine"	23.062.351	259.448	220.514
LLC "Almaz-Press-Ukraine"	8.236.554	279.212	259.126

LLC "Aisi Ilvo"	150.537	24.435	24.435
Total	**31.449.442**	**569.245**	**509.782**

A potential Ukrainian Hryvnia weakening/strengthening by 10% against the US dollar with all other variables held constant, would result in an exchange difference on I/C loans to foreign holdings of €56.925, estimated on balances held at 30 June 2022.

38.4 Loans to associates (Note 24)

	30 June 2021		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loans to GreenLake Development Srl	9.512	315.611	9.351	310.966
Total	**9.512**	**315.611**	**9.351**	**310.966**

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 2023 for the Edetrio loan and 4 December 2022 for the SC Capital Limted loan.

38.5 Loans from related parties (Note 30)

	30 June 2022		31 Dec 2021	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Directors and Management	535.500	-	577.500	-
Interest accrued on loans from related parties	130.345	-	114.060	-
Total	**665.845**	**-**	**691.560**	**-**

Loans from directors of the order of € 375.000 reflect loans provided from 3 directors as bridge financing. The loans bear interest 8% annually repayable by 31 August 2022. The Company will discuss with the directors relevant extension of the loans.

Rest amount of the order of € 160.500 reflect payable to one director, converted to loan for facilitating Company's cash flow (2021: €202.500).

39. Contingent Liabilities

39.1 Tax Litigation

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

The Group performed during the reporting period part of its operations also in Romania, Greece and Bulgaria. In respect of Romanian, taxation system 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 adequtely provided for tax liabilities, based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

39.2 Construction related litigation

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

39.3 Bluehouse Accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. (Bluehouse) filed in Cypriot courts in December 2018 lawsuit against the Company for the total amount of €5.042.421,87, in relation to the Praktiker Craiova acquisition in 2015, and the redemption of the Redeemable Preference Class A shares which were issued as part of the transaction to the vendor, plus special compensations of €2.500.000 associated with the related 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 32). On the other hand, the Company during 2019, as part of the judicial process, has filed a claim against Bluehouse for concealing certain key information during the Praktiker Craiova transaction, which if revealed would have resulted in a significant reduction of the final acquisition price. Management believes the Company has good grounds of defence and valid arguments and the amount already provided is adequate to cover an eventual final settlement between the parties. The hearing of the combined cases in front of Cypriot Courts has been set on October 8th, 2022.

39.4 Other Litigation

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

39.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2022.

40. Commitments

The Group had no other commitments as at 30 June 2022.

41. Financial Risk Management

41.1 Capital Risk Management

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

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

41.2 Categories of Financial Instruments

	Note	30 June 2022		31 Dec 2021	
		Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
		€	**€**	**€**	**€**
Financial Assets					
Cash at Bank	26	235.742	894.984	2.160.576	394.670
Long-term Receivables and prepayments	23	823	317.084	824	333.263
Financial Assets at FV through P&L	25	12.703.253	-	7.470.722	-
Prepayments and other receivables	24	4.150.836	3.855.958	4.510.381	1.240.028
Total		**17.090.654**	**5.068.026**	**14.142.503**	**1.967.961**
Financial Liabilities					
Borrowings	30	675.681	4.615.242	1.703.566	8.022.899
Trade and other payables	32	3.998.125	802.476	4.396.123	997.392
Deposits from tenants	33	-	23.002	-	64.231
Finance lease liabilities	35	-	6.372.896	-	6.515.847
Taxes payable and provisions	34	684.417	252.620	883.567	243.310
Bonds	31	1.170.108	-	1.327.056	-
Total		**6.528.331**	**12.066.236**	**8.310.312**	**15.843.679**

41.3 Financial Risk Management Objectives

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

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

41.4 Economic Market Risk Management

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

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

Interest Rate Risk
The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30th, 2022, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to € 1.130.726 (31 December 2021: € 2.555.246) of which approx. €980 in UAH and €921.872 in RON (Note 26) while the remaining are mainly denominated in either GBP, USD or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to € 5.290.923 (31 December 2021: €9.726.465) 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 2022 the weighted average interest rate for all the interest bearing borrowings of the Group stands at 5,17% (31 December 2021: 5,07%).

The sensitivity analysis for EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 30 June 2022 is presented below:

	Actual as at 30.06.2022	+100 bps	+200 bps
Weighted average interest rate	5,17%	6,17%	7,17%
Influence on yearly finance costs		37.380	74.759

The sensitivity analysis for EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2021 is presented below:

	Actual as at 31.12.2021	+100 bps	+200 bps
Weighted average interest rate	5,07%	6,07%	7,07%
Influence on yearly finance costs		83.074	1..466.149

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

41.5 Credit Risk Management

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

41.6 Liquidity Risk Management

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

Continued Operations

30 June 2022	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	235.742	**235.742**	235.742	-	-
Financial Assets at FV through P&L	12.703.253	**12.703.253**	12.703.253	-	-
Prepayments and other receivables	4.150.836	**4.150.836**	4.150.836	-	-
Long-term Receivables and prepayments	823	**823**	-	-	823
Total Financial assets	**17.090.654**	**17.090.654**	**17.089.831**	**-**	**823**
Financial liabilities					
Borrowings	675.681	**730.215**	532.612	197.603	-
Trade and other payables	3.998.125	**3.998.125**	3.998.125	-	-
Bonds issued	1.170.108	**1.438.907**	203.466	67.200	1.168.241

Taxes payable and provisions	684.417	**684.418**	76.842	607.576	-
Total Financial liabilities	**6.528.331**	**6.851.665**	**4.811.045**	**872.379**	**1.168.241**
Total net (liabilities)/ assets	**10.562.323**	**10.238.989**	**12.278.786**	**(872.379)**	**(1.167.418)**

Discontinued Operations

30 June 2022	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	894.984	**894.984**	894.984	-	-
Prepayments and other receivables	3.855.958	**3.855.958**	3.855.958	-	-
Long-term Receivables and prepayments	317.084	**317.084**	-	-	317.084
Total Financial assets	**5.068.026**	**5.068.026**	**4.750.942**	**-**	**317.084**
Financial liabilities					
Borrowings	4.615.242	**4.771.352**	3.978.811	217.424	575.117
Trade and other payables	802.476	**802.476**	794.633	-	7.843
Deposits from tenants	23.002	**23.002**	**-**	-	23.002
Finance lease liabilities	6.372.896	**7.468.520**	576.329	563.260	6.328.931
Taxes payable and provisions	252.620	**252.620**	213.922	38.698	-
Total Financial liabilities	**12.066.236**	**13.317.970**	**5.563.695**	**819.382**	**6.934.893**
Total net liabilities	**(6.998.210)**	**(8.249.944)**	**(812.753)**	**(819.382)**	**(6.617.809)**

Continued Operations

31 December 2021	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	2.160.576	**2.160.576**	2.160.576	-	-
Long-term Receivables and prepayments	824	**824**	-	-	824
Financial Assets at FV through P&L	7.470.722	**7.470.722**	7.470.722	-	-
Prepayments and other receivables	4.510.381	**4.510.381**	4.510.381	-	-
Total Financial assets	**14.142.503**	**14.142.503**	**14.141.679**	-	**824**
Financial liabilities					
Borrowings	1.703.566	**1.862.279**	570.795	1.291.484	-
Trade and other payables	4.396.123	**4.396.123**	4.396.123	-	-
Bonds issued	1.327.056	**1.595.855**	360.414	67.200	1.168.241
Taxes payable and provisions	883.567	**883.567**	312.635	570.523	-
Total Financial liabilities	**8.310.312**	**8.737.824**	**5.693.967**	**1.929.616**	**1.168.241**
Total net assets/(liabilities)	**5.832.191**	**5.404.679**	**8.501.712**	**(1.929.616)**	**(1.167.418)**

Discontinued Operations

31 December 2021	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	394.670	**394.670**	394.670	-	-
Long-term receivables	333.263	**333.263**	-	-	333.263
Prepayments and other receivables	1.240.028	**1.240.028**	1.240.028	-	-
Total Financial assets	**1.967.961**	**1.967.961**	**1.634.698**	**-**	**333.263**
Financial liabilities					
Borrowings	8.022.899	**8.537.740**	7.534.289	215.460	787.991
Trade and other payables	997.392	**997.392**	989.553	-	7.839
Deposits from tenants	64.231	**64.231**	-	-	64.231
Finance lease liabilities	6.515.847	**7.761.584**	582.862	569.794	6.608.928
Taxation	243.310	**243.310**	213.540	29.770	-
Total Financial liabilities	**15.843.679**	**17.604.257**	**9.320.244**	**815.024**	**7.468.989**
Total net assets/(liabilities)	**(13.875.718)**	**(15.636.296)**	**(7.685.546)**	**(815.024)**	**(7.135.726)**

42. Events after the end of the reporting period

a) Shareholders Agreement with Myrian Nes Limited

In August 2022 the Company signed with Myrian Nes Limited a Shareholders Agreement for a joint venture for developing a logistics properties in Romania. As part of this agreement the Company will convert €2,5 million of the loan it has extended in 2017 to Myrian Nes Limited (Olympians Loan) into a 50% equity stake of the joint venture company. The objective of this new company, which Myrian Nes is contributing €2,5 million in equity funds to, is to develop a portfolio of logistics properties in Romania with a view of letting them to third party tenants in a market that has very low vacancy and has shown substantial strength and resilience in recent years. The remaining part of the Olympians Loan is being repaid in regular intervals and is expected to be fully repaid to the Company by the end of 2022.