

27 September 2024

Secure Property Development & Investment PLC ('SPDI')

2024 Interim Results

Secure Property Development & Investment PLC, the AIM quoted Southern Eastern European focused property company, is pleased to announce its full year unaudited interim results for the period ended 30 June 2024.

Overview

- SPDI's portfolio consists of prime commercial and industrial real estate investments in Southeastern Europe, leased to blue-chip tenants.
- In H1 2024, management worked to close the sale of Ukrainian assets as part of Stage 2 of the transaction with Arcona Property Fund N.V., aiming to finalise in 2024.
- The Arcona transaction, aims to merge SPDI's assets with Arcona's Central European properties, benefiting shareholders of both companies.
- SPDI externalised HR and office costs in 2023, resulting in a 35%-50% cost reduction compared to 2020-2021 levels.
- .
- Net operating income increased by 1.7% to €0.4 million in H1 2024, while administration costs, adjusted for one-off non-recurring elements decreased by 30%, turning recurring EBITDA positive at €0.01 million.

Micheal Beys, Chairman of the Board, said: *"I am pleased to report progress during the first half of 2024. Despite the challenges posed by external factors including the ongoing war in Ukraine, we have advanced the sale of our Ukrainian assets as part of the broader transaction with Arcona Property Fund. We are on track to complete this deal within the year, establishing a larger company that will deliver for our shareholders."*

Financially, we are seeing positive results, with a 1.7% increase in operating income, a 30% reduction in administrative expenses, and a return to positive recurring EBITDA.

I would like to take this opportunity to thank my fellow directors and the management team for their continued efforts and our shareholders for their continued support, and I look forward to providing positive updates in the future"

Copies of the Interim Report and Accounts are available on the Company's website at www.secure-property.eu.

****ENDS****

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

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1. 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 2024, management in line with the Company's strategy to maximise value for shareholders, worked towards closing the sale of the Ukrainian assets included in Stage 2 of the transaction with Arcona Property Fund N.V (Arcona) as part of the conditional implementation agreement for the sale of Company's property portfolio, excluding its Greek logistics property (which has now also separately been sold), in an all-share transaction to Arcona, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona originally held high yielding real estate investments in Czech Republic, Poland and Slovakia, the combination of two complementary asset portfolios is expected to create a significant European property company, benefiting both the Company's and Arcona's respective shareholders.

Following the completion of Stage 1 of the transaction in 2019, which involved the sale of two land plots in Ukraine and residential and land assets in Bulgaria and resulted in 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 includes 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 concluded in exchange for the issue to the Company of 479.376 new shares in Arcona and 115.543 warrants over shares in Arcona. However, due to the Russian invasion of Ukraine in February 2022, transfer process of the Ukrainian assets included in Stage 2 of the transaction, was suspended. In H1 2024, management worked intensively to resolve all relevant issues for the sale to be concluded, and as at today the transactions are expected to close during 2024.

Furthermore, during 2023, as part of the cost optimisation process adopted by the Board, the Company has implemented the externalisation of all existing HR and office costs in all its operating jurisdictions, except Ukraine. As already announced, the cost optimisation plan involves the agreement with a Cyprus based advisory company wholly owned by the Company's CEO Lambros Anagnostopoulos, which has assumed all direct individual personnel contracts, all service contracts with local real estate service providers and all HR and office costs in Romania, against a fixed monthly fee of EUR 24.000 plus VAT. All relevant agreements have been signed during the period, and currently the Company has externalised all HR costs. It is expected that the plan will result in an annual reduction of 35% and 50% vis a vis similar costs incurred by the group in 2021 and 2020 respectively. The agreed monthly fee has been set to reflect effectively the reduced personnel time/cost and office expenses of the Company during the current phase of the transformation of the Company.

Moreover, during H1 2024 and as part of the joint venture agreement with Myrian Nes Limited for converting EUR 2,5 million of a loan into equity for developing logistics properties in Romania, the parties have reached an agreement involving the development of two different properties for the same tenant in two regional Romanian cities. To that end, the joint venture vehicle has been set up in Cyprus, head of terms with the tenant have been signed, relevant formal agreements are currently in draft, and the permitting process has also been initiated.

Operating income increased marginally by 1,7% at €0,7m during H1 2024, driven by the increase in rental income due to indexation.

Administration expenses, adjusted for one-off non-recurring costs decreased by approximately 30% to €0,39m. As a result, recurring EBITDA turned positive to €0,01m from losses €0,49m in the comparative period. Net finance cost decreased to €0,02m from €0,18m in H1 2023 and the operating result after finance and taxes improved to a marginal loss of €0,01m, as compared to a loss of €0,67m in the comparative period in 2023.

Table 1

EUR	H1 2024			H1 2023		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Asset Management fees	614,429	76,665	691,094	788,075	76,009	864,084
Income from Operations	614,429	76,665	691,094	788,075	76,009	864,084
Asset operating expenses	-	(286,446)	(286,446)	-	(466,390)	(466,390)
Net Operating Income	614,429	(209,781)	404,648	788,075	(390,381)	397,694
Share of profits from associates	-	-	-	-	(335,533)	(335,533)
Net Operating Income from Investments	614,429	(209,781)	404,648	788,075	(725,914)	62,161
Administration expenses	(363,925)	(30,463)	(394,388)	(510,811)	(44,838)	(555,649)
Operating Result (EBITDA)	250,504	(240,244)	10,260	277,264	(770,752)	(493,488)
Finance Income/(Cost), net	116,682	(138,603)	(21,921)	122,465	(303,748)	(181,283)
Income tax expense	-	-	-	(90)	-	(90)
Operating Result after Finance and Tax Expenses	367,186	(378,847)	(11,661)	399,639	(1,074,500)	(674,861)
Other income / (expenses), net	(314)	7,760	7,446	(9,901)	(71)	(9,972)
One-off costs associated with non-recurring tasks (BH case, disposals)	(19,644)	-	(19,644)	(92,000)	-	(92,000)
One-off costs associated with Arcona transaction	(12,442)	-	(12,442)	(21,021)	-	(21,021)
Fair value adjustments from Investment Properties	-	127,550	127,550	-	33,150	33,150
Management incentives	(185,000)	-	(185,000)	-	-	-
Fair value (loss)/ gain on financial investments	146,509	-	146,509	(62,398)	-	(62,398)
Foreign exchange differences, net	23,041	(45,001)	(21,960)	(34,386)	(19,066)	(53,452)
Result for the year	319,336	(288,538)	30,798	179,933	(1,060,487)	(880,554)

Exchange difference on translation due to presentation currency		85,474	85,474	-	1,080,634	1,080,634
Total Comprehensive Income for the year	319,336	(203,064)	116,272	179,933	20,147	200,080

2. Regional Economic Developments¹

Following a growth reduction in 2023 to 2,1%, real GDP growth in Romania is expected to increase by 3% in 2024, driven by strong private consumption as a result of higher real disposable incomes. The government deficit is forecasted to increase to 6,9% of GDP from 6,6% in 2023. This will be the result of increased government expenditure, which will be driven by expected double-digit increases in public sector wages.

The downward trend in inflation is expected to continue in 2024-2025, but will remain slightly above the pre-2022 levels. The average inflation rate is expected to decline to 5,9% this year and further down to 4% in 2025, compared with 9,7% in 2023. Employment is expected to grow in 2024, with the unemployment rate projected to decline marginally to below 5,5%.

Since February 2022, full-scale war and related security threats have posed a significant systemic risk to the Ukrainian economy. Due to substantial military spending, the Ukrainian economy will remain highly dependent on international financial aid. According to preliminary estimates, Ukraine's GDP grew by 5% in 2023 after falling by 28.8% in 2022.

Since 2022, the Ukrainian hryvnia significantly depreciated against major foreign currencies. Since the beginning of the war in Ukraine, a fixed rate regime has operated. However, in the fourth quarter of 2023, the National Bank of Ukraine (NBU) introduced a regime of managed flexibility of the exchange rate, under which the official rate will be determined by operations on the interbank foreign exchange market with the active participation of the NBU. Risks to the stability of the currency market and the financial sector did not materialise. In beginning of 2024, the NBU further eased a number of currency restrictions.

During the period, Fitch Rating confirmed the long-term sovereign rating of Ukraine in foreign and national currencies at the level of "CCC/CCC" and the short-term sovereign rating of Ukraine in foreign and national currencies at the level of "C/C".

Operating income increased marginally by 1,7% at €0,7m during H1 2024, driven by the increase in rental income due to indexation.

Administration expenses, adjusted for one-off non-recurring costs decreased by approximately 30% to €0,39m. As a result, recurring EBITDA turned positive to €0,01m from losses €0,49m in the comparative period. Net finance cost decreased to €0,02m from €0,18m in H1 2023 and the operating

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

result after finance and taxes improved to a marginal loss of €0,01m, as compared to a loss of €0,67m in the comparative period in 2023.

3. Real Estate Market Developments

3.1 Romania

During the first half of 2024, real estate investment volume in Romania increased almost two and a half times, compared to the same period in 2023, to ~€420 million. Market participants expect this figure to reach €1 billion by the end of 2024, marking a strong recovery during the year for domestic real estate market.

Retail properties accounted for 48% of total investment volume, followed closely by industrial properties which had a 44% share. On the other hand, the hotel sector secured a 6% share of total investment volume, outperforming office properties which accounted just for 2% of total investment volume, due to the significant increase in foreign tourism during the last years.

During the first half of the year, prime yields observed in retail properties saw a decrease to 8%, while industrial yields remained stable at 7,75%.

By the end of 2024, it is expected that ~400.000 sq m of modern spaces will be added to industrial stock, leading total prime stock in Romania well above the 7 million sq m level mark. Bucharest remains the main destination with 3,6 million sq m. Vacancy rate of Romania's industrial/ logistics prime stock stands at 5,6%, headline rent stands at 4,5 EUR sq m/month, while net effective rent at 4,1 EUR sq m/month.

3.2 Ukraine

The real estate market in Ukraine remains severely disrupted since the invasion of the country by Russia in February 2022. Given the ongoing conflict, any relevant real estate market activity during the period is severely depressed. The country is operating under martial law, so 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. Propert Assets

4.1 Innovations Logistics Park, Romania

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

As at the end of current period the terminal was 82% leased. The anchor tenant with 46% share 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 the last relevant agreement, Favorit's

leases extended until 2026. During 2023, the Company signed a new lease agreement with Baustoff + Metall for 3.000 sq m ambient storage space plus office space.



4.2 Residential portfolio

Greenlake, Bucharest, Romania

This 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, is the only residential property in Bucharest with a 200 meters frontage to a lake. The compound also includes facilities such as one of Bucharest's leading private schools (International School for Primary Education), outdoor sports courts and a mini-market.

During 2023 all units of the complex were sold.



4.3 Land Assets

Kiyanovskiy Residence – Kiev, Ukraine

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

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

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 Russia in Ukraine. The asset is planned to be part of Stage 3 of the Arcona transaction.

Rozny Lane – Kiev Oblast, Kiev Ukraine

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

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	30 June 2024	30 June 2023
Continued Operations		€	€
Income	10	614.429	788.075
Net Operating Income		614.429	788.075
Administration expenses	12	(581.011)	(623.832)
Other operating income/(expenses), net	14	(314)	(9.901)
Fair value gains/(losses) on financial assets at FV through P&L	24	146.509	(62.398)
Operating profit/(Loss)		179.613	91.944
Finance income	15	145.839	159.777
Finance costs	15	(29.157)	(37.312)
Profit/ (Loss) before tax and foreign exchange differences		296.295	214.409
Foreign exchange gains/(losses), net	16a	23.041	(34.386)

Profit / (Loss) before tax		319.336	180.023	
Income tax expense	17	-	(90)	
Profit/ (Loss) for the period from continuing operations		319.336	179.933	
Profit/(Loss) from discontinued operations	9b	(288.538)	(1.060.487)	
Profit/(Loss) for the period		30.798	(880.554)	
Other comprehensive income				
Exchange difference on translation of foreign operations	27	85.474	1.080.634	
Total comprehensive income for the period		116.272	200.080	
Profit/ (Loss) for the period from continued operations attributable to:				
Owners of the parent		319.336	179.933	
Non-controlling interests		-	-	
		319.336	179.933	
Profit/(Loss) for the period from discontinued operations attributable to:				
Owners of the parent		(277.774)	(1.051.053)	
Non-controlling interests		(10.764)	(9.434)	
		(288.538)	(1.060.487)	
Profit/(Loss) for the period attributable to:				
Owners of the parent		41.562	(871.120)	
Non-controlling interests		(10.764)	(9.434)	
		30.798	(880.554)	
Total comprehensive income attributable to:				
Owners of the parent		126.590	212.877	
Non-controlling interests		(10.318)	(12.797)	
		116.272	200.080	
Earnings/(losses) per share (Euro per share):				
		35 b,c		
Basic earnings/(losses) for the period attributable to ordinary equity owners of				
the parent			0,002	0,001
Diluted earnings/(losses) for the period attributable to ordinary equity				
owners of the parent		0,002	0,001	

Basic earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent	(0,002)	(0,008)
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Diluted earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent	(0,002)	(0,008)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2024

	Note	30 June 2024	30 June 2023
		€	€
Continued Operations			
Income	10	614.429	788.075
Net Operating Income		614.429	788.075
Administration expenses	12	(581.011)	(623.832)
Other operating income/(expenses), net	14	(314)	(9.901)
Fair value gains/(losses) on financial assets at FV through P&L	24	146.509	(62.398)
Operating profit/(Loss)		179.613	91.944
Finance income	15	145.839	159.777
Finance costs	15	(29.157)	(37.312)
Profit/ (Loss) before tax and foreign exchange differences		296.295	214.409
Foreign exchange gains/(losses), net	16a	23.041	(34.386)
Profit/ (Loss) before tax		319.336	180.023
Income tax expense	17	-	(90)

Profit/ (Loss) for the period from continuing operations		319.336	179.933
Profit/(Loss) from discontinued operations	9b	(288.538)	(1.060.487)
Profit/(Loss) for the period		30.798	(880.554)
Other comprehensive income			
Exchange difference on translation of foreign operations	27	85.474	1.080.634
Total comprehensive income for the period		116.272	200.080
Profit/ (Loss) for the period from continued operations attributable to:			
Owners of the parent		319.336	179.933
Non-controlling interests		-	-
		319.336	179.933
Profit/(Loss) for the period from discontinued operations attributable to:			
Owners of the parent		(277.774)	(1.051.053)
Non-controlling interests		(10.764)	(9.434)
		(288.538)	(1.060.487)
Profit/(Loss) for the period attributable to:			
Owners of the parent		41.562	(871.120)
Non-controlling interests		(10.764)	(9.434)
		30.798	(880.554)
Total comprehensive income attributable to:			
Owners of the parent		126.590	212.877
Non-controlling interests		(10.318)	(12.797)
		116.272	200.080
Earnings/(losses) per share (Euro per share):	35 b,c		
Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent		0,002	0,00
			1
Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent		0,002	0,001
Basic earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent		(0,002)	(0,008)

Diluted earnings/(losses) for the period from discontinued operations
attributable to ordinary equity owners of the parent

(0,002)

(0,008)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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 2023	1.291.281	72.107.265	(68.560.594)	(211.199)	8.484.507	13.111.260	369.399	13.480.659
Loss for the year	-	-	(871.120)	-	-	(871.120)	(9.434)	(880.554)
Foreign currency translation reserve	-	-	-	-	1.083.997	1.083.997	(3.363)	1.080.634
Balance 30 June 2023	1.291.281	72.107.265	(69.431.714)	(211.199)	9.568.504	13.324.137	356.602	13.680.739
Profit for the year	-	-	7.347.998	-	-	7.347.998	(11.792)	7.336.206
Foreign currency translation reserve	-	-	-	-	(2.014.403)	(2.014.403)	1.781	(2.012.622)
Disposal of subsidiaries	-	-	-	-	-	-	(232.923)	(232.923)
Balance 31 December 2023	1.291.281	72.107.265	(62.083.716)	(211.199)	7.554.101	18.657.732	113.668	18.771.400
Loss for the year	-	-	41.562	-	-	41.562	(10.764)	30.798
Foreign currency translation reserve	-	-	-	-	85.028	85.028	446	85.474
Balance 30 June 2024	1.291.281	72.107.265	(62.042.154)	(211.199)	7.639.129	18.784.322	103.350	18.887.672

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 37.3).

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 unrealised 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 2024

	Note	30 June 2024	30 June 2023
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		319.336	180.023
Profit/(Loss)before tax and non-controlling interests-discontinued operations	9b	(288.538)	(1.060.487)
Profi/(Loss) before tax and non-controlling interests		30.798	(880.464)
Adjustments for:			
(Gains)/losses on revaluation of investment property	13	(127.550)	(33.150)
Depreciation/ Amortization charge	12	115	399
Finance income	15	(145.867)	(160.226)
Interest expense	15	165.810	338.516
Share of profit from associates	20	-	335.533
Fair value change on financial investment	24	(146.509)	62.398
Effect of foreign exchange differences	16a	21.960	53.452
Cash flows from/(used in) operations before working capital changes		(201.243)	(283.542)
Change in prepayments and other current assets	23	(227.566)	169.629
Change in trade and other payables and borrowings	31	544.345	484.194
Change in VAT and other taxes receivable	23	(12.547)	(42.090)
Change in other taxes payables	33	5.115	(88.739)
Change in provisions	33	-	(399.410)
Cash generated from operations		108.128	(159.958)
Income tax paid		(12)	(15.313)
Net cash flows provided/(used) in operating activities		108.116	(175.271)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from associates	20	-	94.952
Repayment of principle amount of loans receivable	23	55.490	591.194
Interest received	23	94.510	178.194
(Increase)/Decrease in long term receivable	22	-	4
Net cash flows from / (used in) investing activities		150.000	864.344
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principle amount of borrowings	29	-	(392.500)
Interest and financial charges paid	29	(170.515)	(250.270)
Repayment of financial lease principal	34	(187.779)	(140.642)
Net cash flows from / (used in) financing activities		(358.294)	(783.412)

Net increase/(decrease) in cash at banks	(100.178)	(94.399)
Cash:		
At beginning of the period	497.389	351.398
At end of the period	26	397.211
		256.999

Notes to the Condensed Consolidated Interim Financial Statements

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, and Kiev, Ukraine.

As at the reporting date, the companies of the Group employed and/or used the services of 2 full time equivalent people, (2023: 2 full time equivalent people).

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

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 2024. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

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

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

4.1 Basis of consolidation

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

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The

consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

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

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

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

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

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

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

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

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value

is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

4.2 Functional and presentation currency

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

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

As Management records the consolidated financial information of the entities domiciled in Cyprus, Romania, Ukraine 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 recognised as a separate component of equity;
- When a foreign operation is disposed of through sale, liquidation, repayment of share capital or abandonment of all, or part of that entity, the exchange differences deferred in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale;
- Monetary items receivable from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future and in substance are part of the Group's net investment in those foreign operations are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

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

Average for the period

Closing as at

Currency	1 Jan 2024 - 30 June 2024	1 Jan 2023 - 31 Dec 2023	1 Jan 2023 - 30 June 2023	30 June 2024	31 December 2023	30 June 2023
USD	1,0814	1,0813	1,0807	1,0705	1,1050	1,0866
UAH	42,1824	39,5582	39,5226	43,3547	42,2079	40,0006
RON	4,9743	4,9465	4,9335	4,9771	4,9746	4,9634

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 derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of comprehensive income in the period of retirement or disposal.

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

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

construction until construction or development is complete. At that time, it is reclassified and subsequently accounted for as investment property.

Subsequent measurement

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

If a valuation obtained for an investment property held under a lease is net of all payments expected to be made, any related liabilities/assets recognised 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 once a year by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same the period ending 30 June 2024:

- 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 the 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 realisation or for taxation which might arise in the event of a disposal of any property.

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

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

Valuation Approach

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

Pre Development

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

Development

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

Post Development

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

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

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

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

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 recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

4.6 Property, Plant and equipment and intangible assets

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

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined and intangibles not inputted into exploitation, are carried at cost, less any recognised 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 amortisation are calculated on the straight-line basis so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates are as follows:

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

No depreciation is charged on land.

Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets

or, where shorter, the term of the relevant lease.

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

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

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

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

4.7 Cash and Cash equivalents

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

4.8 Assets held for sale

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

4.9 Financial Instruments

4.9.1 Recognition and initial measurement

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

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

4.9.2 Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

Financial assets – Business model assessment:

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

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

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

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

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual

par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

4.9.3 Derecognition

Financial assets

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

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of

the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

4.9.4 Offsetting

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

4.9.5 Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting –

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

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

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

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

Cash flow hedges

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

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

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

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

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

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

Net investment hedges

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

4.10 Leases

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

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

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

The Company as lessor

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

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

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

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

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

The Company as lessee

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

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

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

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

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

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

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

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

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

Short term leases and leases of low value assets

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

4.11 Borrowings

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

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

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, 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 recognised at nominal value.

4.13 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

4.14 Share Capital

Ordinary shares are classified as equity.

4.15 Share premium

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

4.16 Share-based compensation

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

4.17 Provisions

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

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

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

4.18 Non-current liabilities

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

4.19 Revenue recognition

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

4.19.1 Income from investing activities

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

4.19.2 Dividend income

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

4.19.3 Interest income

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

4.19.4 Rental income

Rental income arising from operating leases on investment property is 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 recognised on an accrual basis.

4.21 Other property expenses

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

4.22 Borrowing costs

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

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

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

4.23 Asset Acquisition Related Transaction Expenses

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

4.24 Taxation

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

4.24.1 Current tax

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

4.24.2 Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available

against which the temporary differences can be utilised.

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

4.24.3 Current and deferred tax for the year

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

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

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

4.24.4 Withholding Tax

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

4.24.5 Dividend distribution

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

4.25 Value added tax

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

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

- Warehouse segment

Land Assets

- 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 2023. (Note 18.2).

Income taxes

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

Impairment of tangible assets

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

Provision for deferred taxes

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

Application of IFRS 10

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

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

7. Risk Management

7.1 Financial risk factors

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

7.1.1 Operating Country Risks

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

7.1.1.1 Ukraine

The risk associated with Company's interests in Ukraine has increased dramatically with the invasion of the country by Russia in February 2022. Since the invasion, the Ukrainian economy is being damaged heavily, exposing risks that are not typical and creating challenges for businesses located and operating in the country. 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.

Full-scale war and related security threats are a key systemic risk to the Ukrainian economy. Due to significant military expenditures, the economy will remain highly dependent on international financial aid. According to preliminary estimates, Ukraine's GDP grew by 5% in 2023 after falling by ~30% in 2022.

In 2022, the Ukrainian hryvnia significantly depreciated against major foreign currencies. Since the beginning of the full-scale war in Ukraine, a fixed rate regime has operated. And in the fourth quarter of 2023, the National Bank introduced a regime of managed flexibility of the exchange rate, under which the official rate will be determined by operations on the interbank foreign exchange market with the active participation of the NBU. Risks to the stability of the currency market and the financial sector did not materialise. Early this year, the National Bank once again eased a number of currency restrictions.

Moreover, during the current period, Fitch Ratings re-confirmed the long-term sovereign rating of Ukraine in foreign and national currencies at the level of "CCC/CCC-" and the short-term sovereign rating of Ukraine in foreign and national currencies at the level of "C/C". This followed earlier assessment in September 2023, when Standard & Poor's assessed the long-term sovereign rating of Ukraine in foreign and national currencies for the year at the level of "CCC/CCC+" and the short-term sovereign rating of Ukraine in foreign and national currencies at the level of "C/C".

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.

The Management, given the associated uncertainty, has decided to value the Ukrainian assets lower than the last values as provided by the third-party valuers (CBRE Ukraine) at 2023 year end. As a result, the Ukrainian assets contribute €1,59 million in Group's assets, as compared to €3,09 million provided by the valuers as at 31 December 2023.

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

Based on the performance during the first half of the year, Romanian economy is expected to grow by 2,9% in 2024 compared to 2,1% in 2023, continuing the positive upward trend that started in 2021 and is forecasted to be maintained during the following two years as well.

GDP growth results mainly due to robust domestic demand as a result of the increased average disposable income of the local citizens. The unemployment rate is expected to fall marginally to levels just above 5%, having also downward trends for the forthcoming years. Inflation overall 2024 in Romania is expected to decrease to 5,9%, almost 5% down from 2023 levels, influenced by adjustments to agri-food prices and the decreasing dynamics of import prices.

At the end of the first half of 2024, the National Bank of Romania maintained the monetary policy interest rate at 7.00%, the same value since January 2023. The NBR decisions are intended to align the annual inflation rate with the target of 2.5 percent 1 percentage point.

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 recognised 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 optimisation of the debt and equity balance. The Group's core strategy is described in Note 40.1 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 minimise the effects of such situations on the Group's asset base.

7.2. Operational risk

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

7.3. Fair value estimation

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

8. Investment in subsidiaries

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

Name	Country	Related Asset	Holding %		
			as at 30 June 2024	as at 31 Dec 2023	as at 30 June 2023
SC Secure Capital Limited	Cyprus		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy	100	100	100
LLC Trade Center	Ukraine	Residence	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		100	100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	-	-	100
Bluehouse Accession Project IX Limited	Cyprus		100	100	100
BlueBigBox 3 Srl ***	Romania		-	-	-
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
Ketiza Holdings Limited	Cyprus		90	90	90
Frizomo Holdings Limited	Cyprus		100	100	100
SecMon Real Estate Sr	Romania		100	100	100
Ketiza Real Estate Srl	Romania		90	90	90
Edetrio Holdings Limited	Cyprus		-	-	100
Emakei Holdings Limited	Cyprus		-	-	100
RAM Real Estate	Cyprus		-	-	50

Management Limited				
Iuliu Maniu Limited	Cyprus	-	-	45
Moselin Investments Srl	Romania	-	-	45
Jenby Ventures Limited**	Cyprus	44,30	44,30	44,30
Ebenem Limited**	Cyprus	44,30	44,30	44,30
Sertland Properties Limited	Cyprus	-	-	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 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions have been put on hold due to the Russian insurgence of Ukraine. The Management remains confident that the Company will be awarded the lease extension once the war status permits.

During 2020 the Company initiated the process of striking off six holding subsidiaries in Cyprus, which became idle following recent disposals of local asset owning companies and properties. Bluehouse Accession Project IV Limited, Demetiva Holdings Limited, Diforio Holdings Limited and Mofben Investments Limited were already deleted from registrar of Companies. Jenby Ventures Limited and Ebenem Limited are still expected relevant official clearance from local Trade Registry and Tax Authorities in the following period. During 2022 the Group has also initiated strike off process for two additional Ukrainian entities, LLC Retail Development Balabino and LLC Interterminal.

During 2023 BlueBigBox 3 Srl, the SPV which used to hold Praktiker Craiova property that was sold back in 2018, was entered into an insolvency process initiated by a vendor. The case is associated with the Bluehouse litigation case (Note 38.3). Following the settlement made with BLUEHOUSE ACCESSION PROPERTY HOLDING III S.A.R.L. pursuant to a consensual order issued by the District Court of Nicosia in action no. 3362/2018, relevant legal motions against Bluebigbox3 Srl have been withdrawn. In relation to the insolvency procedure of the company, on 17 September 2024 the court postponed the scheduled hearing for 02 October 2024, when the judicial administrator will file the request to close the bankruptcy procedure before the court. Following this, SPDI will re-gain control and will start the process of an ordinary liquidation, since the entity does no longer hold any assets.

9. Discontinued operations

9.(a) Description

The Company announced on 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to Arcona Property Fund N.V. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona Property Fund N.V. shares), as well as successful negotiating and signature of transaction documents. During 2019 and as part of the Arcona transaction the Company sold the Boyana Residence asset in Bulgaria, as well as the Bela and Balabino land plots in Ukraine, while in March and June 2021 has signed SPAs related to Stage 2 of the transaction, namely for the EOS and Delenco assets in Romania, as well as the Kiyanovskiy and Rozny assets in Ukraine. In March and June 2022, the Company sold effectively to Arcona the Delenco and EOS assets. Regarding the Ukrainian assets included in Stage 2 of the transaction, discussions for closing had been put on hold after the invasion of Russia in the country, however currently negotiations have re-emerged, a commercial agreement has been reached, and relevant closing documentation is drafted for execution which is expected during Q4 2024.

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

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

- **Cyprus:** Frizomo Holdings Limited and Ketiza Holdings Limited
- **Romania:** Best Day Real Estate Srl, Ketiza Real Estate Srl and Secmon SRL
- **Ukraine:** LLC Aisi Ukraine, LLC Almaz-Pres-Ukraine, LLC Trade Center, LLC Retail Development Balabino

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

9.(b) Results of discontinued operations

For the period ended 30 June 2024

	Note	30 June 2024	30 June 2023
		€	€
Income	10	76.665	76.009
Asset operating expenses	11	(286.446)	(466.390)
Net Operating Income		(209.781)	(390.381)
Administration expenses	12	(30.463)	(44.838)

Share of profits/(losses) from associates	20	-	(335.533)
Valuation gains from Investment Property	13	127.550	33.150
Other operating income/(expenses), net	14	7.760	(71)
Operating profit		(104.934)	(737.673)
Finance income	15	28	449
Finance costs	15	(138.631)	(304.197)
Profit/(Loss) before tax and foreign exchange differences		(243.537)	(1.041.421)
Foreign exchange (loss), net	16a	(45.001)	(19.066)
Profit/(Loss) before tax		(288.538)	(1.060.487)
Income tax expense	17	-	-
Profit/(Loss) for the year		(288.538)	(1.060.487)
Profit/(Loss) attributable to:			
Owners of the parent		(277.774)	(1.051.053)
Non-controlling interests		(10.764)	(9.434)
		(288.538)	(1.060.487)

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

	30 June 2024	30 June 2023
	€	€
Net cash flows provided in operating activities	(250.083)	(348.415)
Net cash flows from / (used in) financing activities	28	94.977
Net cash flows from / (used in) investing activities	(356.886)	(239.742)
Net increase/(decrease) from discontinued operations	(606.941)	(493.180)

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 2024:

Note	30 June 2024	31 December 2023
	€	€

Assets classified as held for sale

Investment properties	18.4	11.307.386	11.257.513
Tangible and intangible assets	21	6	25
Long-term receivables and prepayments	22	315.000	315.000
Prepayments and other current assets	23	543.648	409.776
Cash and cash equivalents	25	218.838	345.148
Total assets of group held for sale		12.384.878	12.327.462

Liabilities directly related with assets classified as held for sale

Borrowings	29	100	71
Finance lease liabilities	34	5.802.625	5.943.201
Trade and other payables	31	498.955	488.612
Taxation	33	150.954	155.872
Deposits from tenants	32	23.002	23.002
Total liabilities of group held for sale		6.475.636	6.610.758

10. Income

Income from ***continued operations*** for the period ended 30 June 2024 represents:

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

The increase in the rental income is a result of rent indexation and the decrease in service charges and utility income is a result of the de-escalation of energy and utility prices, which are re-invoiced to the tenants.

Continued operations	30 June 2024	30 June 2023
	€	€
Rental income	414.437	384.909

Service charges and utilities income	199.992	403.166
Total income	614.429	788.075

Income from **discontinued operations** for the period ended 30 June 2024 represents rental income, as well as service charges and utilities income collected from tenants as a result of the rental agreements concluded with tenants of Innovations Logistics Park (Romania).

Discontinued operations (Note 9)	30 June 2024	30 June 2023
	€	€
Rental income	67.918	64.265
Service charges and utilities income	8.747	11.744
Total income	76.665	76.009

Occupancy rates in the various income producing assets of the Group as at 30 June 2024 were as follows:

Income producing assets		30 June 2024	30 June 2023
%			
Innovations Logistics Park	Romania	82	80

11. Asset operating expenses

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

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

Under **discontinued operations** are all the expenses related to Innovations Logistics Park (Romania) and all Ukrainian properties.

Discontinued operations (Note 9)	30 June 2024	30 June 2023
	€	€
Property related taxes	(41.153)	(24.961)
Repairs and technical maintenance	(27.163)	(12.362)
Utilities	(190.587)	(405.121)
Property security	(21.589)	(21.573)
Property insurance	(5.184)	(329)
Leasing expenses	(770)	(2.044)

Total **(286.446)** **(466.390)**

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 reflect the relevant works performed on properties during the period for facilitating their proper use, and/ or successful sale. Relevant increase reflects works conducted in Innovations terminal.

Utilities decrease resulted from de-escalation of energy prices associated with the Innovations terminal in Bucharest, matched effectively with the decreased service charges and utilities income, as these were invoiced by the Company and included in continued operations.

Leasing expenses reflect expenses related to long term land leasing.

12. Administration Expenses

Continued operations	30 June 2024	30 June 2023
	€	€
Salaries and Wages	(8.640)	(49.479)
Incentives pursuant to RemCo proposal	(185.000)	-
Advisory and broker fees	(153.229)	(167.593)
Public group expenses	(79.389)	(96.601)
Corporate registration and maintenance fees	(21.599)	(24.618)
VAT Expensed	(1.822)	(3.868)
Audit and accounting fees	(37.283)	(45.991)
Tax advisory services	-	(70.000)
Legal fees	(23.047)	(76.430)
Depreciation/Amortisation charge	(76)	(349)
Corporate operating expenses	(70.926)	(88.903)
Total Administration Expenses	(581.011)	(623.832)
Discontinued operations (Note 9)	30 June 2024	30 June 2023
	€	€
Salaries and Wages	(12.108)	(9.882)
Advisory fees and broker fees	(2.149)	-
Corporate registration and maintenance fees	(5.899)	(12.968)
VAT Expensed	(1.021)	(3.236)
Audit and accounting fees	(5939)	(13.355)

Legal fees	-	(1.505)
Depreciation/Amortisation charge	(39)	(50)
Corporate operating expenses	(3.308)	(3.842)
Total Administration Expenses	(30.463)	(44.838)

Salaries and wages include the remuneration of the CEO (H12024: €0, H12023: €0), and the administrators in Ukraine. The minimisation of these costs came as a result of the externalization of all HR costs after April 2023, except those in Ukraine, as part of the cost reduction plan adopted by the board.

Incentives provided in H1 2024 to personnel for the successful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the BoD on 01 June 2021.

Advisory fees are mainly related to advisors, brokers, valuers and other professionals engaged in relevant transactions, as well as outsourced human resources support on the basis of relevant contracts.

Accounting and related fees include fees from external accounting services.

Tax advisory fees in H1 2023 are related to ad-hoc fees paid to advisors for applying and succeeding a new tax ruling for the Company, which based on current structure of operations, is expected to produce significantly lower imposed taxes, while its application has produced beneficial retrospective results.

Public group expenses include among others fees paid to the AIM:LSE stock exchange, Cyprus Stock Exchange as custodian, and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company, such as public relations and registry expenses.

Corporate registration and maintenance fees represent fees charged for the annual maintenance of the Company and its subsidiaries, as well as fees and expenses related to the normal operation of the companies including charges by the relevant local authorities.

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

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.

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 18.2, are presented in the tables below.

Discontinued operations (Note 9)

Property Name (€)	Valuation gains/(losses)	
	30 June 2024	30 June 2023
	€	€
Kiyanovskiy Residence	109.254	11.150
Rozny Lane	13.416	(9.491)
Innovations Logistics Park	4.880	31.491
Total	127.550	33.150

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

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

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

14. Other operating income/(expenses), net

Continued operations	30 June	30 June
	2024	2023
	€	€
Other income	-	9.003

Other income	-	9.003
Penalties	(280)	(192)
Other expenses	(34)	(18.712)
Other expenses	(314)	(18.904)
Other operating income/(expenses), net	(314)	(9.901)

Discontinued operations (Note 9)	30 June 2024 €	30 June 2023 €
Other income	7.764	-
Other income	7.764	-
Penalties	-	(68)
Other expenses	(4)	(3)
Other expenses	(4)	(71)
Other operating income/(expenses), net	7.760	(71)

Continued operations

Other income in H1 2023 represents income from services to associate companies.

Discontinued operations

Other income in H1 2024 represents income regarding land tax recalculation In Ukrainian properties.

15. Finance costs and income

Continued operations

Finance income	30 June 2024 €	30 June 2023 €
Interest received from non-bank loans	145.839	159.777
Total finance income	145.839	159.777

Finance costs	30 June 2024	30 June 2023
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	€	€
Interest expenses (non-bank) (Note 37.1.2)	(4.044)	(11.455)
Finance charges and commissions	(1.332)	(2.206)
Bonds interest	(23.781)	(23.651)
Total finance costs	(29.157)	(37.312)
Net finance result	116.682	122.465

Discontinued operations (Note 9)

Finance income	30 June	30 June
	2024	2023
	€	€
Interest received from non-bank loans (Note 37.1.1)	-	424
Interest received from bank deposits	28	25
Total finance income	28	449

Finance costs	30 June	30 June
	2024	2023
	€	€
Interest expenses (bank)	-	(158.792)
Finance leasing interest expenses	(137.985)	(144.618)
Finance charges and commissions	(646)	(787)
Total finance costs	(138.631)	(304.197)
Net finance result	(138.603)	(303.748)

Continued operations

Interest income from non-bank loans, reflects interest on Loan receivables from 3rd parties provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The funds provided initially with a convertibility option which was not exercised, and is currently treated as a loan. According to the last addendum of the loan agreement, part of the principal equal to €2,5 million will be contributed to a joint venture between the Company and the borrower for the development of logistics assets in Romania (Note 23). The remaining principal plus the interest is repaid in installments, expected to be fully repaid by the end of 2024. The loan is bearing a fixed interest rate of 10%.

Interest expenses represent interest charged on Bank and non-Bank borrowings (Note 29).

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

Bonds interest represents interest calculated for the bonds issued by the Company during 2018 (Note 30).

Discontinued operations

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

Interest expenses represent interest charged on Bank and non-Bank borrowings (Note 29).

Finance leasing interest expenses relate to the sale and lease back agreements of the Group (Note 34).

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

16. 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 profit for the year ended 30 June 2024 from continued operations amounted to €23.041 (30 June 2023: loss €34.386).

The exchange loss from discontinued operations for the year ended 30 June 2024 amounted to €45.001 (30 June 2023: loss €19.066) (Note 9).

17. Tax Expense

Continued operations	30 June 2024	30 June 2023
	€	€
Income and defence tax expense	-	(90)
Taxes	-	(90)

Discontinued operations (Note 9)	30 June 2024	30 June 2023
	€	€
Income and defence tax expense	-	-
Taxes	-	-

For the period ended 30 June 2024 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%.

18. Investment Property

18.1 Investment Property Presentation

Investment Property consists of the following assets:

Income Producing Assets

- **Innovations Logistics Park** is a 16.570 sqm gross leasable area logistics park located in Clinceni in Bucharest, which benefits from being on the Bucharest ring road. Its construction was tenant specific, was completed in 2008 and is separated in four warehouses, two of which offer cold storage (freezing temperature), the total area of which is 6.395 sqm. Innovations Logistics Park was acquired by the Group in May 2014 and at the end of the reporting period is 82% leased.

Residential Assets

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

Land Assets

- **Kiyanovskiy Residence** consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighborhood. The Company recently secured for the leasehold part of the property a 10-year extension.
- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex. As of November 2021, the Group had submitted properly the official request to the City of Kiev to extend the lease of Tsymlyanskiy Residence property for another 5 years, since the Group has first extension rights over any other interested party. The first step in the process whereby the presiding committee of the municipality, before the final approval by the City Council, did not place as many other cases had accumulated which had time priority over Group's case. During the period between 15 December 2021 and 20 January 2022, the committee did not convene at all as is usual during holiday and vacation times. Once the holiday season was over, the main focus of the committee and the City Council unfortunately were on issues not related to property lease extensions, but rather more pressing matters for the interests and operational stability of the City of Kiev. From there on, all decisions

have been put on hold due to the Russian insurgence of Ukraine. We remain confident that we will be awarded the lease extension once the war status permits.

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

18.2 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

<u>30 June 2024 (€)</u>		<u>Fair Value movements</u>				<u>Asset Value at the Beginning of the period or at Acquisition/Transfer date</u>	
<u>Asset Name</u>	<u>Type</u>	<u>Carrying amount as at 30/06/2024</u>	<u>Foreign exchange translation difference</u>	<u>Fair value gain/(loss) based on local currency valuations</u>	<u>Disposals H1 2024</u>	<u>Additions H1 2024</u>	<u>Carrying amount as at 31/12/2023</u>
Kiyanovskiy Residence	Land	1.167.679	(72.797)	109.254	-	-	1.131.222
Tsymlyanskiy Residence	Land	1	-	-	-	-	1
Rozny Lane	Land	429.706	-	13.416	-	-	416.290
Total Ukraine		1.597.386	(72.797)	122.670	-	-	1.547.513
Innovations Logistics Park	Warehouse	9.710.000	(4.880)	4.880	-	-	9.710.000
Total Romania		9.710.000	(4.880)	4.880	-	-	9.710.000
Total		11.307.386	(77.677)	127.550	-	-	11.257.513
		6					
<u>2023 (€)</u>		<u>Fair Value movements</u>				<u>Asset Value at the Beginning of the period or at Acquisition/Transfer date</u>	

<u>Asset Name</u>	<u>Type</u>	<u>Carrying amount as at 31/12/2023</u>	<u>Foreign exchange translation difference (a)</u>	<u>Fair value gain/(loss) based on local currency valuations (b)</u>	<u>Disposals 2023</u>	<u>Additions 2023</u>	<u>Carrying amount as at 31/12/2022</u>
Kiyanovskiy Residence	Land	1.131.222	(97.359)	(177.757)	-	-	1.406.338
Tsymlyanskiy Residence	Land	1	-	-	-	-	1
Rozny Lane	Land	416.290	-	(99.367)	-	-	515.657
Total Ukraine		1.547.513	(97.359)	(277.124)	-	-	1.921.996
Innovations Logistics Park	Warehouse	9.710.000	(53.394)	53.394	-	-	9.710.000
Total Romania		9.710.000	(53.394)	53.394	-	-	9.710.000
TOTAL		11.257.513	(150.753)	(223.730)	-	-	11.631.996

18.3 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.

<u>Asset Name</u>	<u>Location</u>	<u>Principal Operation</u>	<u>Related Companies</u>	<u>Carrying amount as at</u>			
				<u>30 June 2024</u>	<u>31 Dec 2023</u>		
				<u>Continued operations</u>	<u>Discontinued operations</u>	<u>Continued operations</u>	<u>Discontinued operations</u>
				€	€	€	€
Kiyanovskiy Podil, Residence	Kiev City Center	Land for residential development	LLC Aisi Ukraine LLC Trade Center	-	1.167.679	-	1.131.222
Tsymlyanskiy Residence	Kiev City Center	Land for residential development	LLC Almaz-Pres-Ukraine	-	1	-	1
Rozny Lane	Brovary	Land for	SC Secure Capital		429.706		

district, residential Limited	-	416.290
Kiev Developmen t	-	-
Total	- 1.597.38	- 1.547.51
Ukraine	6	3
Innovations Clinceni, Warehouse Myrnes Innovations Logistics Bucharest Park Limited Park Best Day Real Estate Srl	- 9.710.000	- 9.710.000
Total	- 9.710.00	- 9.710.00
Romania	0	0
TOTAL	- 11.307.3	- 11.257.5
	86	13

18.4 Investment Property analysis

a. Investment Properties

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

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At the beginning of the reporting period	-	11.257.513	-	11.631.996
Revaluation gains/(losses) on investment property	-	127.550	-	(223.730)
Translation difference	-	(77.677)	-	(150.753)
As at the end of the reporting period	-	11.307.386	-	11.257.513

19. Investment Property Acquisitions, Goodwill Movement and Disposals

19.1 Acquisition and disposal of associate Equardo Holding Limited

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

19.2 Acquisition and disposal of Nottin Holdings Limited

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

19.3 Disposal of SEC I

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

20. Investments in associates

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	-	-	1	335.534
Acquisition of investment in associate	-	-	-	90.000
Share of profits/(losses) from associates	-	-	-	(245.316)
Dividend Income	-	-	-	-
Disposal of investments	-	-	(1)	(180.218)
Foreign exchange difference	-	-	-	-
Total	-	-	-	-

As at 30 June 2024, the Group has no associates, as they were all sold during 2023.

As at 31 December 2023, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/ (loss)	Holding Share of Country	Share profits from associates	Asset type
		€	€	€	%	€	
GreenLake Project Phase A	GreenLake - Development Srl	-	-	(607.969)	40,35	(245.316)	Romania Residential assets
Vic Project	City Equardo Holdings Limited	-	-	(11.288)	50	-	Romania Land
Total		-	-	(619.257)		(245.316)	

21. Tangible and intangible assets

As at 30 June 2024 the intangible assets were composed of the capitalised expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2023: €103.193) which is under continued operations. Accumulated amortisation as at the reporting date amounts to €103.193 (31 Dec 2023: €103.193) and therefore net value amounts to €0 (31 Dec 2023: €0).

As at 30 June 2024 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €88 (31 Dec 2023: €164).

As at 30 June 2024 the tangible non-current assets under discontinued operations mainly consisted of the machinery and equipment used for servicing the Group's investment properties in Ukraine and Romania amount to €29.271 (31 Dec 2023: €29.998). Accumulated depreciation as at the reporting date amounts to €29.265 (31 Dec 2023: €29.973).

22. Long Term Receivables and prepayments

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	818	315.000	818	315.000
Total	818	315.000	818	315.000

Long term receivables under discontinued operations mainly include the cash collateral existing in favor of Piraeus Leasing in relation to Innovations asset.

23. Prepayments and other current assets

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	835.305	477.454	691.296	396.245
VAT and other tax receivables	219.263	68.253	219.790	55.179
Deferred expenses	36	38.842	40	1.605
Receivables due from related parties	27.947	6.676	30.168	6.679
Loan receivables from 3 rd parties	3.148.28	-	-	-
	9		3.152.450	
Allowance for impairment of prepayments and other current assets	(54.374)	(47.577)	(59.207)	(49.932)
Total	4.176.46	543.648	4.034.53	409.776
	6		7	

Continued operations

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

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

Deferred expenses include property taxes and insurance costs.

Receivables due from related parties represent all kind of receivables from related parties of the Group.

Loans receivables from 3rd parties include an amount of €2.853.625 (2023: €2.909.115) provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The accrued interest was €294.664 (2023: €243.335). The loan provided initially with a convertibility option which was not exercised. The loan is bearing a fixed interest rate of 10%. In August 2022 the Company signed with the borrower a Shareholders Agreement for a joint venture for developing logistics properties in Romania. As part of this agreement the Company will convert €2,5 million of the loan into a 50% equity stake of the joint venture company. The objective of this new company, in which borrower is contributing €2,5 million in equity funds too, is to develop a portfolio of logistics properties in Romania with a view of letting them to third party tenants in a market that has very low vacancy and has shown

substantial strength and resilience in recent years. The conversion will take place upon identifying and agreeing on the specific project to be undertaken by the JV. The parties have evaluated many opportunities and currently are in the final negotiations stage with a tenant for developing two different properties in two different regional cities in Romania. The remaining part of the Olympians Loan is being repaid in regular intervals and is expected to be fully repaid to the Company by the end of 2024.

Discontinued operations

Trade and other receivables increased due to an increase the payables of the tenants.

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

Deferred expenses include legal, advisory, consulting and marketing expenses.

Receivables due from related parties represent all kind of receivables from related parties of the Group.

24. 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 2024	31 Dec 2023
	€	€
Arcona shares	11.660.248	11.920.030
FV change in Arcona shares	104.797	(259.781)
Arcona shares at reporting date	11.765.045	11.660.249
Warrants over Arcona shares	26.349	158.778
FV change in warrants	41.712	(132.429)
Arcona warrants at reporting date	68.061	26.349
Total Financial Assets at FV	11.833.106	11.686.598
FV change in Arcona shares	104.797	(259.781)
FV change in warrants	41.712	(132.429)
Fair Value loss on Financial Assets at FV through P&L	146.509	(392.210)

The Company received during 2019 and 2020 593.534 Arcona shares as part of the completion of Stage 1 of the transaction with Arcona, for the sale of Bella and Balabino assets in Ukraine, and the Boyana asset in Bulgaria. During 2022 the Company received 479.376 additional shares in Arcona as part of Stage 2 of the transaction with Arcona, for the sale of EOS and Delea Nuova assets in Romania.

At the end of the reporting period the shares are revalued at their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value gain of €104.797 (2023: loss €259.781) is recognised.

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

Moreover, during 2022, the Company received 28.125 warrants over shares in Arcona for the sale of EOS asset, and 87.418 warrants over shares in Arcona for the sale of Delea Nuova asset for a total consideration of €3. These warrants are exercisable upon the volume weighted average price of Arcona shares traded on a regulated market at €7,2 or higher.

At year end, the warrants are re-valued to fair value and as a result a relevant gain of €41.712 (2023: loss €132.429) is recognised. The terms and assumptions used for such warrant re-valuation are:

Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 5,79 per share

- Strike price of the warrants: EUR 8,10 and EUR 7,20 per share
- Expiration date: 1 November 2024, 25 March 2027, 15 June 2027
- Standard deviation of stock price: 20,65%
- Estimated annualised dividend yield on shares for 2024: 0,00%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 5,128%

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

25. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	388	1	399	-
Cash with banks in EUR	121.506	82	144.760	89
Cash with banks in UAH	122	313	46	455
Cash with banks in RON	51.937	218.442	7.008	344.604
Cash with banks in GBP	4.420	-	28	-
Total	178.373	218.838	152.241	345.148

26. Share capital

Number of Shares

	30 June 2024	31 Dec 2023
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 2024	31 Dec 2023
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

26.1 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 26.3).

26.2 Issued Share Capital

As at the end of 30 June 2024, the issued share capital of the Company was 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.

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

- in lieu of redemption transferred its 20% holding in Autounion (Note 27.3) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L., while

final settlement has also been reached pursuant to a consensual order issued by the District Court of Nicosia in action no.3362/2018 (Note 39.3). As a result the Company has planned to cancel these shares and resolved accordingly during the Extraordinary General Meeting of the shareholders held on 10 July 2024.

26.3 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 2024	(as at) 31 December 2023	(as at) 31 December 2022
	Issued and			
Ordinary shares of €0,01	Listed on AIM	129.191.442	129.191.442	129.191.442
	Non-Dilutive			
Total number of Shares	Basis	129.191.442	129.191.442	129.191.442
	Full Dilutive			
Total number of Shares	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 and the Company has initiated their cancellation process.

27. 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 €85.474 in 30 June 2024, compared to €1.080.634 in 30 June 2023.

28. Non-Controlling Interests

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

%	Non-controlling interest portion	
	30 June 2023	31 Dec 2023
Group Company		
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Holdings Limited	10,00	10,00
Ketiza Real Estate Srl	10,00	10,00

29. Borrowings

Project	30 June 2024		31 Dec 2023	
	Continued operations €	Discontinued operations €	Continued operations €	Discontinued operations €
<u>Principal of bank Loans</u>				
Loans from other 3 rd parties and related parties (Note 37.4)	288.678	-	106.682	-
Overdrafts	-	100	-	71
Total principal of bank and non-bank Loans	288.678	100	106.682	71
Interest accrued on bank loans	-	-	-	-
Interests accrued on non-bank loans	12.156	-	8.112	-
Total	300.834	100	114.794	71
	30 June 2024		31 Dec 2023	
	Continued operations €	Discontinued operations €	Continued operations €	Discontinued operations €
Current portion	300.834	100	114.794	71
Non-current portion	-	-	-	-
Total	300.834	100	114.794	71

Continued Operations

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

A) Loan from one Director of €100k provided as bridge financing for future property acquisitions. The loan bears annual interest of 8% (Note 37.4).

B) Loans from management of €182k as a result of the transformation of payable incentives to loans. The loans bear zero interest and mature in June 2025 (Note 37.4)

30. Bonds

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument has been redeemed by 30% and at the end of the reporting period the balance stands at €723.690 (2023: €723.690). The instrument bears a 6,5% coupon, has a 7 year term, maturing in July 2024, and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018. As at June 2024, the balance of the bonds with interest amounts to €894.154 (2023: €870.373). The Company is in discussions with the bondholders for the extension of the maturity and will provide a further update shortly. All the bondholders have already provided relevant consent having agreed that during the discussions for the extension and the preparation of the required documentation the bond loan should not be considered in default.

31. 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 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	944.852	496.426	1.095.564	484.786
Payables to related parties (Note 37.2)	851.790	-	536.867	-
Accruals	92.575	2.529	73.281	3.826
Pre-sale advances (Advances received for sale of properties)	87.785	-	90.172	-
Total		498.955	1.795.884	488.612
	1.977.002			
	30 June 2024		31 Dec 2023	
	Continued	Discontinued	Continued	Discontinued

	operations	operations	operations	operations
	€	€	€	€
Current portion	1.977.002	498.955	1.795.884	488.612
Non-current portion	-	-	-	-
Total	1.977.002	498.955	1.795.884	488.612

Continued Operations

Payables to third parties represents amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group, and guarantee amounts collected from tenants.

Payables to related parties under continued operations represent amounts due to directors and accrued management remuneration (Note 37.2).

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

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

Discontinued Operations

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

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

32. Deposits from Tenants

	30 June 2024		31 Dec 2023	
	Continued	Discontinued	Continued	Discontinued
	operations	operations	operations	operations
	€	€	€	€
Deposits from tenants non-current	-	23.002	-	23.002
Total	-	23.002	-	23.002

Deposits from tenants appearing under non-current liabilities include the amounts received from the tenants in Innovations Logistics Park are to be reimbursed to those at the expiration of the lease agreements.

33. Provisions and Taxes Payables

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax – non current	-	-	-	-
Defence tax – non current	17.173	-	17.173	-
Tax provision – non current	-	-	-	-
Non-current	17.173	-	17.173	-
Corporate income tax - current	21.163	4.955	21.146	4.955
Other taxes including VAT payable - current	95	145.999	292	150.917
Current	21.258	150.954	21.438	155.872
Total Provisions and Taxes Payables	38.431	150.954	38.611	155.872

Corporate income tax represents taxes payable in Cyprus and Romania.

Other taxes represent local property taxes and VAT payable in Romania.

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

34. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €5.745.375 and the current portion of €57.250 (31 December 2023: €5.885.895 and €57.306, accordingly).

Discontinued operations

30 June 2024	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	40.2	548.373	267.285	281.088
Between two and five years	&	5.751.660	240.759	5.510.901
More than five years	40.6	12.447	2.359	10.088
		6.312.480	510.403	5.802.077
Accrued Interest				548
Total Finance Lease Liabilities				5.802.625

31 Dec 2023	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	40.2			
	&	555.030	274.004	281.026
	40.6			
Between two and five years		6.022.565	372.190	5.650.375
More than five years		15.496	3.773	11.723
		6.593.091	649.967	5.943.124
Accrued Interest				77
Total Finance Lease Liabilities				5.943.201

34.1 Land Plots Financial Leasing

The Group holds land plots in Ukraine under leasehold agreements which in terms of the accounts are classified as finance leases. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as included above. Following the appropriate discounting, finance lease liabilities are carried at €21.009 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, which involves the approval by a committee of the municipality, before the final approval by the City Council, has not been obtained yet 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, and we continue calculate relevant future lease obligations.

34.2 Sale and Lease Back Agreements

A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the

end of the reporting period the balance is €5.781.617 (2023: €5.921.621), 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 Leasing company related to the liabilities of Best Day Real Estate Srl arising from the sale and lease back agreement.

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

a. Weighted average number of ordinary shares

	30 Jun 2024	31 Dec 2023	30 June 2023
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 2024	30 Jun 2023
	€	€
Profit/ (Loss) after tax attributable to owners of the parent	319.336	179.933
Basic	0,002	0,001
Diluted	0,002	0,001

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

Earnings per share	30 Jun 2024	30 Jun 2023
	€	€
Profit/ (Loss) after tax from discontinued operations attributable to owners of the parent	(288.538)	(1.060.487)

Basic	(0,002)	(0,008)
Diluted	(0,002)	(0,008)

d. Net assets per share

Net assets per share	30 Jun	31 Dec
	2024	2023
	€	€
Net assets attributable to equity holders of the parent	18.784.322	18.657.732
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,14	0,14
Diluted	0,14	0,14

36. 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,

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 2024

	Warehous e	Residential	Land Plots	Corporat e	Total
	€	€	€	€	€
Segment profit					

Rental income (Note 10)	-	-	-	414.437	414.437
Service charges and utilities income (Note 10)	-	-	-	199.992	199.992
Profit/(loss) from discontinued operation (Note 9)				(190.58)	(82.232)
	(11.193)	-	119.548	7)	
Fair value gains/(losses) on financial assets	-	-	-	146.509	146.509
Segment profit	(11.193)	-	119.548	570.350	678.706
Administration expenses (Note 12)	-	-	-	-	(581.011)
Other (expenses)/income, net (Note 14)	-	-	-	-	(314)
Finance income (Note 15)	-	-	-	-	145.839
Interest expenses (Note 15)	-	-	-	-	(27.825)
Other finance costs (Note 15)	-	-	-	-	(1.332)
Foreign exchange losses, net (Note 16a)	-	-	-	-	23.041
Income tax expense (Note 17)	-	-	-	-	-
Profit from discontinued operations (Note 9)	-	-	-	-	(206.306)
Exchange difference on translation foreign holdings (Note 27)	-	-	-	-	85.474
Total Comprehensive Income					116.272

Continued Operations

Profit and Loss for the period ended 30 June 2023

	Warehouse	Residential	Land	Corporate	Total
			Plots		
	€	€	€	€	€
Segment profit					
Rental income (Note 10)	-	-	-	384.909	384.909
Service charges and utilities income (Note 10)	-	-	-	403.166	403.166
Profit from discontinued operation (Note 9)			(338.30)	(402.115)	(692.764)
	46.793	865	7)		
Impairment of financial investments (Note 24)	-	-	-	(62.398)	(62.398)
Segment profit			(338.30)		
	46.793	865	7)	323.562	32.913
Administration expenses (Note 12)	-	-	-	-	(623.832)
Other (expenses)/income, net (Note 14)	-	-	-	-	(9.901)
Finance income (Note 15)	-	-	-	-	159.777
Interest expenses (Note 15)	-	-	-	-	(35.106)
Other finance costs (Note 15)	-	-	-	-	(2.206)
Foreign exchange losses, net (Note 16a)	-	-	-	-	(34.386)
Income tax expense (Note 17)	-	-	-	-	(90)

Profit from discontinued operations (Note 9)	-	-	-	-	(367.723)
Exchange difference on translation foreign holdings (Note 27)	-	-	-	-	1.080.634
Total Comprehensive Income					200.080

* 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 agreement between the Company and the lender, with which the Company leases part of the terminal's space. 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.

Discontinued Operations

Profit and Loss for the period ended 30 June 2024

	Warehouses	Residential	Land Plots	Corporate	Total
	€	€	€	€	€
Segment profit					
Rental income (Note 10)	67.918	-	-	-	67.918
Service charges and utilities income (Note 10)	8.747	-	-	-	8.747
Valuation gains/(losses) from investment property (Note 13)	4.880	-	122.670	-	127.550
Asset operating expenses (Note 11)	(283.324)	-	(3.122)	-	(286.446)
Segment profit	(201.779))	-	119.548	-
Administration expenses (Note 12)	-	-	-	-	(30.463)
Other (expenses)/income, net (Note 14)	-	-	-	-	7.760
Finance income (Note 15)	-	-	-	-	28
Interest expenses (Note 15)	-	-	-	-	(137.985)
Other finance costs (Note 15)	-	-	-	-	(646)
Foreign exchange losses, net (Note 16a)	-	-	-	-	(45.001)
Income tax expense (Note 17)	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(288.538)

Profit and Loss for the period ended 30 June 2023

Warehouses	Residential	Land Plots	Corporate	Total
€	€	€	€	€

Segment profit

Rental income (Note 10)	63.062	1.203	-	-	64.265
Service charges and utilities income (Note 10)	8.749	-	2.995	-	11.744
Valuation gains/(losses) from investment property (Note 13)	31.491	-	1.659	-	33.150
Gains/(losses) from investments in associates (Note 20)	-	-	(335.533)	-	(335.533)
Asset operating expenses (Note 11)	(56.509)	(338)	(7.428)	(402.115)	(466.390)
Segment profit	46.793	865	(338.307)	(402.115)	(692.764)

Administration expenses (Note 12)	-	-	-	-	(44.838)
Other (expenses)/income, net (Note 14)	-	-	-	-	(71)
Finance income (Note 15)	-	-	-	-	449
Interest expenses (Note 15)	-	-	-	-	(303.410)
Other finance costs (Note 15)	-	-	-	-	(787)
Foreign exchange losses, net (Note 16a)	-	-	-	-	(19.066)
Income tax expense (Note 17)	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(1.060.487)

Total Operations**Balance Sheet as at 30 June 2024**

	Warehouse	Land plots	Corporate	Total
	€	€	€	€
Assets				
Long-term receivables and prepayments	818	-	-	818
Available-for-sale investments	-	-	11.833.106	11.833.106
Assets held for sale	10.025.000	734.832	1.625.046	12.384.878
Segment assets	10.025.818	734.832	13.458.152	24.218.802
Tangible and intangible assets	-	-	-	88
Prepayments and other current assets	-	-	-	4.176.466
Cash and cash equivalents	-	-	-	178.373
Total assets	-	-	-	28.573.729
Borrowings	6.679	-	294.155	300.834
Liabilities associated with assets classified as held for disposal	5.804.718	21.009	649.909	6.475.636
Segment liabilities	5.811.397	21.009	944.064	6.776.470
Trade and other payables	-	-	-	1.977.002
Taxes payable and provisions	-	-	-	38.431
Bonds	-	-	-	894.154

Total liabilities	-	-	-	9.686.057
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Balance Sheet as at 31 December 2023

	Warehouse	Land plots	Corporate	Total
	€	€		€
Assets				
Long-term receivables and prepayments	818	-	-	818
Financial Assets at FV through P&L	-	-	11.686.598	11.686.598
Assets held for sale	10.025.000	1.547.513	754.949	12.327.462
Segment assets	10.025.818	1.547.513	12.441.547	24.014.878
Tangible and intangible assets	-	-	-	164
Prepayments and other current assets	-	-	-	4.034.537
Cash and cash equivalents	-	-	-	152.241
Total assets	-	-	-	28.201.820
Liabilities associated with assets classified as held for disposal				
	5.944.693	21.581	644.484	6.610.758
Borrowings	6.682	-	108.112	114.794
Segment liabilities	5.951.375	21.581	752.596	6.725.552
Trade and other payables	-	-	-	1.795.884
Taxation	-	-	-	38.611
Bonds	-	-	-	870.373
Total liabilities	-	-	-	9.430.420

Discontinued operations

Assets and Liabilities held for sale 30 June 2024

	Warehouse	Land plots	Corporate	Total
	€	€	€	€
Assets				
Investment properties	9.710.000	1.597.386	-	11.307.386
Long-term receivables and prepayments	315.000	-	-	315.000
Segment assets	10.025.000	1.597.386	-	11.622.386
Tangible and intangible assets	-	-	-	6
Prepayments and other current assets	-	-	-	543.648
Cash and cash equivalents	-	-	-	218.838
Total assets	-	-	-	12.384.878
Borrowings	100	-	-	100
Finance lease liabilities	5.781.616	21.009	-	5.802.625
Deposits from tenants	23.002	-	-	23.002
Segment liabilities	5.804.718	21.009	-	5.825.727

Trade and other payables	-	-	-	498.955
Taxation	-	-	-	150.954
Total liabilities	-	-	-	6.475.636

Assets and Liabilities held for sale 2023

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

Geographical information

Income (Note 10)	30 June 2024		30 June 2023	
	Continued operations €	Discontin ed operations €	Continued operations €	Discontin ed operations €
Romania	-	76.665	-	417.610
Cyprus *	614.429	-	788.075	-
Total	614.429	76.665	788.075	417.610

* 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 agreement between the Company 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.

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Carrying amount of assets (investment properties)				
Ukraine	-	1.597.386	-	1.547.513
Romania	-	9.710.000	-	9.710.000
Total	-	11.307.38	-	11.257.513

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37. Related Party Transactions

The following transactions were carried out with related parties:

37.1 Income/ Expense

37.1.1 Income

	30 June 2024		30 June 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Interest Income from loan to associates (Note 15)	-	-	-	424
Total	-	-	-	424

Interest income from loan to related parties represent interest income from GreenLake Development Srl (associate) in 2023. By the end of 2023 the Greenlake SRL was sold.

37.1.2 Expenses

	30 June 2024		30 June 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Management Remuneration (Note 12)	-	-	10.657	-
Incentives pursuant to REMCo proposal (Note 12)	185.000	-	-	-
Interest expenses on Director and Management Loans (Note 15)	4.044	-	11.455	-
Total	189.044	-	22.112	-

Management remuneration includes the remuneration of the CEO, and that of the administrators in Ukraine pursuant to the decisions of the Remuneration Committee. During 2023 the Company externalized most of the related HR cost as part of the cost minimization plan adopted by the board.

Incentives provided to personnel for the successful implementation of Group's plan pursuant to relevant Remuneration Committee proposal dated 7 May 2021 as approved by the BoD on 1st June 2021.

37.2 Payables to related parties (Note 31)

	30 June 2024		31 Dec 2023	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Board of Directors & Committees remuneration	402.122	-	398.879	-
Sec South East Continet Unique Real Estate Management Limited	311.680	-	-	-
Management Remuneration	137.988	-	137.988	-
Total	851.790	-	536.867	-

37.2.1 Board of Directors & Committees and provision for director fees

The amounts payable represent remuneration and expenses payable to Non-Executive Directors until the end of the reporting period.

37.2.2 Management Remuneration

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

37.2.3 Sec South East Continet Unique Real Estate Management Limited

The amount payable represent fees to the company which has externalized the HR costs and is associated

with the CEO of the company.

37.3 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	Principal
		at	as at
		30 June 2024	31 Dec 2023
	€	€	€
LLC "Trade Center"	5.800	6.050	5.822
LLC "Aisi Ukraine"	23.062.351	346.505	315.524
LLC "Almaz-Press-Ukraine"	8.236.554	274.657	264.338
LLC "Aisi Ilvo"	150.537	17.428	19.398
Total	31.455.242	644.640	605.082

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 €64.464, estimated on balances held at 30 June 2024.

37.4 Loans from related parties (Note 29)

	30 June 2024		31 Dec 2023	
	Continued operation	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Directors and Management	282.000	-	100.000	-
Interest accrued on loans from related parties	12.156	-	8.112	-
Total	294.156	-	108.112	-

Loan from Directors and Management reflect: a) loan from one director of the order of € 100.000 as bridge financing for future property acquisitions, bearing interest 8% annually, b) loans from management of the order of € 182.000 as a result of the transformation of payable incentives into loans, bearing zero interest and maturing in June 2025.

38. Contingent Liabilities

38.1 Tax Litigation

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

The Group performed during the reporting and comparative periods part of its operations in Romania. In respect of Romanian tax system, many aspects are subject to varying interpretations and frequent changes, which in many cases have retroactive effects. In certain circumstances it is also possible that tax authorities may act arbitrarily.

These facts create tax risks which are substantially more significant than those typically found in countries with more advanced tax systems. Management believes that it has adequately provided for tax liabilities, based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

38.2 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.

38.3 Bluehouse Accession case

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

of €2,521,211. On the other hand, the Company during 2019, as part of the judicial process, filed a claim against Bluehouse for concealing certain key information during the Praktiker Craiova transaction, which if revealed would have resulted in a significant reduction of the final acquisition price. Following relevant negotiations and taking into account the timeline and the costs associated with these legal motions, the Company proceeded to a settlement against a payment of €494,000, effected in 2023, pursuant to consensual order issued by the District Court of Nicosia in action no. 3362/2018.

38.4 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.

38.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2024.

39. Commitments

The Group had no other commitments as at 30 June 2024.

40. Financial Risk Management

40.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be available to implement its stated growth strategy in order to maximise the return to stakeholders through the 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 29), bonds (Note 30), trade and other payables (Note 31) deposits from tenants (Note 32), financial leases (Note 34), taxes payable (Note 33) 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 maximising the shareholders' Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

40.2 Categories of Financial Instruments

	Note	30 June 2024		31 Dec 2023	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Financial Assets					
Cash at Bank	25	178.373	218.838	152.241	345.148
Long-term Receivables and prepayments	22	818	315.000	818	315.000
Financial Assets at FV through P&L	24	11.833.106	-	11.686.598	-
Prepayments and other receivables	23	4.176.466	543.648	4.034.537	409.776
Total		16.188.763	1.077.486	15.874.194	1.069.924
Financial Liabilities					
Borrowings	29	300.834	100	114.794	71
Trade and other payables	31	1.977.002	498.955	1.795.884	488.612
Deposits from tenants	32	-	23.002	-	23.002
Finance lease liabilities	34	-	5.802.625	-	5.943.201
Taxes payable and provisions	33	38.431	150.954	38.611	155.872
Bonds	30	894.154	-	870.373	-
Total		3.210.421	6.475.636	2.819.662	6.610.758

40.3 Financial Risk Management Objectives

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

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

period, the Group had not entered into any derivative contracts.

40.4 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 recognised financial assets and liabilities are denominated in a currency that is not the Group's functional currency. Most of the Group's financial assets are denominated in the functional currency. Management is monitoring the net exposures and adopts policies to encounter them so that the net effect of devaluation is minimised.

40.4 Economic Market Risk Management

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 30 June 2024, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to € 397.211 (31 December 2023: € 497.389) of which approx. €435 in UAH and €270.379 in RON (Note 25) 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 € 300.834 (31 December 2023: €114.794) 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 2024 the weighted average interest rate for all the interest bearing borrowings of the Group stands at 4,73% (31 December 2023: 4,70%).

The sensitivity analysis for EURIBOR changes applying to the interest calculation on the borrowings

principal outstanding as at 30 June 2024 is presented below:

	Actual	+100 bps	+200 bps
	as at 30.06.2024		
Weighted average interest rate	4,73%	5,73%	6,73%
Influence on yearly finance costs		62.104	124.208

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

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

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

40.5 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.

40.6 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.

40.6 Liquidity Risk Management

Continued Operations

30 June 2024	Carrying amount	Less than	From one to	More than two
	tal	one year	two years	years
	tractual			

	h Flows				
	€		€	€	€
Financial assets					
Cash at Bank	178.373	178.373	178.373	-	-
Financial Assets at FV through P&L	11.833.106	1.833.106	11.833.106	-	-
Prepayments and other receivables	4.176.466	4.176.466	4.176.466	-	-
Long-term Receivables and prepayments	818	818	-	-	818
	16.188.763	1	16.187.945	-	818
Total Financial assets		6.188.763			
Financial liabilities					
Borrowings	300.834	347.023	35.249	311.774	-
Trade and other payables	1.977.002	1.977.00	1.977.002	-	-
Bonds issued	894.154	894.154	894.154	-	-
Taxes payable and provisions	38.431	38.431	21.258	17.173	-
Total Financial liabilities	3.210.421	3.256.61	2.927.663	328.947	-
Total net (liabilities)/ assets	12.978.342	12.932.1	13.260.282	(328.947)	818

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Discontinued Operations

30 June 2024	Carrying amount	Actual	Less than one year	From one to two years	More than two years
	€	h Flows	€	€	€
Financial assets					
Cash at Bank	218.838	218.838	218.838	-	-
Prepayments and other receivables	543.648	543.648	543.648	-	-
Long-term Receivables and prepayments	315.000	315.000	-	-	315.000
Total Financial assets	1.077.486	1.077.486	762.486	-	315.000
Financial liabilities					
Borrowings	100	100	100	-	-
Trade and other payables	498.955	498.955	498.955	-	-
Deposits from tenants	23.002	23.002	-	-	23.002
Finance lease liabilities	5.802.625	6.312.480	548.373	5.733.556	30.551

Taxes payable and provisions	150.954	150.954	150.954	-	-
Total Financial liabilities	6.475.636	6.985.491	6.483.382	5.733.556	53.553
Total net liabilities	(5.398.150)	(5.908.005)	(5.896)	(5.733.556)	261.447

40.6 Liquidity Risk Management

Continued Operations

31 December 2023	Carrying amount	Actual Cash Flows	Less than one year	From one to two years	More than two years
	€		€	€	€
Financial assets					
Cash at Bank	152.241	152.241	152.241	-	-
Prepayments and other receivables	4.034.537	4.034.537	4.034.537	-	-
Financial Assets at FV through P&L	11.686.598	11.686.598	11.686.598	-	-
Long-term Receivables and prepayments	818	818	-	-	818
Total Financial assets	15.874.194	15.874.194	15.873.376	-	818
Financial liabilities					
Borrowings	114.794	125.461	13.445	112.016	-
Trade and other payables	1.795.884	1.795.884	1.795.884	-	-
Bonds issued	870.373	870.373	870.373	-	-
Taxes payable and provisions	38.611	38.611	21.438	17.173	-
Total Financial liabilities	2.819.662	2.830.329	2.701.140	129.189	-
Total net assets/(liabilities)	13.054.532	13.043.865	13.172.236	(129.189)	818

Discontinued Operations

31 December 2023	Carrying amount	Actual Cash Flows	Less than one year	From one to two years	More than two years
	€		€	€	€
Financial assets					
Cash at Bank	345.148	345.148	345.148	-	-

Long-term receivables	315.000	315.000	-	-	315.000
Prepayments and other receivables	409.776	409.776	409.776	-	-
Total Financial assets	1.069.924	1.069.924	754.924	-	315.000
Financial liabilities					
Borrowings	71	11.831	71	11.760	-
Trade and other payables	488.612	488.612	488.612	-	-
Deposits from tenants	23.002	23.002	-	-	23.002
Finance lease liabilities	5.943.201	6.593.092	555.030	541.962	5.496.100
Taxation	155.872	155.872	155.872	-	-
Total Financial liabilities	6.610.758	7.272.409	1.199.585	553.722	5.519.102
Total net assets/(liabilities)	(5.540.834)	(6.202.485)	(444.661)	(553.722)	(5.204.102)

41. Events after the end of the reporting period

a) Extraordinary General Meeting of the Shareholders

During the Extraordinary General Meeting (EGM) of the Company, held on 10 July 2024, all resolutions proposed to shareholders were duly passed. Following the approval of the resolutions at the EGM, the necessary changes to the Company's share capital structure, as set out in the Notice of EGM and described in the following RNS, <https://www.investegate.co.uk/announcement/rns/secure-property-development-investment-di---spdi/result-of-egm-/8304309>, will be undertaken.