SECURE PROPERTY
DEVELOPMENT & INVESTMENT

ANNUAL REPORT

2015

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SECURE PROPERTY DEVELOPMENT AND INVESTMENT PLC

KIRIAKOU MATSI 16, AG. OMOLOGITES,1082, NICOSIA,CYPRUS

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC

Key Figures	31 Dec 2014	31 Dec 2015	Change
Total Assets (€million):	**67**	**125**	87%
Number of income producing commercial Properties:	**4**	**7**	75%
Operational Gearing:	**48%**	**52%**	9%
Operating Income*(€million):	**3,6**	**5,9**	64%
EBITDA*(€million):	**0,8**	**2,4**	3x
Net Equity**(€million):	**32,5**	**42,5**	31%
Issued Shares:	**33.884.054**	**90.014.723**	166%
NAV per share (£):	**0,75**	**0,35**	-

* Table 1- Excluding fair value related impact.

** Attributable to the shareholders.

This report may contain forward-looking statements about the Company. Such statements are predictive in nature and depend upon or refer to future events or conditions and may include such words as ''expects'', ''plans'', ''anticipates'', ''believes'', ''estimates'' or other similar expressions. In addition, any statement regarding future performances, strategies, prospects, actions or plans is also a forward-looking statement. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, events, activities and achievements to differ materially from those expressed or implied by such statements. Such factors include general economic, political and market conditions, interest and foreign exchange rates, regulatory or judicial proceedings, technological change and catastrophic events. You should consider these and other factors carefully before making any investment decisions and before relying on forward-looking statements.

1. Letter to the Shareholders

29 June 2016

Dear Shareholders,

During 2015 the Company continued its growth trajectory thanks to a number of acquisitions of high yielding income producing assets in South East Europe (the "Region") resulting in a substantial increase in our Assets Under Management ("AUM"). In parallel our strategy of diversifying regionally also continued with the Company entering one more SEE country. By the end of 2015, SPDI was present in four emerging economies of SEE owning seven income producing assets in the Region.

During the first quarter of the year in order to strengthen our acquisition capacity, the directors of SPDI offered its shareholders the opportunity to participate in a rights issue (open offer) that generated €8m new cash in March 2015. The Company used the capital raised to acquire assets, it also issued new shares for the same reason. In August 2015 we raised a further €2m of new capital through the execution of warrants bringing the total new equity raised for the year to €10m.

During the year, SPDI acquired three income producing assets: a) 20% of the Autounion office building situated in a very prominent location close to the international airport of Sofia, Bulgaria, which is fully let to one of the country's largest insurance companies, Eurohold until 2027, b) the Praktiker big box retail unit in Craiova, Romania, in exchange for SPDI redeemable convertible shares, and c) 24% of the Delea Nuova office building, a well located property facing three main roads in the city center of Bucharest almost fully let with the main tenant being the country's telecommunications regulator, in exchange of SPDI ordinary shares. Together with the latter the Company acquired also a residential portfolio in Bucharest and Sofia. The three income producing assets generate a combined €2m of gross rental income.

The macroeconomic environment in the Region and throughout Europe stabilised even further in 2015 with most of our countries of interest showing strong economic growth and signs that the property markets were picking up after years of stagnation. New international investors made their presence felt in Romania, where acquisition yields dropped across property types while transaction volumes increased. In Greece an agreement with the country's lenders, which was reached in extremis in August, followed by fresh elections that confirmed the government in place, signalled a period of lower political uncertainty. The country reached year end with a new €14bn recapitalisation of Greece's systemic financial institutions, the majority of which the Company has business relationships with. Ukraine experienced yet further foreign exchange destabilisation in H1, but the Hryvnia rate stabilised by Q4 offering a rare stability in the country's economy. At the same time, Europe as a whole experienced sluggish growth with the ECB expanding its QE package.

On the heels of a successful 2014, the 2015 accounts show an even better and more effective operational picture. If we disregard asset revaluation and Ukrainian related FX losses, the operating results as presented in the Management Report (excluding financial costs, that are high in our region) show positive numbers across the board. Our revenues topped €5,9m, while our EBITDA surpassed €2,4m, 3 times more than the 2014 figure, while cash generation improved on the back of the income producing asset acquisitions.

SPDI has been successfully put on a solid foundation, both financially and operationally, against the backdrop of the global economic and financial sector issues between 2010–2014, having successfully averted any substantial effects from the war in Ukraine and sheltered the Company and its assets from the financial trouble that have hit both Greece and to a lesser extent Cyprus in the last few years, even though none of the above have been put squarely in the past. While 2014 was a turnaround year for the Company, the progress made in 2015 has served to confirm that the implementation of our growth strategy of acquiring quality income producing assets that generate strong cash flows is bearing fruit. As the economic fundamentals in the Region improve (not unlike our stated expectations) we are striving to position the Company in the centre of the growth story of the Region that would lead to substantial positive results for our shareholders. Having experienced in practice the firm support of our shareholders through the success of the open offer, management will continue being guided by our vision, and exerting every effort in achieving our common goals.

Best regards,

Lambros G. Anagnostopoulos

Chief Executive Officer

2. Management Report

2.1 Corporate Overview & Financial Performance

Summary

In 2015 the Company's management focused on further acquiring income producing assets with a view to increase and diversify its income generating base. More specifically, during the reporting period the Company acquired:

1. 20% of Autounion, a 19.000 sqm office building in Sofia, fully let to one of Bulgaria's largest insurance companies, generating a gross rental income of ~€2,9m annually;
2. 24,35% of Delea Nuova office building, an almost fully let 10.000 sqm office building in Bucharest mostly let to Romania's Telecom Regulatory Authority ANCOM. Delea Nuova generates a gross rental income of ~€1,85m annually;
3. A portfolio of residential properties in Bucharest and Sofia, partly let and partly intended for sale, generating ~€0,3m annual rental revenues;
4. A fully let 9.000 sqm retail property in Craiova, Romania, rented to Praktiker until 2020, generating a gross rental income of ~€1m.

In addition in July 2015 following intensive legal battle which started in 2011, we have finally been able to register ownership over Rozny land plot in Kiev Oblast, destined for residential development. The ownership of Rozny plot was under contention by an Ukrainian third party even though the claims were unsubstantiated (as finally proven).

While the Company continued on the 2014 trend of adding assets to its portfolio resulting in an 52% increase in rental income for the year to €5,5m, it maintained its overall lean and strict operations management, keeping the recurring annual operating and administrative costs to below €2,7m, an increase of ~17% compared to 2014, even though the size of the Company almost doubled. At the same time, management continued the implementation of the Company's strategy through spending time and resources to identify further acquisition opportunities for potential future transactions.

Corporate Governance

In parallel, the Company's Board of Directors was strengthened with the addition of two new Directors with extensive experience in investing in real estate as well as in other markets in our region of focus. Ms. Kalypso Nomikou and Mr. Vago Barseghyan, have a long and successful entrepreneurial and business track record, focusing in shipping and corporate finance respectively, both globally and in South East Europe where they have been involved in various investments.

Ukrainian Political and Financial Developments

The political instability in Ukraine continued throughout 2015 albeit at an abating rate. As the crisis and the war have taken a heavy toll on the country's economy, the trend offers hopes of stability returning to the country in the not too distant future. Despite efforts to avert the effects of the crisis, Terminal Brovary, the Company's logistic complex in Kiev, has not been spared with many of its tenants experiencing substantial financial concerns. Consequently, the Terminal saw its occupancy decrease to 55% as a result of many tenants deciding to downsize their Ukrainian operations, or moving to other cheaper alternatives, as the market has become denominated in local currency (UAH) from US$ following the substantial devaluation vis a vis the US$ in the last 18 months. Such evolution increases the FX exposure of the Company.

Greek Political and economic developments

During the reporting period the Greek government continued discussions with the creditor institutions (EU/ECB/IMF/ESM) for extending the 2010 financial assistance program. The prolongation of the negotiation for yet another six months resulted in maintaining of a higher political and economic risk profile for the country. Following a referendum in July 2015 amidst a capital controls environment instigated in June 2015, a preliminary agreement signed in August 2015 and snap elections in September 2015, Greece has finally managed to conclude a deal with the creditors that was eventually ratified in May 2016 but the implementation of the agreement and the reforms attached to it are still to come. Such political and economic turmoil has not had a substantial effect on the operation of the Company in the country where its logistics terminal is fully let.

Capital Structure

In view of the Open Offer and the exercise of the Warrants (March and August 2015 respectively), which resulted in 38.102.375 new ordinary shares being issued by SPDI, as well as the issuance of new redeemable shares for the acquisition of the Craiova asset, the Company's capital structure was 90.014.723 ordinary shares, 9.011.497 redeemable preference shares and 18.028.294 Class A warrants at the end of the year. At the end of the reporting period SPDI had ~€43m of equity and ~€82m of liabilities, out of which ~€65m is bank debt. As a result the debt to equity ratio was 1,51x. The Loan to overall Value ratio (debt as a % of Total Asset Value) was 52%.

Most of its income producing assets debt profiles follows the WALT of the tenancy agreements while the residential asset related debt is being repaid directly from sale proceeds. Whenever a need arises to re-profile debt, the Company enters into discussions with the relevant financial institutions to that effect, even though such discussions in the Region, and especially as far as Greek banks are concerned are time consuming and may take more than 6-9 months.

Optimizing Corporate Structure

In 2015, the Company finalised the streamlining of the Ukrainian operating companies by merging most of them and eliminating others, ending with nine for the six assets it owns in the country. A similar exercise is being implemented in Romania and Cyprus.

The Company has also implemented an ERP system, based on Microsoft Dynamics (Navision). Upon full implementation by end 2016, the system will allow for the real time monitoring of income and expenses across all countries and assets resulting in operating efficiencies.

Audit Committee

The Audit Committee monitors the integrity of the consolidated financial statements, potential conflicts of interest of the directors and senior managers as well reviews the effectiveness of the Company's internal controls. The Committee also supervises the relationship with the Auditor, providing relevant recommendations for maximizing the effectiveness of the external audit.

Remuneration Committee

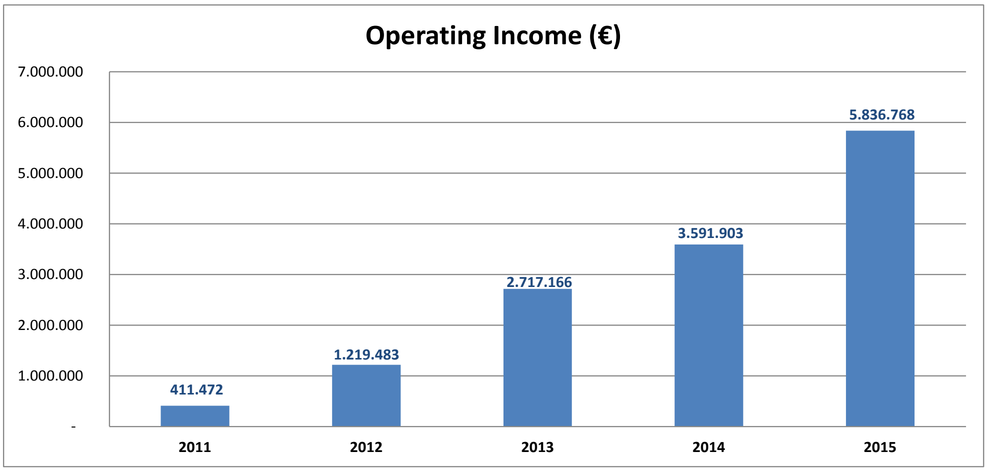
The Remuneration Committee has the responsibility to determine and periodically review the policy and implementation for the remuneration of the Directors and Executive Management of the Company so as to ensure that all are provided with appropriate, reasonable and fair incentives for an enhanced performance.

Internal Audit and Control

The Board is ultimately responsible for the Group's strategy, financial performance and risk management systems. As the Group grows, the Board is also responsible for the alignment of the implemented strategy with the vested interests of the shareholders, through annual budgets and cash flow preparation and their respective revisions when appropriate. Monitoring the on-going financial performance is a responsibility of the management which reports to the BoD in order to maintain a tight liquidity control.

Financial performance

2015 saw SPDI continue its growth trend which commenced the year before through the acquisition of new assets leading to the Company being by the end of the reporting period active in Romania, Bulgaria, Greece and Ukraine. Most notably, the Company's annual operating income increased by ~64% to €5,9m (excluding any property fair value adjustments to the cost of goods sold) from €3,6m in 2014. The operating income does not include the % participation by the Company of the operating income of the projects that the Company maintains a minority participation in, which is reported as dividend income, but includes net income resulting from on-going sales of residential assets (sales income minus the cost of the asset sold). Overall, EBITDA from operations has increased 3x to ~€2,4m (2014: €0,8m).



2.2 Property Holdings

Property Assets

The Company's portfolio consists of commercial income producing and residential properties in Romania, Greece, Bulgaria and Ukraine as well as land plots in Ukraine, Bulgaria and Romania.

Commercial

Terminal Brovary Logistic Park consists of a 49.180 sqm gross leasable Class A warehouse and associated office space, situated on the junction of the main Kiev – Moscow highway and the Borispil road which was fully completed in 2012. Following the near collapse of the Ukraine economy and its currency (that saw a drop by 70%) the facility experienced an increased vacancy with tenants shrinking their warehousing needs as their bottom line sales were substantially affected. The Terminal was ~45% leased at the end of the reporting period.

Innovations Terminal Logistic Park consists of a 16.570 sqm gross leasable Class A warehouse 6.395 sqm of which is for cold storage. Innovations was 87% leased at the end of the reporting period, 61% to Nestle and 26% to other local companies. Post period end Nestle notified the Company of its intent to leave the warehouse and the Company is in the process of both negotiating a break agreement with Nestle on their three year remaining contract and receiving the approval for such agreement by the financing Bank. At the same time the Company is actively looking to find replacement tenants.

GED Logistics Terminal consists of a 17.756 sqm gross leasable area, industrial and associated office space, situated on the west side of Athens, close to the Port of Piraeus. The facility has been in operation since 2010 and as at the end of the reporting period was 100% leased, to Kuehne + Nagel (70%) and GE Dimitriou SA (30%). The park also has a photovoltaic energy production facility installed on its roof.

EOS Business Park which serves as the Danone Head Quarters in Romania, is a 3.386 sqm gross leasable Class A office building, situated in the North Eastern Part of Bucharest. The building is fully let to Danone until 2026.

Autounion consists of 19.476 sqm of gross leasable office area, situated in a prime business area near the International Airport of Sofia. The BREEAM-certified building was completed in 2008 and is fully leased to Eurohold, one of the largest Bulgarian insurance companies, until 2027.

Praktiker Craiova consists of 9.385 sqm of gross leasable retail area, situated on one of the main arteries of Craiova, the sixth biggest city in Romania in terms of population. The retail unit is fully leased to Praktiker, a a regional DIY retailers in Europe, until 2020. Early in 2016 the tenant offered to extend the lease agreement for an additional five years until December 2025, in exchange for reducing the annual rent to the levels of the temporary reduction that tenant and the previous owner had agreed for the last few months of 2015, namely to ~€600k. Such offer is under discussion.

Delenco office building consists of 10.280 sqm of gross leasable office area, spread over 11 floors. The building was completed in 2007 and it is located in Bucharest's centre. At the end of the reporting period, the Delenco office building was 97% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA).

Residential portfolio

This consists of five distinct groups of residential units in Bucharest and one in Sofia. As the market prices for residential properties picked up in 2015, the Company sold a number of units and by the end of 2015 still manages a total of 228 apartments and villas. The Group acquired the portfolio in two stages, the first in August 2014 and the second in May 2015.

Land Assets

Bela Logistic Centre is a 22,4 Ha plot in Odessa situated on the main highway to Kiev. Following the issuance of permits in 2008, below ground construction for the development of a 103.000 sqm gross buildable area of logistic center commenced. Construction was put on hold in 2009 due to the global economic crisis.

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

Tsymlyanskiy Lane is a 0,36 Ha plot of land located in the historic Podil District of Kiev earmarked for the development of a residential complex.

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

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 Company pursuant to a legal decision in July 2015.

Pantelimon Lake consists of a ~40.000 sqm plot of land in east Bucharest situated on the shore of Pantelimon Lake, opposite the prestigious Lebada Hotel. The Company is in negotiations with its co-owner of the plot and the lending bank to re-profile/restructure the loan. The construction permit, which allows for gross buildable area of~54.000 sqm residential space to be built, was renewed in April 2014.

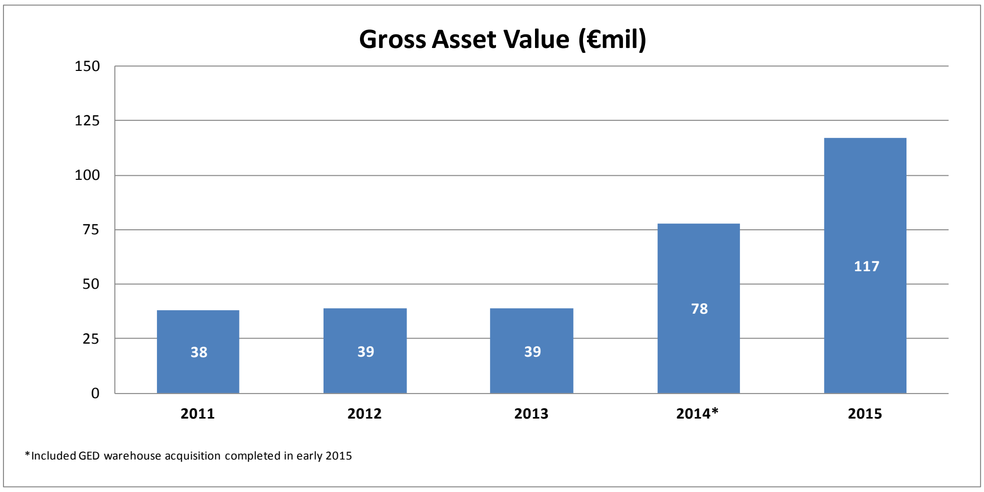
Boyana Land The complex of Boyana Residence includes adjacent land plots with surface of 17.000 sqm with building permits to develop gross buildable area of 21.851 sqm.

Green Lake land The Green Lake residences complex includes adjacent land plots of 40.360 sqm. The Green Lake project is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns 44,24% of these plots.

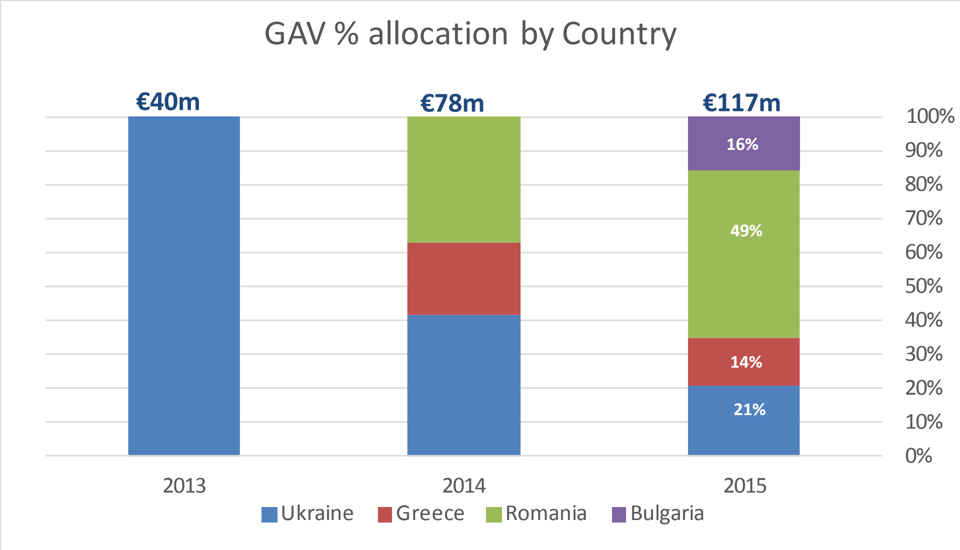
Property Asset Valuations

In 2015, the Company maintained in position its RICS accredited valuers, namely CBRE Ukraine for the Ukrainian Assets, and Real Act for the Romanian, Bulgarian and Greek Assets. The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards (2014) (the "Red Book") and is also compliant with the International Valuation Standards (IVS).

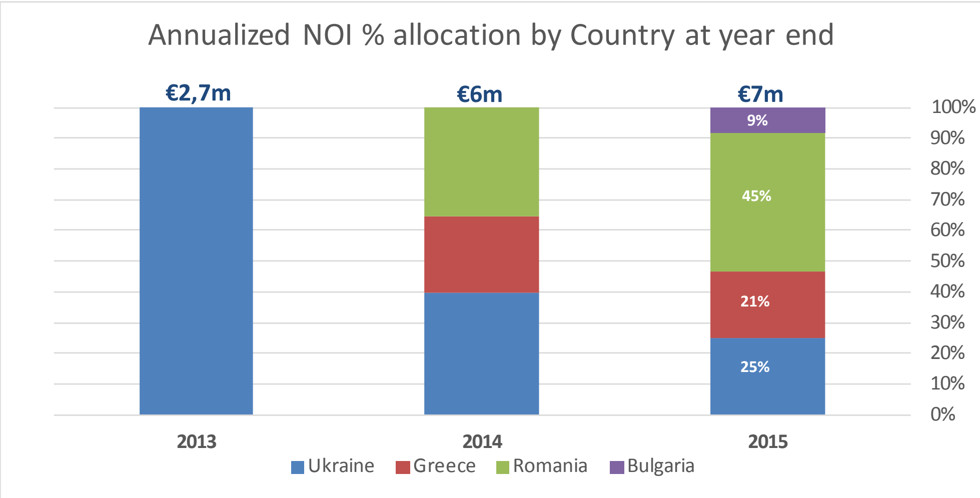
At the year-end, the Company's property assets (including its % participation in assets classified under associates and available for sale) were valued at €117m, an increase of ~50% compared to December 2014, due to acquisitions effected throughout the reporting period. It should be noted that the fair value of the Ukrainian assets has been reduced by 24% due to the continuing crisis in the country, while valuations in Romania, and Greece showed marginal increases.



During the year the Company's asset portfolio became even more diversified in terms of geography as well as asset class. At the end of the reporting period, ~80% of the Company's portfolio is outside Ukraine with Romania becoming the prime country of operations (49%) in terms of Gross Asset Value.



In respect of the income generation capacity of the Company's assets (excluding income resulting from asset sales) only 25% of expected annualized income comes from Ukraine, with Romania being the prime source with 45%.



P&L

Excluding a) the revaluation losses attributable mostly to the situation in Ukraine, b) the foreign exchange losses (related to the EBRD Terminal Brovary loan or the intercompany loans that have been affected on paper by the devaluation of the UAH) and c) any one off gains/losses, costs or impairments/provisions related to the properties acquired during the period the table below compares the performance of the last 2 operating periods, showing significant improvement.

Table 1

EUR	2015	2014
Rental Income	5.448.960	3.577.445
Income from Sale of Asset - Cost of properties sold	387.808	14.458
Income from Operations of Investments	**5.836.768**	**3.591.903**
Investment property operating expenses	(1.124.583)	(756.561)
Net Opereting Income from Investment Property	**4.712.185**	**2.835.342**
Share of profits from associates (ex revaluation)	166.863	
Net Income from Avaliable for Sale assets (ex revaluation)	485.529	
Total Income	**5.364.577**	**2.835.342**
Administration expenses	(2.981.338)	(2.684.422)
Operating Result (EBITDA)	**2.383.239**	**150.920**
Finance costs, net	(3.771.100)	(1.267.331)
Income tax expense	(80.188)	(220.476)
Operating Result after finance and tax expenses for the year	**(1.468.049)**	**(1.336.887)**
Other income / (expenses), net	621.252	(136.058)
Other finance costs	(603.495)	(110.072)
Gain realized on acquisition of subsidiaries	2.181.834	766.221
Fair Value (Losses) /Gains from investments	(6.785.554)	9.297.525
Foreign exchange losses, net	(10.659.602)	(18.354.598)
(Loss) / Profit for the year	**(16.713.614)**	**(9.873.869)**

Asset Contribution to Net Asset Value

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

Table 2

		2015		
€m		**GAV***	**Debt***	**NAV**
Innovations	Rom	14,4	7,4	7,0
Eos	Rom	6,6	3,9	2,7
Praktiker	Rom	7,2	4,8	2,4
Delenco	Rom	5,3	0,9	4,4
Autounion	Bul	7,0	2,5	4,5
GED logistics	Gr	16,5	12,3	4,2
Terminal Brovary	Ukr	12,3	12,2	0,1
Residential units	Rom & Bul	26,0	14,8	11,2
Land banking	Rom & Ukr	21,9	6,2	15,6
Total Value		117,1	65	52
Other balance sheet items, net **			-9,6	-9,6
Net Asset Value total				**42,4**
Mcap 31/12/2015 (Share price at £0,245)				**29,9**
Mcap 27/6/2016 (Share price at £0,14)				**15,7**
Discount as of the reporting date vs NAV 31/12/2015				**-63%**

* Reflects the Company's participation at each asset

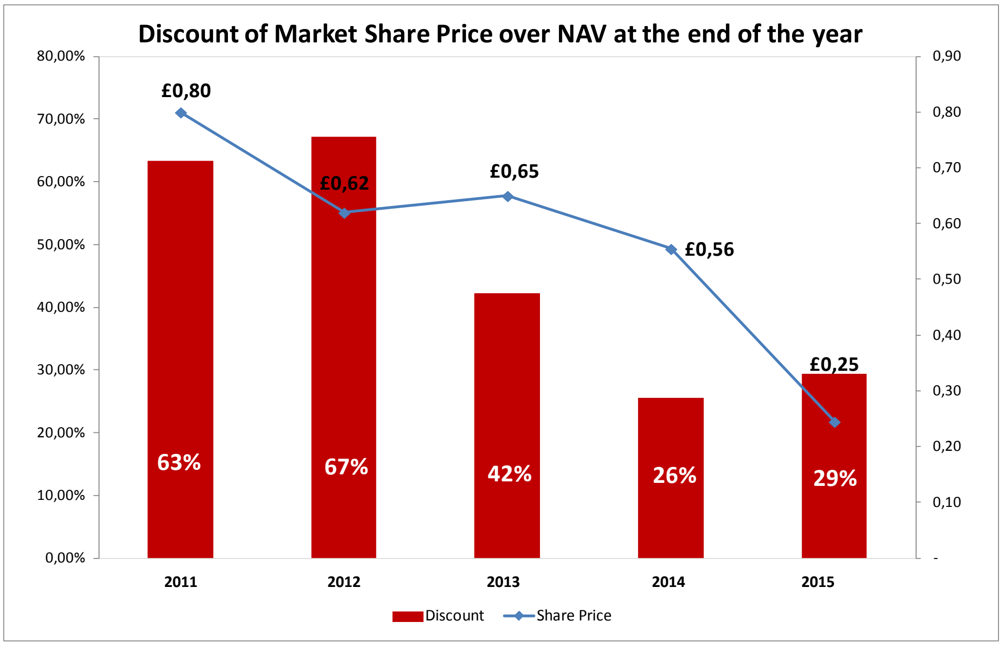
**Refer to balance sheet and related notes of the financial statements

Net Equity

The Net Equity attributable to the shareholders as at 31 December 2015 stood at ~€43m representing a 31% increase over the 2014 Net Asset Value driven by the new assets acquired for shares during the year as well as the new equity raised.

The NAV per share as at 31 December 2015 stood at GBP 0,35. To compare with the 2014 equivalent NAV per share, one needs to take into account the more than doubling of the ordinary shares the Company has on issue, as a result of the March 2015 Open Offer (rights issues) to its existing shareholders as well as the issuing of more shares in exchange of assets that have been acquired. Even though the open offer was effected at a much lower price than the 12 month average to that date, the discount of the Market Value vis a vis the Company's NAV increased to 29% by year end.

Net Asset Value per share



2.3 Financial and Risk Management

The Group's overall bank principal debt exposure at the end of the reporting period was at €65m (including property assets fully or partially owned by the Company):

Leverage

a. the €12,2m construction debt to Terminal Brovary from EBRD. This loan is denominated in US$ and stands at $13,25m at the end of the reporting period.
b. the €3,9m finance lease of the EOS business park with Alpha Bank Romania.
c. the €7,4m finance lease of the Innovations park with Bank of Piraeus Romania.
d. the €12,3m debt financing of the GED Logistics park and photovoltaic with Eurobank.
e. the €4,8m debt financing of the Praktiker Craiova with Marfin Bank Romania.
f. the €0,9m (24% participation at the total of €3,7m) debt financing of the Delenco office building with CEC.
g. the €2,5m (20% participation at the total of €12,6m) debt financing of the Autounion office building with Unicredit.
h. the €14,8m being the Company's portion on the residential portfolio debt financing.
i. with the remaining €6,2m being the Company's portion on land plot related debt financing in Romania and Bulgaria.

Overall, the Group's Loan to Value ratio at the end of 2015 stands at 52%.

Liquidity Management- Cash Flow Risk

Throughout 2015 the Company continued to focus on generating and preserving liquidity and optimizing its cash flow in a credit environment that had not improved much from a year before. The Company raised cash, which it used to acquire more assets, keeping a tight cash flow schedule, and managing its liabilities in a way to limit the need to carry cash on its balance sheet to a minimum. The reduction of Terminal Brovary rental income (due to tenants leaving or accepting lower rent to stay), as well as temporary cash shortfalls linked with tenants leaving until new tenants sign up in other property assets, have caused some cash shortfalls to the Company.

2.4 2016 and beyond

General

Going into 2016, the Company is poised to follow its strategy by identifying new income producing assets in Romania, Bulgaria and/or Greece, as well as the capital sources necessary to effect such acquisitions. As the political turmoil in Greece is beginning to level off, and the economic growth of Romania shows signs of further improvement, the time is ripe for the Company to seek making yet another step towards its stated goal of becoming a leading income producing property company in the South East Europe region. At the same time, and as the markets pick up, the Company will not close its eyes to possibilities of realizing values through the sale of assets, should these opportunities materialise.

3. Regional Economic Developments [1]

Romania

Romania's GDP registered a 3,7% growth y-o-y in Q4 2015, the second highest among EU28 countries after the Czech Republic. After this result, the country's economic growth for 2015 reached a real 3,8%, compared to 2014's 2,8%.

The year ended with CPI falling in negative territory (-0,7% y-o-y), mainly due to VAT rate decreasing for all food products from 24% to 9% as of June 2015. Unemployment rate fell slightly to 6,7% compared to 2014. The Romanian government and the trade unions have reached an agreement to increase the gross minimum wage to €276 from €232 per month, as of May 2016. Also, the government reduced VAT from 24% to 20% and dividend withholding tax from 16% to 5% as of 1 January 2016.

Romania's current account deficit widened to €1,76bln in 2015, from €0,69bln a year earlier. Foreign direct investments totaled €3,04bln in the period under review, approximately 25% higher than in 2014. Long-term external debt at end-2015 stood at €71bln down 6,3% from end 2014. Debt stands at ~44% of GDP.

In May 2015, the Romanian National Bank cut its key monetary policy rate to a record low of 1,75%. Exchange rates remained relatively stable throughout 2015 at RON 4,50 to the Euro.

In December 2015, Moody's changed the outlook on Romania's Baa3 government ratings to positive from stable and affirmed Romania's Baa3/P-3 ratings, the lowest investment grade level. Moody's said that the country's significant progress in correcting its macroeconomic imbalances is one of the key drivers for changing its outlook.

Romania is expected to continue as the Region's outperformer in 2016, with an accelerating growth of more than 4%, mainly driven by private consumption. Reforms in taxation are likely to attract even higher investment volumes, along with improved EU funds absorption rate and public investment spending. However, scheduled elections for late 2016 may be a cause for some political uncertainty.

Macroeconomic data and forecasts					
	2011	2012	2013	2014	2015
GDP (EUR bn)	131,4	131,8	142,2	149,3	156,0
Population (mn)	20,1	20,0	19,9	19,9	19,9
GDP (constant prices y-o-y %)	2,2	0,7	3,4	2,9	3,8
CPI (average, y-o-y %)	5,8	3,4	4,0	1,1	-0,7
Unemployment rate (%)	7,4	7,0	7,1	6,8	6,7
Net FDI (EUR bn)	1,8	2,2	2,6	2,5	3,0

Sources : IMF, National Sources, Eurobank EFG, Eurostat

Bulgaria

Bulgaria's economy registered a 2,9% annual growth rate in 2015 (2014: 1,5%), the highest rate since 2011, beating June's estimate of 1,1%. Growth in 2015 was higher than initially expected due to stronger exports to the EU stemming from lower energy prices, the recovery of investments as a result of improved implementation of EU-funded projects and better labour market performance.

The country's current account showed a surplus of €542m in 2015, compared to a surplus of €493m a year earlier, according to the Bulgarian Central Bank. FDI rose to

[1] Sources : World Bank Group, Eurostat, EBRD, National Bank of Greece, Elstat, Eurobank Research, and Economic Research Division, National Institute of Statistics- Romania, National Statistical Institute –Republic of Bulgaria, National Institute of Statistics – Ukraine, SigmaBleyzer.

€1,58bln in 2015, increasing by approximately 23% in comparison with the previous year's volume.

Annual EU-harmonized CPI stood at minus 1,1% y-o-y, while unemployment recorded a rate of 10%, lower than 2014 rate of 11,5%. Exchange rates remained stable throughout 2015 at BGN 1,96 to the Euro.

The Bulgarian government announced the increase of the minimum monthly wage to € 215 as of 1 January 2016, up from €195.

The low energy cost, the aforementioned wage rise and the low inflation rates in the country benefits consumers in terms of disposal income. The on-going Euro area recovery is also expected to boost Bulgaria's economic performance in 2016, due to the country's high exposure to the area via trade and capital flows.

Macroeconomic data and forecasts					
	2011	**2012**	**2013**	**2014**	**2015**
GDP (EUR bn)	38,5	39,7	41,0	42,0	44,0
Population (mn)	7,3	7,3	7,3	7,2	7,3
GDP (constant prices y-o-y %)	1,8	0,8	0,9	1,7	2,9
CPI (average, y-o-y %)	4,2	3,0	1,4	-1,6	-1,1
Unemployment rate (%)	11,2	12,3	12,9	11,5	10,0
Net FDI (EUR bn)	1,2	1,2	1,1	1,2	1,6

Sources : IMF, National Sources, Eurobank EFG, Eurostat

Ukraine

The deep recession which was a result of the on-going conflict in the Eastern border and sharp depreciation of the national currency in H1 2015, seems to be fading out as also the decline of GDP continues to decelerate. In Q4 2015, GDP registered a drop of 3,2% y-o-y compared to declines of 7,2% in Q3 and 14,6% in Q2. Based on these results, the annual average contraction of GDP reached 9,9% in 2015.

In Q4 2015, important reforms were carried out. In particular, Ukrainian authorities concentrated efforts on further business deregulation, trade liberalization, deepening cooperation with the EU and privatization. The IMF has endorsed the government's fiscal budget for 2016 and it is expected that the third tranche from its programme is expected to be available within Q3 2016. Due to the successful public debt restructuring, Standard & Poor's increased the ratings of sovereign foreign debt from SC to B-.

The consolidated budget deficit for 2015 reached about 3,5% of GDP, including government transfers to Naftogaz, the Pension Fund, and for banking re-capitalization. Net FDI reached USD 2,3 bln mainly from bank recapitalization.

During the year, the sharp depreciation of the UAH and the resultant increase in prices for imported goods and increase of the state-regulated tariffs led to an inflation of 43,3%, compared to 12% in 2014. Unemployment rate eased down to 9,4% from 11% a year earlier. After reaching a record of 30 UAH/USD in February, exchange rate seemed to stabilize between 24-25 UAH/USD.

A major development concerning international trade is that the Free Trade Agreement (FTA) between Ukraine and the EU has become effective on 1 January 2016. According to the government, the FTA will eliminate 97% of EU tariffs on Ukrainian exports and will reduce the average tariff on Ukrainian exports from 7,6% to 0,5%.

According to the latest forecasts, Ukraine is expected to return to a modest growth in 2016, if political reforms continue being implemented. Nevertheless, the conflict in eastern Ukraine remains a significant problem, as ceasefire violations from time to time jeopardize the country's stability.

Macroeconomic data and forecasts					
	2011	2012	2013	2014	2015
GDP (USD bn)	163,4	176,2	177,4	127,6	98,0
Population (mn)	45,6	45,6	45,5	42,7	42,5
GDP (constant prices y-o-y %)	5,2	0,2	0,0	-6,0	-9,9
CPI (average, y-o-y %)	8,0	0,6	-0,2	24,9	43,3
ILO Unemployment rate (%)	7,9	7,5	7,4	10,5	9,4
Net FDI (USD bn)	7,0	6,6	3,3	0,2	2,3

Sources : IMF, National Sources, European Comission, Oxford Economics, SigmaBleyzer

Greece

After lengthy negotiations that started in February 2015, in August 2015 and among fears of "Grexit", Greece and the Eurozone stepped back from the brink and reached an agreement on a new three-year adjustment programme offering €86bln of financing in return for a number of reforms and measures to be implemented by the Greek government. This agreement led to the re-opening of the banks that had been closed for several weeks because of imposed capital controls in June 2015.

In September 2015, following a second snap election victory in less than 12 months the SYRIZA party remained in power so as to undertake the task of completing to pursue the implementation of the August agreement. A necessary step in this process being the formal evaluation by the lender technocrats of the political implementation of the required processes, political uncertainty lingers on in the country for as long as it is not completed, leading to deepening recession and lack of liquidity in the markets.

Greek GDP contracted by 0,2% in 2015 as a consequence of the aforementioned political uncertainty and also the capital controls' imposition, which reduced liquidity in the economy.

In autumn, another bank recapitalization – the third in as many years - took place for €14bn and proved to be successful, as systemic banks managed to find the necessary capital through mostly private (and foreign) investors.

Greek budget showed a primary surplus of €1,23bln in 2015 compared to a surplus of €0,53bln a year ago, while the general government deficit came to 7,2% of GDP compared to a 3,6% deficit in 2014.

Inflation rate remained in negative territory for the third consecutive year, being at minus 1,7% for 2015. Unemployment rate in the country eased slightly, standing at 24,6% at the end of 2015.

Political uncertainty mainly driven by the uncertainty of whether the government will proceed with the necessary economic reforms leading to a positive evaluations by the lenders, along with the on-going refugee crisis, are the two biggest issues that put the country's stability in question for 2016 and going forward.

Macroeconomic data and forecasts					
	2011	2012	2013	2014	2015
GDP (EUR bn)	208,5	193,4	182,1	179,1	176,0
Population (mn)	10,8	11,1	11,0	11,0	10,9
GDP (constant prices y-o-y %)	-1,1	-6,6	-3,9	0,7	-0,2
CPI (average, y-o-y %)	4,2	3,0	-0,9	-1,4	-1,7
Unemployment rate (%)	17,9	24,5	27,5	26,6	24,6
Net FDI (EUR bn)	0,8	1,4	1,6	1,0	0,0

Sources : IMF, National Sources, Eurobank EFG, European Comission

4. Real Estate Market Developments[2]

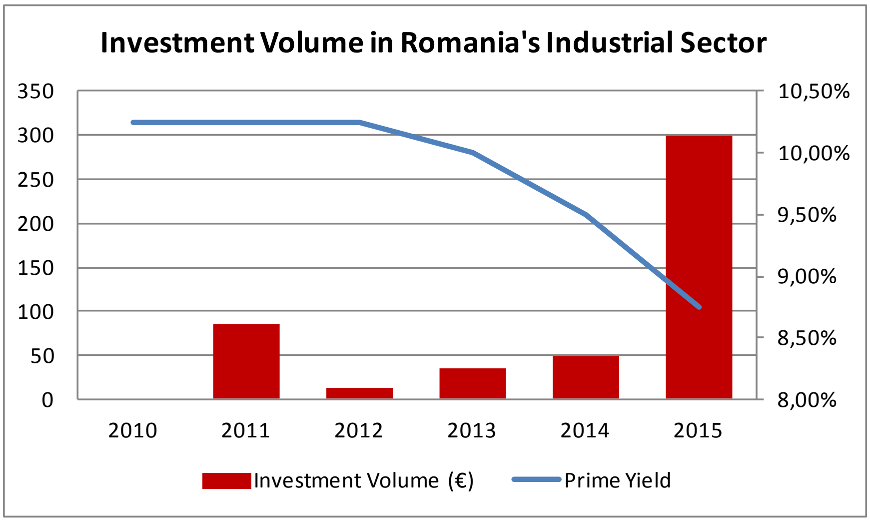
4.1 Romania

General

The total investment volume registered in Romania for 2015 recorded a 42% decrease, but the low level of investment volume can be explained by two major one-off transactions at the end of 2014.

Logistics Market

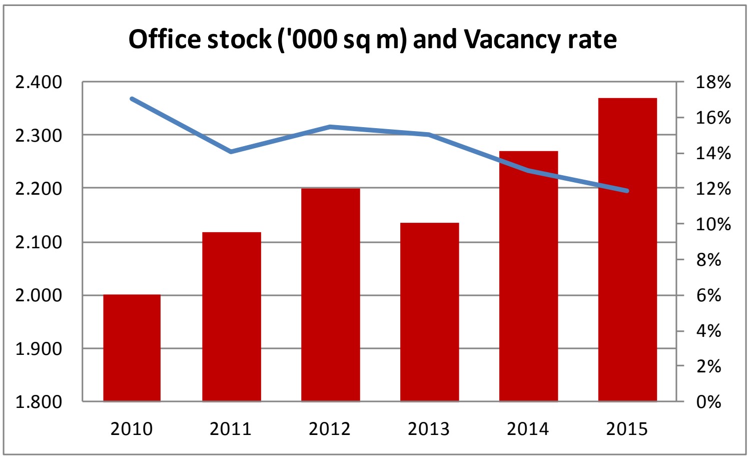
Total industrial and logistics stock in Romania reached 2,1m sqm, of which 1m sqm is in Bucharest. Leasing demand in 2015 outpaced 2014 by 22%, reaching a total of 375.000 sqm. During the year, the investment volume reached approximately €300m, almost seven times higher than last year's volume. This number was achieved through portfolio acquisitions, distressed assets acquisitions and also sale-and-lease back transactions. Average prime rental rate remained at €3,8 per sqm, while vacancy rate in the country continued on its decreasing trend, reaching 5% from 11-12% in 2014. In Bucharest, vacancy rate dropped further to 3,3%, but the demand driven pressure is expected to ease after the delivery of projects under development. As a result of the high investment volume, yields compressed to 8,75% for prime properties, from last year's 9,5%.



Office Market

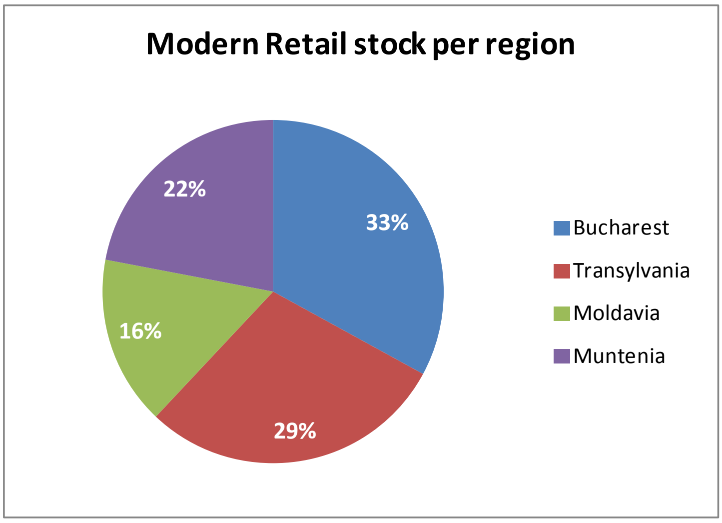
Bucharest's office space stock recorded a 6,3% increase in 2015, compared to last year, reaching 2,37m sqm in total. Currently, approximately 0,41m sqm are under construction and scheduled for delivery in 2016. Adverse market conditions in 2009-2010, led to a significantly low number of signed contracts and with typical leases being signed for five years, the number of contracts expiring in 2015 was relatively small. Thus, total leasing activity in 2015 was 20% lower than a year earlier. The majority of lease agreements was signed by IT companies, continuing last year's trend. Prime headline rental rate recorded a slight increase by 2,8% during the year, reaching €18,5 per sqm (in CBD sub-market). Vacancy rate continued on its decreasing trend, reaching 11,9% from 13% in 2014. Yield for prime properties registered a 3,2% decrease to 7,5% in 2015.

[2] Sources : Danos Research, Eurobank, Jones Lang LaSalle, DTZ Research, CBRE Research, Colliers International, Cushman & Wakefield, MBL Research.



Retail Market

The total modern retail supply in Romania reached approximately 3,2m sqm at the end of 2015 with Bucharest's stock currently standing at just over 1m sqm. Prime rental rates for shopping centers varies between €60-70 per sqm per month, for high street shops between €50-60 per sqm per month and for retail parks it is ~€8,5 per sqm per month. According to the national statistics office, retail sales rose by an annual 8,9% in 2015, mainly driven by food sales. Some of the most important retailers as Lidl, Mega Image, Rewe and Selgros have already expressed their intention to expand during 2016.



Residential Market

Romanian authorities issued a total of 39.112 building permits in 2015, a 3,8% increase in comparison with last year's numbers. In Bucharest, developers seem to adjust better to the existing demand, as the residential projects that target middle class buyers accounted for more than one third of the total stock delivered. Less than 50% of the transactions concluded on this segment are carried out by funding from the state guarantees programme Prima Casa (First Home), as the majority of middle class buyers already own a unit and are generally interested in moving into a house of higher quality. The purchase of a new house is now more feasible than before, due to the improved economic sentiment, the increase in the net average wage and also due to the successive decrease of the monetary policy interest rate by the National Bank, which allowed the banks to offer attractive mortgage loans in RON (Romanian local currency) with rates similar to Prima Casa. Prices have remained stable this year in Bucharest, standing at ~€1.000-1.100 per sqm.

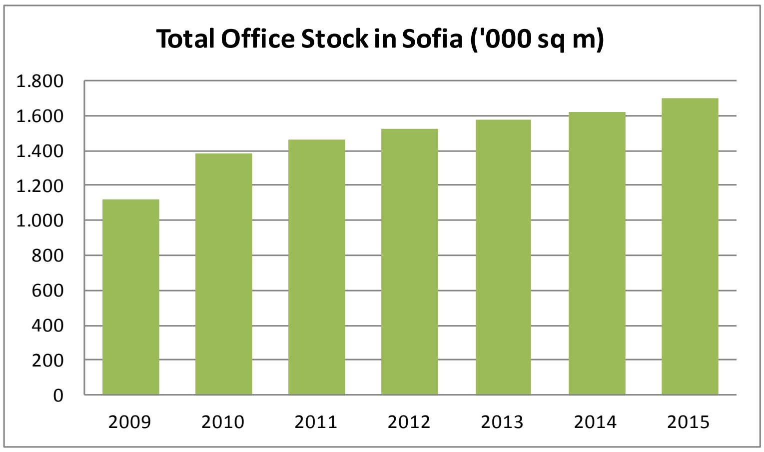
4.2 Bulgaria

General

The total value of closed transactions on the investment market in Bulgaria in 2015 was €210 m, ~10% lower than in 2014. More than half of this volume stems from deals for development land.

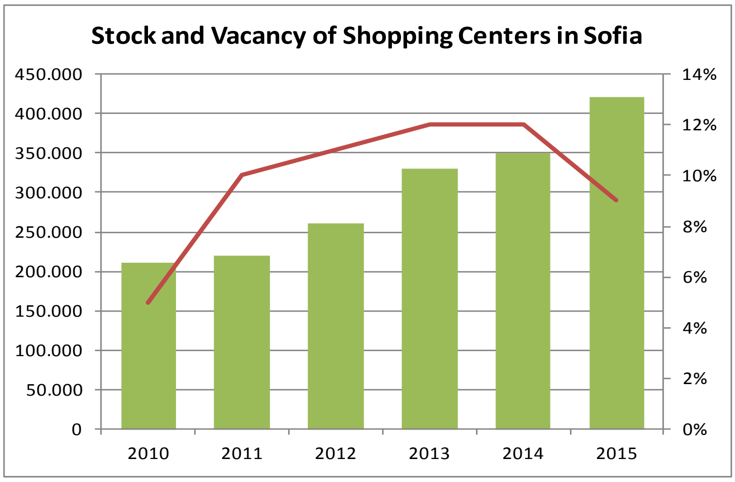
Office Market

During 2015, about 70.000 sqm of class A offices were delivered. As a consequence, the Sofia office stock increased slightly to 1,70m sqm. The pipeline of buildings, which are under construction, amounts to 160.000 sqm. Also, construction of 115.000 sqm of office space is suspended and if the trend of resuming such projects continues in 2016, office space supply will be even higher. The total class A and B vacant office space in Sofia decreased to 219.000 sqm. Thus the average vacancy rate for office space in the Bulgarian capital continued on its shrinking trend, reaching 12,9%, compared to 15,4% in the same period last year. Asking rents vary between €11-14 per sqm for Class A offices – depending on location, increased by almost 5% compared to 2014. At the same time, asking rents for Class B properties remained relatively stable between €6,5 and €8,5 per sqm.



Retail Market

In 2015, total modern retail stock in Bulgaria remained the same – approx. 844.000 sqm, as no new retail units were delivered. Shopping centers account for nearly 95% of the total stock. Vacancy rate in Sofia stood at 10% lower than last year's 12,4%, while in the other major cities it recorded a drop of 3% points to 12,4%. The situation in the Bulgarian retail market is not expected to change in 2016, as no new developments are planned for the time being, except for remodeling existing developments or resuming suspended construction projects.



Residential Market

Residential stock in Sofia showed a slight increase of 2% in newly completed projects in 2015. The high level of demand pushed the vacancy rates further down to 11% of the total stock. The number of transactions in 2015 showed a significant 25% y-o-y growth, while pre-sales accounted for 37% of all deals. As far as prices are concerned, a 5% y-o-y growth was registered. In addition, due to increasing demand and limited supply, the discount from the asking to the final price shrunk to 5% from 9% a year earlier.

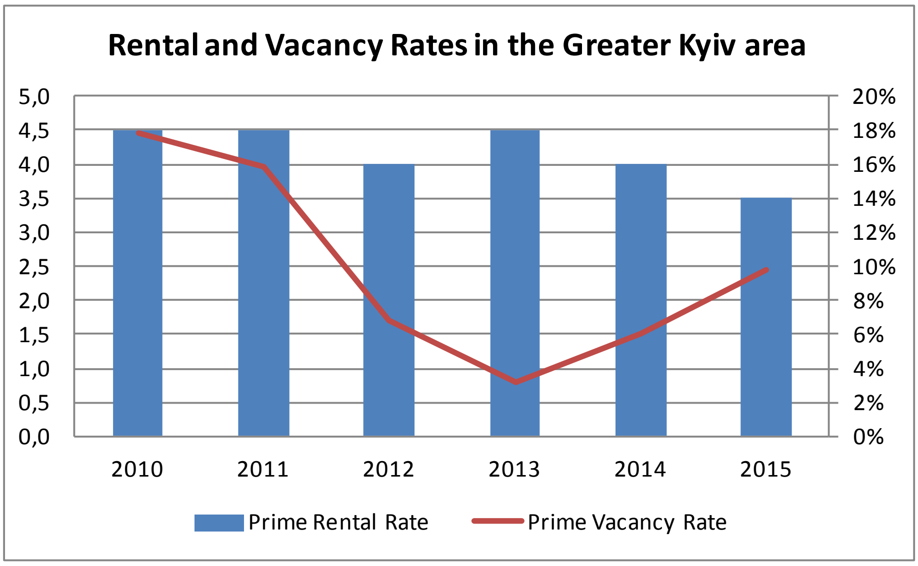
4.3 Ukraine

General

Due to the deepening of the economic recession in Ukraine, many businesses were adopting a wait-and-see attitude in relation to further activity in the country, whilst the purchasing power of the country's population further decreased.

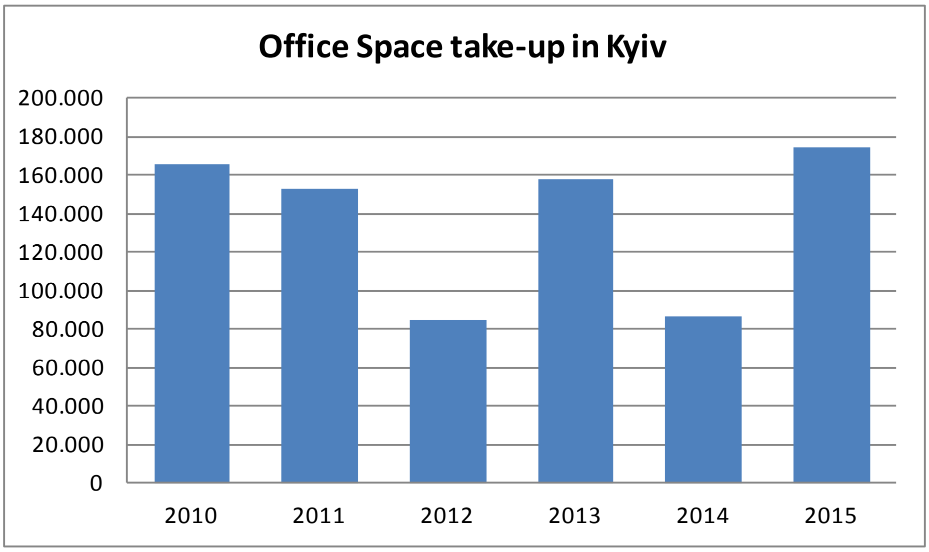
Logistics Market

As of the end of 2015, total stock of modern warehousing and logistics space in the greater Kiev area amounted to 1,79m sqm, only a 3,5% increase in comparison with 2014, due to Ukraine's weak economic performance that led to a drop in demand from the occupier's side. The cumulative take-up reached 160.700 sqm, decreasing by around 25% compared to last year's performance. This number was generated mainly by logistics companies' relocation, cost cutting criteria being the driving force. As a result of Ukraine's weak economic performance vacancy rates generally increased, reaching 9,8% by the end of the year, from 6,1% a year earlier. Rental rates remained relatively stable at US$3-5 per sqm for Class A properties and US$2-3 for Class B. The majority of the new leases in 2015 were signed in the Ukrainian hryvnya without binding the rental payment to the US dollar.



Office Market

The total office take-up in Kiev was around 174.000 sqm of GLA in 2015, twice as high as the figure registered during 2014. On the supply side, there was no major change in the office property market in Kiev and across Ukraine in 2015. The total office stock in Kiev reached around 1,8m sqm with approximately 70.000 sqm of offices delivered during 2015. The office vacancy rate in Kiev varied between 23-24% during Q1-Q3 2015, and decreased to around 21,5% by the end of the year. During 2015, a further downward correction in rental rates for classes B and C was witnessed, whilst rental rates for A-class properties remained in the range of USD 17-28 per sqm per month.



4.4 Greece

General

The property market is expected to recover gradually, once Greece emerges from the recession cycle. In terms of investment interest, the most dynamic sectors appear to be that of hospitality, as a result of a projected substantial growth in tourism.

Logistics Market

The Industrial and Logistics market seemed stagnant in the first nine months of the year but in the last quarter investment activity started picking up. As a result, demand increased despite the fact that rents remained stable. Prime rental rates for industrial space are approximately €2,5 per sqm, while for logistics space they range from €3 to €4 per sqm. Demand for logistics space is expected to continue its increasing trend, especially after the successful privatization of Piraeus Port and the announcement for a tender regarding the Thriassio Freight Center in Attica Prefecture.

Office Market

No major changes were observed in the office sector throughout 2015. Rental rates in prime office districts were stable through the whole year at €8-15/sqm depending on locations. This relatively large range is also a sign of market inefficiency due to the low transaction volume. Developers' unwillingness to commit to new constructions still exists, therefore there is no pipeline of new projects and this situation is not expected to change over the short or medium term.

5. Property Assets

5.1 Terminal Brovary Logistic Park, Ukraine

Project description

The Brovary Logistic Park consists of a 49.180 sqm GLA Class A warehouse and associated office space. The building has large facades to the Brovary ring road, at the intersection of the Brovary (E-95/M-01 highway) and Borispol ring roads. It is located 10 km from Kiev city border and 5 km from Borispol international airport.

The building is divided into six independent sections (each at least 6.400 sqm), with internal clear ceiling of 12m height and industrial flooring constructed with an anti–dust overlay quartz finish. The terminal accommodates 90 parking spaces for cars and trucks, as well as 24 hour security.

Current status

As of the end of 2015, the Park was ~45% leased, representing a decrease of ~45% over the last year end numbers. This reduction was essentially driven by the on-going crisis of the Ukrainian economy, creating reduced warehouse storage needs.

Post period end, in May 2016 the Company fully leased the warehouse space while it also signed a letter of intent to sell the property to Rozetka, the leading Ukrainian internet retailer. Such sale is subject to EBRD approval as well as to various other conditions precedent.

5.2 Innovations Logistics Park, Romania

Project description

The Park incorporates approximately 8.470 sqm of multipurpose warehousing space, 6.395 sqm of cold storage and 1.705 sqm of office space. It is located in the area of Clinceni, south west of Bucharest center, 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.

Current status

In 2015 the warehouse was 87% leased with Nestle Ice Cream Romania being the anchor tenant. Following a request by Nestle Ice Cream, the Company has entered into discussions with Nestle and Bank of Piraeus to proceed with execution of an amicable settlement agreement, in breaking the remaining of Nestle's fix tenancy contract (until September 2018). In the meantime the Company has identified potential replacement tenants with whom it is having preliminary discussions.

5.3 EOS Business Park – Danone headquarters, Romania

Project description

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

Current status

The Company acquired the asset in November 2014. The complex at the end of 2015 is fully let to Danone Romania, the French multinational food company, until 2026.

5.4 Praktiker Retail Center, Romania

Project description

The retail park consists of 21.860 sqm of land including a retail BigBox of 9.385 sqm GLA and 280 parking places. It is located in Craiova, on one of the main arteries of the city, along with most of the DIY companies.

Current status

The Company finalised the acquisition of the asset in July 2015. As at year-end, the complex is fully let to Praktiker Romania, a regional DIY retailer, until 2020 and the Company is negotiating the extension of the Praktiker lease agreement until December 2025 for an annual rent of ~€600.000

5.5 Delenco office building, Romania

Project description

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

Current status

The Company acquired 24,35% of the property in May 2015. As of the end of 2015, the building is 97% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA).

5.6 Autounion office building, Bulgaria

Project description

A 19.476 sqm Class A office building which is located in a prime business area of Sofia, very close to the international airport and close to the city center. The building is BREEAM certified.

Current status

The Company acquired 20% of the property in April 2015. As at year-end 2015 Autounion is fully let to Eurohold Bulgaria, one of the largest Bulgarian insurance companies, on a long lease extending to 2027.

5.7 GED Logistics center, Athens Greece

Project description

The 17.756 sqm complex that consists of industrial and office space is situated on a 44.268 sqm land plot in the West Attica Industrial Area (Aspropyrgos). It is located at exit 4 of Attiki Odos (the Athens ring road) and is 10 minutes from the port of Piraeus (where COSCO runs two of the three piers of one of the biggest container port in the Mediterranean Sea) and the National Road connecting Athens to the north of the country. The roofs of the warehouse buildings house a photovoltaic park of 1.000KWp.

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

Current status

The complex at the end of 2015 is 100% occupied, with the major tenant (approximately 70%) being the German transportation and logistics company Kuehne + Nagel.

5.8 Residential portfolio

- **Romfelt Plaza (Doamna Ghica), Bucharest, Romania**

Project description

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

Current status

At the end of 2015, 20 apartments were available while 12 of them were rented, indicating an occupancy rate of 60%.

- **Linda Residence, Bucharest, Romania**

Project description

Linda Residence is a residential complex located in Bucharest, Sector 3, close to subway transportation which connects the project to all areas in Bucharest in less than 30 minutes.

Current status

At the end of 2015, 22 apartments were available with 4 of them being rented indicating an occupancy rate of approximately 18%.

In May 2016, the Company accepted an offer to sell in bulk most of the remaining units (16) it owned in Linda Residence.

- **Monaco Towers, Bucharest, Romania**

Project description

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

Current status

At the end of 2015, 26 units were available, 11 of them being rented indicating an occupancy rate of 42%.

- **Blooming House, Bucharest, Romania**

Project description

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

Current status

At the end of 2015, 22 units were available 11 of them being rented indicating an occupancy rate of 50%.

- **Green Lake, Bucharest, Romania**

Project description

A residential compound of 40.500 sqm GBA, which at the end of 2015 consisted of 40 unsold apartments plus 37 unsold villas, situated on the banks of Grivita Lake, in the northern part of the Romanian capital – the only residential project 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 sport courts and restaurants. Additionally Green Lake includes land plots totaling 40.360 sqm. SPDI owns ~43% of this property asset portfolio.

During the period, eight apartments and villas were sold while at the end of 2015, 77 units were unsold with 26 of them being let (occupancy rate of ~34% - 53% for apartments and 14% for villas). *Current status*

- **Boyana Residence, Sofia, Bulgaria**

A residential compound, which consisted at acquisition date (May 2015) of 67 apartments plus 83 underground parking slots developed on a land surface of 5.700 sqm, situated in the Boyana high end suburb of Sofia, at the foot of Vitosha mountain with GBA totaling to 11.400 sqm. The complex includes adjacent land plots with surface of 17.000 sqm with building permits under renewal to develop GBA of 21.851 sqm. *Project description*

During 2015, six apartments were sold, with 61 units remaining unsold at the end of 2015. *Current status*

5.9 Land Assets

- **Aisi Bela – Bela Logistic Center, Odessa, Ukraine**

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

The Company has hired a new security agency to safeguard the premise and does not intend to recommence construction in the near future. *Current status*

- **Kiyanovskiy Lane – Kiev, Ukraine**

The project consists of 0,55 Ha of land located at Kiyanovskiy Lane, near Kiev city centre. It is destined for the development of business to luxury residences with beautiful protected views overlooking the scenic Dnipro River, St. Michaels' Spires and historic Podil. *Project description*

Certain local developers have approached the Company in late 2015 in order to explore the possibility of co-development. Such proposals are being evaluated by the Company. *Current status*

- **Tsymlyanskiy Lane – Kiev, Ukraine**

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

During Q4 2015, a number of interested parties approached the Company with the intent to partnering in commencing the development of this property. Such proposals are being evaluated. *Current status*

- **Balabino- Zaporozhye, Ukraine**

Project description

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

Current status

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

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

Project description

The 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex.

Current status

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

- **Delia Lebada, Romania**

Project description

The site consists of a ~40.000 sqm plot of land in east Bucharest situated on the shore of Pantelimon Lake, opposite to a famous Romanian hotel, the Lebada Hotel. The lake itself, having a 360 Ha surface, is the largest lake of Bucharest and provides for many leisure activities like fishing, cycling, walking, etc. At the back of the property there is a forest which transforms the area into a very attractive habitat for families and adds value to the residential units to be developed.

Current status

The construction permit, which allows for ~54.000 sqm to be built, was renewed in April 2014 but the project has been on hold. As the lending bank (Bank of Cyprus) expressed the intent not to renew the land acquisition loan (that the Company inherited upon acquisition of the asset as part of a portfolio in 2015 and which was in default), the Company entered in negotiations with the co-owner and the financing bank either acquire the associated loan, or sell the property all together. In the meantime the SPV owning the plot has entered into an insolvency status.

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

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Corporate Information

Board of Directors

Antonios Achilleoudis (resigned on 22/7/2015)
Lambros Anagnostopoulos
Vagharshak Barseghyan (appointed on 22/7/2015)
Ian Domaille
Paul Ensor
Franz Hoerhager
Antonios Kaffas
Kalypso Maria Nomikou (appointed on 22/7/2015)
Alvaro Portela
Robert Sinclair (resigned on 22/7/2015)
Harin Thaker

Registered Address

16, Kyriakou Matsi Avenue,
Eagle House, 10th floor, PC 1082,
Agioi Omologites, Nicosia, Cyprus

Principal Places of Business

11, Bouboulinas Street,
4th floor, Office No. 48,
1060 Nicosia, Cyprus

Prytys'ko-Mykilska 5
Kiev 04070,
Ukraine

49-51 Sfintii Voievozi Street,
1st floor, apartment no 6
Interior 006, district 1, Bucharest
Romania PC 010965

Company Secretary

Chanteclair Secretarial Ltd
16, Kyriakou Matsi Avenue
Eagle House, 10th floor, PC 1082, Nicosia, Cyprus

Nominated Adviser and Broker

S. P. Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street, London W1S 2PP

Registrars

Computershare Investor Services PLC
The Pavillions, Bridgewater Road
Bristol BS99 7NH, UK

Cymain Registrars Limited
P.O. Box 25719
1311 Nicosia, Cyprus

Main Collaborating Banks

European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN, United Kingdom

Unicredit Bank
14A, Yaloslav Val Str, 01034 Kyiv
Ukraine

Bank of Cyprus
P.O. Box 22032
1598 Nicosia, Cyprus

Eurobank Ergasias S.A.
8, Othonos st, 105 57
Athens, Greece

UNIVERSAL Bank
54/19, Avtozavodska str., 04114
Kiev, Ukraine

Eurobank EFG Cyprus Ltd
41, Makarios Avenue, 5th floor,
1065 Nicosia, Cyprus

Alpha Bank Romania
Neocity 2 Building, 237B, Calea Dorobantilor Str.
District 1, Bucharest, Romania

Piraeus Leasing Romania
B-dul Nicolae Titulescu, nr. 29 - 31, etaj 5
Sector 1, Bucuresti, Romania

Solicitors

WTS Tax Legal Consulting LLC
5, Pankivska Str., 5th floor
Kyiv, Ukraine, 01033

Reed Smith LLP
The Broadgate Tower20 Primrose Street
London EC2A 2RS, United Kingdom

Drakopoulos Law Firm
332, Kifissias Avenue, 152 33 Halandri,
Athens, Greece

Georgiades & Pelides LLC
Kyriakou Matsi Avenue
Eagle House, 10th floor, PC 1082, Nicosia, Cyprus

Drakopoulos Law Firm
7 David Praporgescu, District 2, 020965
Bucharest, Romania

Lex Consulting Ltd
103 James Baucher Blvd., floor 2, office 5
Lozenetz quarter, Sofia, Bulgaria

Auditors

Baker Tilly Klitou and Partners Limited
Corner C Hatzopoulou & 30 Griva Digheni Avenue
1066 Nicosia, Cyprus

Chairman's Statement

2015 saw significant momentum build behind our strategy: to turn SPDI into the leading London listed property company focused on South East European region, and during the year under review we have doubled the number of our income producing properties. SPDI has undergone a structural shift, which has seen us build a portfolio of prime real estate properties with a broad geographic spread, highly attractive yields and significant capital growth potential. To put the year into context, SPDI has gone from having just one income producing property in 2012, to a portfolio of seven properties in four South Eastern European countries at the end of 2015.

The acquisitions we completed in 2015 lie behind the financial performance we have reported today, specifically a 50% increase in the asset value of our property portfolio to €117 million; and a 52% step-up in our revenues from income producing assets to €5,5 million. Our acquisition-led strategy is overlain with a strict risk management policy that requires all potential targets match our stated investment criteria. It is with risk management very much in mind that we look to invest in prime real estate that: benefits from excellent addresses and transport links; is let out to blue chip customers on long leases with strong covenants; generates visible income streams, and offers scope for significant capital appreciation by providing exposure to the on-going European yield convergence play.

All acquisitions made in 2015 are representative of what we look for: a fully let logistics park west of Athens predominantly let to Kuehne + Nagel generating a ~€1,5 million net operating income ('NOI'); a fully let office building in Sofia let to one of Bulgaria's largest insurance companies, generating €2,9 million gross rental income; a fully let retail property in Craiova, Romania rented to Praktiker with ~€1 million of gross rental income, and a fully let office building in Bucharest mostly let to Romania's Telecom Regulatory Authority generating ~€1,85 million of gross rental income. As well as providing a cash flow generative platform that we can use to acquire additional properties in our area of interest, by acquiring these assets we have proven our ability to source, identify, and execute transactions at attractive yields in South Eastern Europe, a market that continues to offer the right dynamics for the execution of our strategy. Furthermore, the commencement of the European Central Bank's (ECB) quantitative easing programme early in 2015 provides a significant tailwind to the on-going European yield compression play, which in our view has a long way to run, particularly in the exciting emerging European countries which are our core area of focus.

To be able to successfully navigate these markets requires a first rate management team and Board. SPDI has both and it is the team's vision and direction, which has not only been key to the turnaround of the Company, but is also a key differentiating factor for the Company. We have strengthened our team further this year and welcomed Kalypso Maria Nomikou and Vagharshak Barseghyan to the Board, two highly qualified entrepreneurial members with extensive investment and real estate knowledge in the region. They have already enhanced the capabilities of our highly skilled team and will help the Board identify and secure future acquisitions which offer material and sustainable cash flows.

As well as acquiring assets, the management team is also focused on actively managing our growing portfolio of real estate to ensure we maximise value for our shareholders. The performance of each asset as well as that of the local and regional property markets are all constantly monitored to ascertain the optimal strategy for each asset. All options are considered, including development and sale. With this in mind post period end we announced the proposed sale of the Brovary Terminal in Ukraine, as well as the sale of the Linda residential portfolio in Bucharest. Subject to the completion of the transactions, the proceeds will be reinvested both into growing our portfolio further as well as potentially returning some cash to our shareholders.

Having de-risked our portfolio through the acquisition of prime real estate, we now have an excellent platform from which to access further opportunities and in the process capitalise on the huge potential across the region. Our portfolio is our competitive advantage and having expanded our income-producing assets this year we aim to continue to grow, as we look to generate value by taking advantage of the highly positive regional macro and property market fundamentals. It is clear however that our current share price, which is trading at a significant discount to the net asset value of our existing properties, has not kept pace with SPDI's transformation into a diversified revenue-generative property company focused on the dynamic SEE region. We are confident this disconnect will narrow as the income generating capability of our existing portfolio becomes apparent and we move closer to the point at which we are in a position to sustainably distribute a portion of our earnings as dividends. In the meantime, we will continue to identify and invest in highly attractive growth opportunities in the real estate market whilst maintaining our focus on efficient asset management, as we look to repeat the successes of 2015 in the year ahead and beyond.

At the tail end of the period as well as in the first part of 2016 the Company faced some challenges created mainly by the continuing turmoil in the Ukrainian Economy as well as the recapitalization of the Greek banks that took place in December 2015. Those factors resulted in the reduction of the occupancy of the Terminal Brovary in Kiev and substantially prolonged transaction times, respectively. As our Auditor's Report notes in an emphasis of the matter, at the end of 2015 our current liabilities in effect exceeded current assets by €21,1m, but this is qualified by Notes 36.7 and 37 of the accounts that explain the two current liabilities that create this imbalance (which relate to our residential business in Romania and Terminal Brovary in Ukraine) are either long term liabilities reclassified as short term or reflect an agreed but yet to be contractually approved practice to repay certain loans in tandem with the residential sales progress and as such there is every indication that these debts will be repaid in 2016 in the normal course of business. In parallel both tenant issues (Nestle replacement following the expression of their intent to vacate the Innovation Terminal, and Praktiker's tenancy extension for an additional five years) as well as the potential sale of Terminal Brovary have taken longer than originally expected which made it necessary for management to very carefully, and successfully, manage our cash position and banking relationships in 2016.

Another perennial challenge for the Company was that operating in Ukraine showed up in our accounts in 2015 with a €5m (2014: €7,5m) foreign exchange loss related to the EBRD loan and a €13,6m unrealized foreign exchange loss (2014: loss €19,7m) stemming from intercompany loans. This was due to the continued weakness of the Ukrainian currency, both of which are expected to be mitigated upon the Terminal Brovary sale completion. In light of the continued problems in that country, the agreed sale of Terminal Brovary in June 2016 at a substantial profit to its Net Asset Value is all the more impressive. The 53% fall in NAV per share during 2015 is the result of a combination of factors: share issuance from the Open Offer and purchase of properties, and revaluation of assets caused by the continuing difficulties faced by the Ukrainian economy.

I would like to take this opportunity to thank our shareholders for their continued support throughout the year. This was further demonstrated by the raising of €8 million via an open offer in March 2015 which has helped facilitate our progress. Thanks to their support, we are delivering on our objective to position SPDI as the go to publicly traded vehicle for institutional and retail investors looking to gain exposure to the attractive yields available in SEE, a region that is increasingly gaining the recognition it deserves for its favourable supply and demand dynamics and attractive yields.

Paul Ensor

Chairman of the Board

DECLARATION BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE PERSON RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

We, the Members of the Board of Directors and the person responsible for the preparation of the consolidated financial statements of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC for the year ended 31 December 2015, based on our opinion, which is a result of diligent and scrupulous work, declare that the elements written in the consolidated financial statements are true and complete.

Board of Directors members:

Lambros Anagnostopoulos	
Vagharshak Barseghyan	
Ian Domaille	
Paul Ensor	
Franz M. Hoerhager	
Antonios Kaffas	
Kalypso Maria Nomikou	
Alvaro Portela	
Harin Thaker	

Person responsible for the preparation of the consolidated financial statements for the year ended 31 December 2015:

Constantinos Bitros	

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and the audited consolidated financial statements of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC ("SPDI" or "SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC" or the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2015.

Principal activities

The principal activities of the Company, which are unchanged from last year, 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, operation and selling of property assets in the Region.

Review of current position, future developments and significant risks

Throughout the year Management has worked towards identifying growth opportunities in the form of property acquisition in South East Europe. During the year the Company acquired a 20% participation at the Autounion office building in Sofia, Bulgaria, a mixed use portfolio of property assets in Romania and Bulgaria through exchange of shares, a DIY retail property in Craiova Romania (also through exchange of shares) and completed the acquisition of the GED Logistics, a warehouse in Aspropyrgos, Greece. Management has also succeeded in registering a 42ha plot in Kiev under the Company's ownership following a lengthy legal process that started in 2011.

On the operational side, the Group's gross income increased from ~€3,7m in 2014 to ~€7,2m. As a result of the continuing diversification effort, exposure to Ukraine has now dropped to ~21% in terms of Gross Asset Value and ~25% in terms of NOI. The Company has seen the valuation of its Ukrainian assets drop substantially (Note 15), due to the risk emanating from the general uncertainty in the country and are now valued at ~70% lower valuation that their peak value in 2008, and 24% lower than a year ago.

The Directors expect that the organic growth of the Group, together with sales proceed from the Group's non-core assets, may allow a cash distribution by the Company via return of capital to its shareholders during 2016.

The most significant risks faced by the Group and the steps taken to manage these risks are described in Notes 5 and 36 of the consolidated financial statements.

Results and Dividends

The Group's results for the year are set out on page 42. No dividends were declared during the year.

Share Capital

Authorised share capital

As at the end of 2014 the authorized share capital of the Company was 989.869.935 Ordinary Shares of €0,01 nominal value each and 785.000 Preference Shares of €0,01 nominal value each.

During the EGM dated 24 June 2015, it was approved by the shareholders of the Company that the authorized share capital of the Company be increased to €9.992.739,35 divided into: (a) 989.869.935 ordinary shares of € 0,01 each; (b) 785.000 Redeemable Preference Shares Class A of €0,01 each; and (c) 8.618.997 Redeemable Preference Shares Class B of €0,01 each by the creation of 8.618.997 Redeemable Preference Shares Class B of €0,01 each. The above approval has effective date 1st July 2015. The reorganization of the capital was mandated by the acquisition growth plan of the Company since the creation of the Redeemable Preference Shares Class B was necessary to be issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of the income producing real estate asset in Craiova, Romania, which the Company acquired in July 2015 (Note 37f).

As at the end of the reporting period the authorized share capital of the Company is 989.869.935 Ordinary Shares of €0,01 nominal value each, 785.000 Redeemable Preference Class A Shares of €0,01 nominal value each and 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each (Note 23.1).

Issued share capital

As at the end of 2014 the issued share capital of the Company was 33.884.054 Ordinary Shares of €0,01 nominal value each, and 785.000 Preference Shares of €0,01 nominal value each.

A. Further to the resolutions approved at the AGM of 31 December 2014 the Board has proceeded in allocating shares as follows:
   1. On 13/3/2015, the allotment of 23.777.748 ordinary shares of €0,01 each for the purpose of capital raising of €8.000.000 in the Company by its existing shareholders.
   2. On 31/5/2015, the allotment of 18.028.294 ordinary shares of €0,01 each for the purpose of an in kind contribution of mixed Portfolio acquisition (Notes 15,16,17). The shares issued for this purpose are locked in for a period of 12 months.
   3. On 27/7/2015 and on 12/8/2015, the allotment of 14.324.627 (8.785.580 and 5.539.047 respectively) ordinary shares of €0,01 each which were the Class A Warrants exercised (part of the total of 18.028.294 warrants) that have been provided as part of the in kind contribution of mixed Portfolio acquisition (Notes 15,16,17).

B. Furthermore the Company proceeded on 29/6/2015 with redeeming half of the issued preference redeemable-convertible shares (392.500) but the cancellation of these shares within the appropriate authorities will be completed during 2016.

C. Finally, further to the resolutions approved at the EGM of 24 June 2015 the Board has proceeded on 1st July 2015 in issuing 8.618.997 Redeemable Preference Shares Class B of €0,01 each to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of the income producing real estate asset in Craiova, Romania, which the Company acquired in July 2015 (Note 16, 37f).

REPORT OF THE BOARD OF DIRECTORS

As at the end of the reporting period the issued share capital of the Company is as follows:

a) 90.014.723 Ordinary Shares of €0,01 nominal value each,

b) 392.500 Redeemable Preference Class A Shares of €0,01 nominal value each, following the above described redemption which shall be officially finalized during 2016, and

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

Board of Directors

The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 33.

During the reporting period Mr. Antonios Achilleoudis and Mr. Robert Sinclair have resigned as Non-Executive Directors to pursue other business interest. Ms. Kalypso Maria Nomikou and Mr. Vagharshak Barseghyan have been appointed by the Board of Directors as Non-Executive Directors.

In accordance with the Company's Articles of Association, during the Annual General Meeting held on 31st December 2015, Ms. Kalypso Maria Nomikou and Mr. Vagharshak Barseghyan have been elected to the Board of Directors together with Mr. Portela, Mr. Domaille and Mr. Ensor who being eligible, retired by rotation, offered themselves for re-election and were re-elected.

There were no changes in the assignment of responsibilities of the Board of Directors.

Board Committees

The Board has constituted two committees, the audit committee and the remuneration committee.

The membership of the audit committee remains unchanged (Mr. Domaille as Chairman and Mr. Kaffas as member) while following the resignation of Mr. Achilleoudis, Mr. Thaker became a member of the remuneration committee with Mr. Domaille remaining as Chairman. The responsibilities for both committees remained unchanged since last year.

Remuneration Policy

The remuneration policy for the Board (non-executive members) and the senior management of the Company which includes a monetary portion, as well as equity like instruments to further incentivize the recipients and further align their interests with those of the shareholders, remains unchanged. Such equity like instruments and the respective granting terms have been approved by the Annual General Meeting of December, 30th 2013 and/or of December, 31st 2014.

As far as the Board's remuneration is concerned, this has been adjusted to the growth of the Gross Asset Value of the Company as mandated by the policy. It should be noted that the said policy relates to payments through shares which are locked up for the earlier of two years from the date of issue or the date following which the 30 day average traded value exceeds GBP 70.000. During the reporting period there were no new shares issued to the Board members as part of their remuneration.

The remuneration of the senior management is described in Note 33.1 .

Options currently held by Board Members

Following the share capital restructuring of the Company, the existing option schemes are as follows:

<u>Director's Option scheme, allotted on 25/7/2007</u>

Under the said scheme each director serving at the time, who is still a Director of the Company, is entitled to subscribe for 2.631 ordinary shares exercisable as set out below:

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

<u>Director Franz M. Hoerhager Option scheme, 12/10/2007</u>

Under the said scheme, director Franz M. Hoerhager is entitled to subscribe for 1.829 ordinary shares exercisable as set out below:

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

The above option schemes were approved, by the shareholders of the Company in General Meeting on 31st March 2008. As at 31 December 2015 the Company considers that the options are well out of the money.

REPORT OF THE BOARD OF DIRECTORS

Options currently held by employees

As approved by the ANNUAL GENERAL MEETING on 30th December 2013 the Company proceeded in 2015 in issuing 590.000 options to its employees corresponding to potentially 590.000 ordinary shares. The terms of the options and the related holdings are analyzed in Note 23.3. As at the reporting date no options have been exercised. The Company considers these option as currenty being also out of money.

Directors and Management Holdings in the Company

The table below presents Directors and Management shareholding in the Company as at the end of the reporting period:

Name	Position	Amount of Shares held
Paul Ensor	Chairman	147.495
Antonios Achilleoudis	Non-Executive Director until 22 July 2015	89.345
Barseghyan Vagharshak	Non-Executive Director since 22 July 2015	-
Ian Domaille	Non-Executive Director	133.132
Franz Horhager	Non-Executive Director	121.474
Antonios Kaffas	Non-Executive Director	62.980
Kalypso Maria Nomikou	Non-Executive Director since 22 July 2015	-
Alvaro Portela	Non-Executive Director	44.742
Robert Sinclair	Non-Executive Director until 22 July 2015	57.374
Harin Thaker	Non-Executive Director	44.742
Lambros Anagnostopoulos	Executive Director and CEO	448.092
Constantinos Bitros	Chief Financial Officer	296.271

As at the financial statements issue date the Director's holdings remain unchanged.

Warrants issued and exercised

Class A warrants

The Company acquired the Sec South portfolio (Notes 16,17) in exchange of Ordinary shares which were issued at GBP 0,65 each. The sellers were also provided certain Class A Warrants giving the right to the Warrant holders to subscribe in cash at the Exercise Amount for additional Ordinary Shares in the Company. The Company issued then two sets of Class A Warrants as follows:

1) 18.028.294 warrants corresponding to 18.028.294 ordinary shares, exercisable within 45 days from signing at an exercise amount of £0,10 per ordinary share. 14.324.627 out of these warrants were exercised by August 2015 (Notes 23.2*)*. The remaining warrants have lapsed.

2) 18.028.294 warrants corresponding to 18.028.294 ordinary shares, exercisable by 31 December 2016 at an exercise amount of £0,45 per ordinary share.

Class B warrants

All Class B Warrants (Note 23.5) are yet to be exercised with the exercise period ending 31 December 2016.

Other share capital related matters

Pursuant to decisions taken by the AGM of December 31st 2014, the Board was authorised and empowered to:

- issue up to 200.000.000 ordinary shares of €0,01 each at an issue price as the Board may from time to time determine (with such price being at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the shares) so as to facilitate the profitable growth of the Company. Until the reporting date the Board had issued 56.130.669 shares under its authority.
- issue Class A Warrants, to subscribe for up to 350% of the outstanding ordinary shares at the time of issuance of the Class A Warrants, upon such terms and conditions as may be determined by the Board (with such price being at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the Class A Warrants). Such Class A Warrants may be offered to various third party entities a) for participating in the capital raising of the Company, b) for their contribution in creating value for the Company and c) for their assistance with the fundraising.

Events after the end of the reporting period

The significant events that occurred after the end of the reporting period are described in Note 37 to the financial statements.

Independent auditors

The Independent Auditors, Baker Tilly Klitou and Partners Limited, have expressed their willingness to continue in office.

The Audit Committee will be proposing to the Board the appointment of the Independent Auditors for 2016, authorizing the CEO and the CFO to negotiate their remuneration so as to present a relevant proposal to the Annual General Meeting of the Shareholders of the Company.

By order of the Board of Directors,

Constantinos Bitros
Chief Financial Officer

Baker Tilly Klitou & Partners Ltd
Corner C. Hatzopoulou & 30 Griva Digheni Avenue
1066 Nicosia, Cyprus
P.O. Box 27783, 2433 Nicosia, Cyprus
T: +357 22 458500 | **F**: +357 22 751648
info@bakertillyklitou.com
www.bakertillyklitou.com

Independent Auditor's Report

To the Members of Secure Property Development & Investment Plc

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Secure Property Development & Investment Plc (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap113.

Independent Auditor's Report (continued)

Emphasis of matters

We draw attention to Notes 3, 5, 15, 26, 36.7 and 37 to the consolidated financial statements, which describe the following matters:

(a) The fair value of the investment properties as indicated in Notes 3 and 15 to the consolidated financial statements is based on valuations performed by independent valuators. The fair value is determined by selecting a variety of methods and making assumptions that are mainly based on conditions existing at the end of each reporting period. In the event that any of the assumptions do not materialize the fair values of the Group's Investment Properties will be affected accordingly.

(b) We draw attention to Note 5 to the consolidated financial statements, which describe the political and social unrest and regional tensions in Ukraine, which could adversely affect the Group's results and financial position in a manner not currently determinable. The Group has diversified its geographical exposure through is expansion in Romania, Greece, Bulgaria during 2014 and 2015, and thus reduced any possible adverse effect of Ukrainian operations on the Group as a whole.

(c) We draw attention to Notes 26 and 37e to the consolidated financial statements which describe that the loan payable to Bank of Cyprus by the Group's subsidiary Delia Lebada Srl is currently in default and the Bank has initiated insolvency procedures.

(d) We draw attention to Notes 37b and 37c to the consolidated financial statements describing the disposal of Terminal Brovary and the associated loan payable to European Bank for Reconstruction and Development.

(e) We draw attention to Note 36.7 to the consolidated financial statements which indicate that the Group's current liabilities exceeded the current assets by €21.772.364 as at 31 December 2015. The Group incurred a net loss amounting to €11.610.589 during the year ended 31 December 2015. These conditions indicate the existence of a material uncertainty which casts significant doubt as to the Group's ability to continue as a going concern.

Our opinion is not qualified in respect of these matters.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from the examination of those books.
- The consolidated financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Andreas Pittakas
Certified Public Accountant and Registered Auditor
for and on behalf of

Baker Tilly Klitou
Certified Public Accountants and Registered Auditors

Corner C Hatzopoulou and 30 Griva Digheni Avenue
1066 Nicosia, Cyprus

Nicosia, 29 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	2015 €	2014 €
Operating income	7	5.130.637	3.591.903
Valuation (losses)/gains from Investment Property	7	(2.335.247)	9.297.525
		2.795.390	**12.889.428**
Administration expenses	8	(2.981.338)	(2.684.422)
Investment property operating expenses	9	(1.124.583)	(756.561)
Gain realized on acquisition of subsidiaries	16	2.181.834	766.221
Other operating income/(expenses), net	10	621.252	(136.058)
Share of profits/(losses) from associates	17	(1.244.572)	-
Impairment allowance for inventory and provisions	11	(1.675.659)	-
Goodwill impairment	16b	(657.082)	-
Operating profit / (loss)		**(2.084.758)**	**10.078.608**
Finance income	12	63.596	80.895
Interest expenses	12	(3.834.696)	(1.348.226)
Other finance costs	12	(603.495)	(110.072)
Foreign exchange (loss), net	13a	(5.071.048)	(7.512.640)
Profit / (Loss) before tax		**(11.530.401)**	**1.188.565**
Income tax expense	14	(80.188)	(220.476)
Profit / (Loss) for the year		**(11.610.589)**	**968.089**
Other comprehensive income			
Exchange difference on I/C loans to foreign holdings	13b	(13.653.402)	(19.746.111)
Exchange difference on translation of foreign operations	24	8.064.848	8.904.153
Available-for-sale financial assets – fair value gain	20	485.529	-
Total comprehensive income for the year		**(16.713.614)**	**(9.873.869)**
Profit / (Loss) attributable to:			
Owners of the parent		(11.015.852)	927.337
Non-controlling interests		(594.737)	40.752
		(11.610.589)	**968.089**
Total comprehensive income attributable to:			
Owners of the parent		(15.981.196)	(9.577.120)
Non-controlling interests		(732.418)	(296.749)
		(16.713.614)	**(9.873.869)**
Earnings / (Losses) per share (Euro cent per share):	31b		
Basic earnings/(losses) for the year attributable to ordinary equity owners of the parent		(0,16)	0,03
Diluted earnings/(losses) for the year attributable to ordinary equity owners of the parent		(0,13)	0,03

The notes on pages 46 to 94 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2015

	Note	2015 €	2014 €
ASSETS			
Non-current assets			
Investment properties	15.4a	94.340.471	53.533.187
Investment properties under development	15.4b	5.125.389	5.083.216
Prepayments made for investments	15.4c	100.000	2.674.219
Tangible and intangible assets	18	164.617	200.203
Goodwill	16	-	43.269
Long-term receivables		252.916	125.909
Investments in associates	17	4.887.944	-
Available for sale financial assets	20	2.783.535	-
		107.654.872	**61.660.003**
Current assets			
Inventories	19	11.300.000	-
Prepayments and other current assets	21	4.795.223	4.251.489
Cash and cash equivalents	22	895.422	891.938
		16.990.645	**5.143.427**
Total assets		**124.645.517**	**66.803.430**
EQUITY AND LIABILITIES			
Issued share capital	23	900.145	338.839
Share premium		122.874.268	97.444.044
Foreign currency translation reserve	24	6.653.023	(1.411.825)
Exchange difference on I/C loans to foreign holdings	33.3	(33.399.513)	(19.746.111)
Available for sale financial assets – fair value reserve		485.529	-
Accumulated losses		(55.080.327)	(44.064.475)
Equity attributable to equity holders of the parent		**42.433.125**	**32.560.472**
Non-controlling interests	25	615.527	651.882
Total equity		**43.048.652**	**33.212.354**
Non-current liabilities			
Borrowings	26	26.263.559	12.255.716
Finance lease liabilities	30	11.273.639	11.463.253
Redeemable preference shares	23.6	-	349.325
Trade and other payables	27	4.672.888	214.685
Deposits from tenants	28	623.770	499.831
		42.833.856	**24.782.810**
Current liabilities			
Borrowings	26	27.417.220	5.960.706
Trade and other payables	27	3.044.036	1.654.852
Taxes payable	29	822.005	431.828
Redeemable preference shares	23.6	6.430.536	349.325
Provisions	29	724.445	68.253
Deposits from tenants	28	132.684	161.579
Finance lease liabilities	30	192.083	181.723
		38.763.009	**8.808.266**
Total liabilities		**81.596.865**	**33.591.076**
Total equity and liabilities		**124.645.517**	**66.803.430**

	Note	2015	2014
Net Asset Value (NAV) € per share:	31c		
Basic NAV attributable to equity holders of the parent		0,47	0,96
Diluted NAV attributable to equity holders of the parent		0,41	0,84

On 29 June 2016 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

Lambros Anagnostopoulos	Paul Ensor	Constantinos Bitros
Director & Chief Executive Officer	Director & Chairman of the Board	Chief Financial Officer

The notes on pages 46 to 94 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	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]	Available for sale financial assets – fair value reserve[5]	**Total**	Non-controlling interest	**Total**
	€	€	€	€	€		€	€	€
Balance - 31 December 2013	**4.383.018**	**92.704.841**	**(49.093.113)**	**-**	**(10.315.978)**	**-**	**37.678.768**	**948.631**	**38.627.399**
Profit for the year	-	-	927.337	-	-	-	**927.337**	40.752	**968.089**
Exchange difference on I/C loans to foreign holdings (Note 24)	-	-	-	(19.746.111)	-	-	**(19.746.111)**	-	**(19.746.111)**
Foreign currency translation reserve	-	-	-	-	8.904.153	-	**8.904.153**	(337.501)	**8.566.652**
Issue of share capital, net (Note 23)	57.122	4.739.203	-	-	-	-	**4.796.325**	-	**4.796.325**
Reduction of share capital	(4.101.301)	-	4.101.301	-	-	-	**-**	-	**-**
Balance - 31 December 2014	**338.839**	**97.444.044**	**(44.064.475)**	**(19.746.111)**	**(1.411.825)**	**-**	**32.560.472**	**651.882**	**33.212.354**
Loss for the year	-	-	(11.015.852)	-	-	-	**(11.015.852)**	(594.737)	**(11.610.589)**
Exchange difference on I/C loans to foreign holdings (Note 24)	-	-	-	(13.653.402)	-	-	**(13.653.402)**	-	**(13.653.402)**
Foreign currency translation reserve	-	-	-	-	8.064.848	-	**8.064.848**	(137.681)	**7.927.167**
Fair value gain on available-for-sale financial assets (Note 20)	-	-	-	-	-	485.529	**485.529**	-	**485.529**
Acquisition of non-controlling interest	-	-	-	-	-	-	**-**	696.063	**696.063**
Issue of share capital, net (Note 23)	561.306	25.430.224	-	-	-	-	**25.991.530**	-	**25.991.530**
Balance - 31 December 2015	**900.145**	**122.874.268**	**(55.080.327)**	**(33.399.513)**	**6.653.023**	**485.529**	**42.433.125**	**615.527**	**43.048.652**

[1] Share premium is not available for distribution.
[2] Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defense at 20% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defense is payable on account of the shareholders.
[3] Exchange differences on intercompany loans to foreign holdings arose as a result of devaluation of the Ukrainian Hryvnia during 2014 and 2015. The Group treats the mentioned loans as a part of the net investment in foreign operations (Note 33.3).
[4] Exchange differences related to the translation from the functional currency of the Group's subsidiaries are accounted for directly to the foreign currency translation reserve. The foreign currency translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against the euro in the countries where the Company's subsidiaries own property assets.
[5] Available For Sale financial assets are measured at fair value. Fair value changes on AFS assets are recognized directly in equity, through other comprehensive income.

The notes on pages 46 to 94 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Note	2015 €	2014 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax and non-controlling interests		**(11.530.401)**	**1.188.565**
Adjustments for:			
(Gains)/losses on revaluation of investment property	7	2.335.247	(9.297.525)
Other non-cash movements		35.071	(593.717)
Write offs of prepayments	10	47.316	3.973
Impairment of assets	10	342.280	-
Accounts payable written off	10	(1.197.740)	(12.422)
Depreciation/ Amortization charge	8	40.823	17.897
Interest income	12	(63.596)	(80.895)
Interest expense	12	3.834.696	1.385.223
Share of losses from associates	17	1.244.572	-
Gain on acquisition of subsidiaries	16	(2.181.834)	(766.221)
Impairment on Inventory	11	975.659	-
Goodwill Impairment	16b	657.082	-
Effect of foreign exchange differences	13a	5.071.048	7.512.640
Cash flows used in operations before working capital changes		**(389.777)**	**(642.482)**
Change in inventories	19	24.341	-
Change in prepayments and other current assets	21	1.242.809	(1.754.061)
Change in trade and other payables	27	1.131.688	(710.064)
Change in VAT and other taxes receivable	21	(290.593)	1.408.353
Increase in Provisions	29	656.192	(50.770)
Change in other taxes payables	29	87.524	(49.029)
Increase in deposits from tenants	28	(117.497)	211.228
Cash generated from operations		**2.344.687**	**(1.586.825)**
Income tax paid		(238.616)	(284.153)
Net cash flows provided/(used) in operating activities		**2.106.071**	**(1.870.978)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on investment property	15	-	(60.155)
Prepayment made for acquisition of investment property	15	(100.000)	(624.841)
Cash outflow on available for sales financial assets		(2.298.005)	-
Interest received		63.596	80.895
Cash outflow on acquisition of subsidiaries	16	(1.786.934)	(6.210.254)
Net cash flows from / (used in) investing activities		**(4.121.343)**	**(6.814.355)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital/shareholders advances	23	10.839.040	1.727.691
Net (repayment) of borrowings	26	(5.672.198)	(565.389)
Interest and financial charges paid		(2.619.506)	(1.170.847)
Decrease in financial lease liabilities	30	(179.255)	(82.444)
Repayment of preference shares	23	(349.325)	-
Net cash flows from / (used in) financing activities		**2.018.756**	**(90.989)**
Net increase/(decrease) in cash at banks		**(203.603)**	**(8.956.072)**
Cash:			
At beginning of the year		891.938	9.668.260
Effect of foreign exchange rates on cash and cash equivalents		(207.087)	(179.750)
At end of the year	22	**895.422**	**891.938**

The notes on pages 46 to 94 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. General Information

Country of incorporation

SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC (the "Company") was incorporated in Cyprus on 23 June 2005 and is a public limited liability company, listed on the London Stock Exchange (AIM): ISIN CY0102102213. Its registered office is at Kyriakou Matsi 16, Eagle House, 10th floor, Agioi Omologites, 1082 Nicosia, Cyprus while its principal place of business in Cyprus is 11 Bouboulinas Street.

Principal activities

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

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

As at the reporting date, the companies of the Group employed and/or used the services of 27 Full Time Equivalent, (2014 → 19 people).

2. Adoption of new and revised Standards and Interpretations

Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

As from 1 January 2015, the Group adopted all changes to International Financial Reporting Standards (IFRSs) as adopted by EU which are relevant to its operations. This adoption did not have a material effect on the financial statements of the Group.

(i) Standards and Interpretations **adopted by the EU**

- IAS 19 (Amendments) "Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 1 February 2015).
- Annual Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 February 2015).
- IAS 27 (Amendments) "Equity method in separate financial statements" (effective for annual periods beginning on or after 1 January 2016).
- IAS 1 (Amendments): Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2012–2014 Cycle (effective for annual periods beginning on or after 1 January 2016) .
- IAS 16 and IAS 38 (Amendments) "Clarification of acceptable methods of depreciation and amortisation" (effective for annual periods beginning on or after 1 January 2016).
- IFRS 11 (Amendments) "Accounting for acquisitions of interests in Joint Operations" (Amendments) (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 41 (Amendments) "Bearer plants" (effective for annual periods beginning on or after 1 January 2016).

(ii) Standards and Interpretations **not adopted by the EU**

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment Entities: Applying the Consolidation Exception" (effective for annual periods beginning on or after 1 January 2016).
- IAS 7 (Amendments) "Disclosure Initiative" (effective for annual accounting periods beginning on or after 1 January 2017).
- IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual accounting periods beginning on or after 1 January 2017).
- IFRS 15 "Revenue from contracts with customers" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).

The Board of Directors expects that the adoption of these standards will not have a material effect on the consolidated financial statements of the Group in the future periods**.**

3. Significant accounting policies

3.1 Statement of compliance

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 convention as modified by the revaluation of investment property, investment property under construction and available for sale financial assets to fair value.

3.2 Basis of preparation

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

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

3.3 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 Company 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 and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

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

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

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

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

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

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

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

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

3. Significant accounting policies (continued)

3.4 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 Euro for all the Romanian, Bulgarian, Greek and Cypriot subsidiaries.

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

As Management records the consolidated financial information of the entities domiciled in Cyprus, Romania, Ukraine, Greece and Bulgaria in their functional currencies, in translating financial information of the entities domiciled in these countries into Euro for inclusion in the consolidated financial statements, the Group follows a translation policy in accordance with International Accounting Standard No. 21, "The Effects of Changes in Foreign Exchange Rates", and the following procedures are performed:

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

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

	Average		31 December		
Currency	**2015**	**2014**	**2015**	**2014**	**2013**
USD	1,1095	1,3285	1,0887	1,2141	1,3791
UAH	24,2054	15,6833	26,2231	19,2329	11,0231
RON	4,4450	4,4446	4,5245	4,4821	4,4847
BGN	1,9558	1,9558	1,9558	1,9558	1,9558

3.5 Investment Property at fair value

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

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

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

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

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

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

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

3. Significant accounting policies (continued)

3.5 Investment Property at fair value (continued)

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

Initial measurement and recognition

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

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

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

Subsequent measurement

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

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

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

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014 which remain the same in 2015:

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

The valuations have been carried out by the appraisers on the basis of Market Value in accordance with the appropriate sections of the current Practice Statements contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards (2014) (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 exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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

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

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

3. Significant accounting policies (continued)

3.5 Investment Property at fair value (continued)

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

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

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

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

Valuation Approach

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

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

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

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

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

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

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

3.6 Investment Property under development

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

3.7 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.

3. Significant accounting policies (continued)

3.7 Goodwill (continued)

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

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

3.8 Property, Plant and equipment and intangible assets

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

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

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

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

No depreciation is charged on land.

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

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

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

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

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

3.9 Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless Management intends to dispose of the investment within twelve months of the reporting date.

Shares of a property holding corporate entity that are owned by the Company in lieu of owning a percentage of the asset itself, are considered under this classification even if the shares are not intended to be sold immediately but are intended to offer to the Company the said percentage of the revenue streams generated by the property asset itself.

Regular way purchases and sales of available-for-sale financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

3. Significant accounting policies (continued)

3.9 Available for sale financial assets (continued)

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments fair value reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.10 Inventory

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

3.11 Borrowings

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

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

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

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

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

3.12 Tenant security deposits

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

3.13 Financial liabilities and equity instruments

3.13.1 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.13.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Share premium account can only be resorted to for limited purposes, which don't include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.13.3 Financial liabilities

Financial liabilities are classified as either financial liabilities "at Fair Value Through Profit or Loss" or "other financial liabilities".

3. Significant accounting policies (continued)

3.13 Financial liabilities and equity instruments (continued)

3.13.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item in the consolidated statement of comprehensive income.

3.13.3.2 Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Preference shares, which may be redeemable on a specific date, are classified as liabilities. The dividends, if any, on these preference shares are recognized in the income statement as interest expense.

3.13.3.3 De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they are expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.14 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements and the related assets and liabilities are presented gross in the consolidated statement of financial position.

3.15 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3. Significant accounting policies (continued)

3.15 Impairment of tangible and intangible assets other than goodwill (continued)

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

3.16 Cash and Cash equivalents

Cash and cash equivalents include cash balances, call deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdraft 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.

3.17 Share Capital

Ordinary shares are classified as equity.

3.18 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.

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

3.20 Provisions

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

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

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

3.21 Leased assets

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

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

3.22 Non-current liabilities

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

3. Significant accounting policies (continued)

3.23 Revenue recognition

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

3.23.1 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.

3.23.2 Dividend income

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

3.23.3 Interest income

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

3.23.4 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.

3.24 Service charges and expenses recoverable from tenants

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

3.25 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.

3.26 Borrowing costs

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

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

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

3.27 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.

3.28 Taxation

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

3.28.1 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.

3.28.2 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.

3. Significant accounting policies (continued)

3.28 Taxation (continued)

3.28.2 Deferred tax (continued)

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

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

3.28.3 Current and deferred tax for the year

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

The operational subsidiaries of the Group are incorporated in Ukraine, Greece 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.

3.28.4 Withholding Tax

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

3.28.5 Dividend distribution

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

3.29 Value added tax

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

- 20% on Ukrainian domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Ukraine.
- 19% on Cyprus domestic sales and imports of goods, works and services and 0% on export of goods and provision of works or services to be used outside Cyprus.
- 24% on Romanian domestic sales and imports of goods, works and services (reduced to 20% in 2016) and 0% on export of goods and provision of works or services to be used outside Romania.
- 20% on Bulgarian domestic sales and imports of goods, works and services and 0% on export of goods and provision of services to taxable persons outside Bulgaria.
- 23% on Greek domestic sales and imports of goods, works and services (increased to 24% from 1 June 2016) and 0% on export of goods and provision of works or services to be used outside Romania.

3.30 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
- Office segment
- Retail segment

Residential
- Residential 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 were its property is located.

3. Significant accounting policies (continued)

3.31 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.

3.32 Comparative Period

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

4. Critical accounting estimates and judgments

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

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

- **Provision for impairment of receivables**

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

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. The fair value has been estimated as at 31 December 2015 (Note 15).

- **Income taxes**

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

- **Impairment of tangible assets**

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

- **Provision for deferred taxes**

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

4. Critical accounting estimates and judgments (continued)

- **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. The reasons for such conclusion are among others that the Company:

a) is not an Investment Management Service provider to Investors,
b) 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) has investments that are not bound by time in relation to the exit strategy nor to the way that are being exploited,
d) provides asset management services to its subsidiaries as well as loans and guarantees (directly or indirectly),
e) even though is using Fair Value metrics in evaluating its investments, this is being done primarily for presentation purposes rather that evaluating income generating capability and making investment decisions. The latter is being based on metrics like IRR, ROE and others.

5. Risk Management

5.1 Financial risk factors

The Group is exposed to operating country risk, real estate holding and development associated risks, 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 management 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.

5.1.1 Operating Country Risks

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

5.1.1.1 Cyprus

During the past 10 years Cyprus has become an established financial center taking advantage of favorable double tax treaties with various countries around the world, most importantly with Eastern European countries where the Group operates. Due to the world financial crisis erupting in 2008 and the ensuing debt crisis which had a liquidity effect of the Cypriot banking system as in all of the south and east European countries, following the restructuring of the Greek public debt certain of the Cypriot banks have taken a blow to their solvency (write off of €4,5bn of Greek debt) and have requested the support of the ECB through the ELA mechanism.

Thus, the indebtedness of the Cypriot Republic and its two main banks Bank of Cyprus and Cyprus Popular Bank (Laiki) created the basis for the country to be part of a financial rescue plan under the supervision of the IMF, the ECB and the European Union in early 2013, a moment when the Cypriot State stopped being able to borrow from the international debt markets. At the same time, the recent discovery of potentially significant natural gas and oil deposits within the boundaries of the Cypriot exclusive economic zone perplexes the geographic and political relationships and developments as Cyprus is in the crossroad of 3 continents.

Following the implementation of the economic plan agreed with Troika, Cyprus economy is back on growth and has returned during 2015 to the international debt markets which signifies a return to normality.

On that note, the Company had proactively evaluated the probable effect of the measures in relation to the levy on deposits and the restrictions on capital movement applied to Cyprus based financial institutions. The Company held most of its liquidity with non-Cypriot owned banking institutions, partly in Cyprus and partly outside Cyprus and to this date all operations of the Group continue to be carried out normally.

5.1.1.2 Ukraine

During 2015, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions.

The National Bank of Ukraine (the "NBU") extended its range of measures that were introduced in 2014 and aimed at limiting the outflow of foreign currency from the country, inter alia, a mandatory sale of foreign currency earnings, certain restrictions on purchases of foreign currencies on the interbank market and on usage of foreign currencies for settlement purposes, limitations on remittances abroad. In early 2015, the Government of Ukraine agreed with the IMF a four-year program for USD 17.500 million loan aimed at supporting the economic stabilization of Ukraine. The program defines economic reforms that must be undertaken by the Government of Ukraine to reinstate a sustainable economic growth in the mid-term perspective.

In 2015, political and economic relationships between Ukraine and the Russian Federation remained strained that led to a significant reduction in trade and economic cooperation. On 1 January 2016, a free-trade element of Ukraine's association agreement with the European Union is coming into force. In late 2015, the Russian Federation denounced the free trade zone agreement with Ukraine and further trade restrictions were announced by both countries.

Stabilization of the economic and political situation depends, to a large extent, upon the ability of the Ukrainian Government to continue reforms and the efforts of the NBU to further stabilize the banking sector, as well as upon the ability of the Ukrainian economy in general to respond adequately to changing markets. Nevertheless, further economic and political developments, as well as the impact of the above factors on the Company, its customers, and contractors are currently difficult to predict.

5. Risk Management (continued)

5.1 Financial risk factors (continued)

5.1.1.2 Ukraine (continued)

Whilst, Group's management considers that all necessary actions are being performed to maintain financial stability of the Group in current circumstances. Continuation of the current unstable business environment may adversely affect results and financial position of the Company, in a manner not currently determinable these consolidated financial statements reflect current management estimation of Ukrainian business environment influence on the financial position of the Group. Situation development may differ from management expectations.

5.1.1.3 Greece

During the period the Greek government continued discussions with the creditor institutions (EU/ECB/IMF/ESM) resulting in continuations of higher political and economic instability for the country. Failure to reach agreement at the end of June 2015 led to the implementation of capital controls in the banking sector and a 3-week bank holiday on 27 June 2015.

Following a referendum on a deal proposed by international institutions and further negotiations, a preliminary agreement on a rescue program was reached on 12 July 2015 for a 3-year €86 billion support package, which was followed in August 2015 by the signing of a related agreement and the ratifications by Greek and a number of EU member country parliaments of this agreement in August 2015, signaling the commitment of Greece to remain in the Eurozone and effect any necessary reforms requested by the creditor institutions as a prerequisite to capital deployment. Following elections in September 2015 which secured another term for the government that reached this agreement, discussions with the creditor institutions (EU/ECB/IMF/ESM) were reenacted aiming to the conclusion of the appraisal of the rescue program. Such discussions have lasted through the first 5 months of 2016 leading to considerable political and economic instability and were concluded suddessfully on May 24th, 2016. In June 2016 the appaisal was finaly concluded and ratified by EU member states parliaments and Greece received the first installment of the new rescue package. As such uncertainty may decrease in the coming months. However there is still risk around implementation of the rescue program and the reforms included therein. The implementation of the program and its effects on the economy are beyond the Group's control.

Various risks emerge should the program is not implemented as planned, including restrictions on use of local bank deposits, liquidity of the financial sector and businesses, recoverability of receivables, impairment of assets, sufficiency of financing by the lending banks, serving of existing financing arrangements and/or compliance with existing terms and financial covenants of such arrangements. These and any possible further negative developments in Greece could impact the results and financial position of the Group's Greek operations to some extent, in a manner not currently determinable.

The Group has been closely assessing developments in Greece and preparing for a number of eventualities around the Greek crisis, in line with its established risk management policy in order to ensure that timely actions and response are undertaken so as to minimize any impact on the Group's business and operations.

5.1.2 Risks associated with property holding

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

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

5.1.3 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.

5. Risk Management (continued)

5.1 Financial risk factors (continued)

5.1.3 Property Market price risk (continued)

Valuations reported as at 31 December 2015 take into account the continuation of political instability in Ukraine. Given the nature of the Group's assets the most immediate effect would be the prolongation of the period needed to market and effectively sell an asset under such duress conditions.

The BoD is monitoring the situation to ensure that assets' value is preserved while at the same time through diversification according to the strategic plan of the Group, Ukrainian operations are gradually becoming a smaller part of a larger portfolio of assets.

5.1.4 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.

5.1.5 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.

Management has been in continuous discussions with banking institutions monitoring their ability to extend financing as per the Group's needs. The sovereign debt crisis has affected the pan-European banking system during 2011 and 2012 imposing financing uncertainties for new development projects. The financial crisis in the European Union periphery has strained any remaining liquidity and the financial institutions in the region (including those that have Italian, Greek or Austrian parent) have entered into deleveraging programs.

5.1.6 Currency risk

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

Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Excluding the transactions in Ukraine all of the Group's transactions, including the rental proceeds are denominated or pegged to €. In Ukraine even though some of the rental proceeds are denominated in USD, Management has been monitoring the rental market decoupling from the USD and switching to the UAH, which entails significant FX risks for the Group in the future. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly, by limiting net exposures to a few days to 2 months. It should be noted that the current political uncertainty in Ukraine, and the currency devaluation may affect the Group's income streams indirectly also through affecting the financial condition of the tenants of the Group's properties their solvency and their income generating capacity.

Apart from liquidity maintained in local currency for operating reasons the Group's liquid assets are held in EUR denominated deposit accounts. Management is monitoring the situation closely and acts accordingly.

5.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's core strategy is described in Note 36.1 of the consolidated financial statements.

5.1.8 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.

5.1.9 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 .

5. Risk Management (continued)

5.1 Financial risk factors (continued)

5.1.10 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 Company aiming to effect alternate repayment plans including debt repayment so as to minimize the effects of such situations on the Group's asset base.

5.2. 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.

5.3. 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. Valuations reported as at 31 December 2015 take into account past political developments in Ukraine which given the nature of the Group's assets the most immediate effect would be the prolongation of the period needed to market and effectively sell an asset under such duress conditions.

6. Investment in subsidiaries

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

			Holding %	
Name	**Country of incorporation**	**Related Asset**	**as at 31 Dec 2015**	**as at 31 Dec 2014**
SC SECURE Capital Limited	Cyprus		100	100
SL SECURE Logistics Limited	Cyprus	Brovary Logistics Park	100	100
LLC Aisi Brovary	Ukraine		100	100
LLC Terminal Brovary	Ukraine		100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Retail Development Balabino	Ukraine		100	100
LLC Trade Center	Ukraine		100	100
LLC Almaz-press-Ukrayina	Ukraine	Tsymlianskiy Residence	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park	100	100
LLC Merelium Investments	Ukraine	Merged	-	100
LLC Interterminal	Ukraine	Zaporizhia Retail Center	100	100
LLC Aisi Outdoor	Ukraine	Merged	-	100
LLC Aisi Ilvo	Ukraine		100	100
LLC Aisi Donetsk	Ukraine	Merged	-	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100
Best Day Real Estate SRL	Romania		100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100
Secure Property Development and Investment Srl	Romania		100	100
N-E Real Estate Park First Phase Srl	Romania		100	100
Victini Holdings Limited	Cyprus	GED Logistics	100	100
SPDI Logistics S.A.	Greece		100	-
Zirimon Properties Limited	Cyprus	Delea Nuova	100	-
Bluehouse Accession Project IX Limited	Cyprus	Praktiker Craiova	100	-
Bluehouse Accession Project IV Limited	Cyprus		100	-
Bluebigbox 3 Srl	Romania		100	-
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	-
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100
Demetiva Holdings Limited	Cyprus		100	100
Ketiza Holdings Limited	Cyprus		90	45
Frizomo Holdings Limited	Cyprus		100	100
SecMon Real Estate SRL	Romania		100	100
SecVista Real Estate SRL	Romania		100	100
SecRom Real Estate SRL	Romania		100	100
Ketiza Real Estate SRL	Romania		90	45
Edetrio Holdings Limited	Cyprus		100	-
Emakei Holdings Limited	Cyprus		100	-
RAM Real Estate Management Limited	Cyprus		50	-
Iuliu Maniu Limited	Cyprus		45	-
Moselin Investments srl	Romania		45	-
Rimasol Enterprises Limited	Cyprus		44,24	-
Rimasol Real Estate Srl	Romania		44,24	-
Ashor Ventures Limited	Cyprus		44,24	-
Ashor Development Srl	Romania		44,24	-
Jenby Ventures Limited	Cyprus		44,30	-
Jenby Investments Srl	Romania		44,30	-
Ebenem Limited	Cyprus		44,30	-
Ebenem Investments Srl	Romania		44,30	-
Sertland Properties Limited	Cyprus		100	-
Boyana Residence ood	Bulgaria		100	-
Mofben Investments Limited	Cyprus		100	-
Delia Lebada Invest srl	Romania		65	-

Within the reporting period the subsidiaries LLC Aisi Outdoor, LLC Merelium Investments and LLC Aisi Donetsk were merged to LLC Aisi Ilvo. The reorganization (merger) process was finished in June 2015. The Group is planning to further streamline its structure in Cyprus, Ukraine and Romania throughrout 2016-2017.

6. Investment in subsidiaries (continued)

During the reporting period the Company realized a number of acquisitions: GED Warehouse, Praktiker Craiova and a part of the mixed portfolio including commercial, residential properties and land were categorized under "Investment Property" (Notes 15 & 16). Another part of the mixed portfolio (Delea Nuova office Building , Green Lake land has been categozied under "Associates" (Note 17). The 20% acquisition of Autounion has been recored under "Available for Sale Fianancial Assets" (Note 20).

7. Operating Income

Operating income in the net amount of €5.130.637 for the year ended 31 December 2015 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 the Terminal Brovary Logistic Park (Ukraine), Innovations Logistics Park (Romania), EOS Business Park (Romania), Praktiker Craiova (Romania), and GED Logistics (Greece),
b) income from the sale of electricity by GED Logistics to the Greek grid,
c) rental income and service charges by tenants of the Residential Portfolio, and
d) sales proceeds income from sale of several apartments and parking spaces from the Residential Portfolio minus the deduction of Cost of assets Sold, representing the fair value of the previous year of the apartments and parking spaces sold in 2015. The net income from sale of assets incudes both sales from Investment Property assets and Inventory assets.

	31 Dec 2015	31 Dec 2014
	€	€
Rental income	4.605.022	3.063.875
Sale of electricity	297.962	-
Service charges and utilities income	545.976	513.570
Total income from rental contracts	**5.448.960**	**3.577.445**
Income from sale of assets	1.725.326	107.917
Cost of assets sold	(2.043.649)	(93.459)
Net Income from sale of assets	**(318.323)**	**14.458**
Total Operating income	**5.130.637**	**3.591.903**

Occupancy rates in the various income producing assets of the Group as at 31 December 2015 were as follows:

Income producing assets			
%		**31 Dec 2015**	**31 Dec 2014**
EOS Business Park	Romania	100%	100%
Innovations Logistics Park (Note 37d)	Romania	87%	100%
GED Logistics	Greece	100%	n/a
Terminal Brovary (Note 37b)	Ukraine	47%	94%
Praktiker Craiova (Note 37f)	Romania	100%	n/a

Valuation gains /(losses) from investment property for the reporting period, excluding foreign exchange translation differences which are incorporated in the table of Note 15, are presented in the table below.

Property Name (€)	**Valuation gains/(losses)**	
	31 Dec 2015	**31 Dec 2014**
	€	**€**
Brovary Logistic Park	(589.179)	8.512.454
Bela Logistic Center	1.513.658	1.646.852
Kiyanovskiy Lane	278.302	1.155.225
Tsymlyanskiy Lane	178.669	184.450
Balabino Lane	(8.143)	269.744
Rozny Lane (Note 15.2 , Note 15.4c)	(865.054)	(2.440.200)
Innovations Logistics Park	400.000	1.000.000
EOS Business Park	150.000	550.000
Residential Portfolio	251.500	(1.581.000)
Green Lake	(865.000)	-
Pantelimon Lake	(10.000)	-
Praktiker Craiova	(2.870.000)	-
GED Logistics	100.000	-
Total	**(2.335.247)**	**9.297.525**

8. Administration Expenses

	31 Dec 2015	31 Dec 2014
	€	€
Salaries and Wages	(1.108.614)	(807.171)
Legal fees	(241.092)	(410.394)
Advisory fees	(323.232)	(380.525)
Corporate registration and maintenance fees	(226.326)	(210.164)
Directors' remuneration	(278.417)	(171.197)
Audit and accounting fees	(191.230)	(143.261)
Public group expenses	(155.766)	(101.780)
Depreciation/Amortization charge	(40.823)	(17.897)
Sundry expenses	(415.838)	(442.033)
Total Administration Expenses	**(2.981.338)**	**(2.684.422)**

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

Legal fees represent legal expenses incurred by the Group in relation to asset operations (rentals, sales etc), ongoing legal cases in Ukraine, debt restructurings as well as its compliance with AIM listing.

Advisory fees are mainly related to outsourced human resources support on the basis of advisory contracts, capital raising advisory expenses and marketing expenses incurred by the Group in relation to Cypriot, Ukrainian, Romanian, Bulgarian and Greek operations.

Directors' remuneration represents the remuneration of all non-executive Directors and committee members (Note 33.1)

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

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

Depreciation/Amortization expense is mainly related to amortization of software (ERP - Navision) and for the depreciation of the generator in Terminal Brovary.

Sundry expenses include office expenses, travel expenses, communication expenses, D&O insurance and all other general expenses for Cypriot, Romanian, Ukrainian, Bulgarian and Greek operations.

9. Investment property operating expenses

The Group incurs expenses related to the proper operation and maintenance of all the income generating properties in Kiev, Bucharest, Athens, Sofia and Craiova. A part of these expenses is recovered from the tenants through the rental agreements (Note 7).

	31 Dec 2015	31 Dec 2014
	€	€
Property Management fees	(253.060)	(316.768)
Property related taxes	(363.080)	(59.301)
Expenses for Utilities	(274.149)	(244.557)
Property security	(55.688)	(11.984)
Repairs and technical maintenance	(70.247)	(6.399)
Leasing expenses	(30.861)	(36.997)
Property Insurance	(48.258)	(11.919)
Other Investment property operating expenses	(29.240)	(68.636)
Total	**(1.124.583)**	**(756.561)**

Property Management fees relate to Property Management Agreements for Terminal Brovary Logistics Park, Innovation Logistics Park, and Praktiker Craiova with third party Managers outsourcing the related services.

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

Leasing expenses reflect expenses related to long term land leasing.

10. Other operating income/(expenses), net

	31 Dec 2015	31 Dec 2014
	€	€
Compensation received	182.638	-
Accounts payable written off	1.197.740	12.422
Other income	**1.380.378**	**12.422**
Impairment of assets	(342.280)	-
Provision/impairment of prepayments and other current assets	(47.316)	(3.973)
Transaction costs	(287.999)	-
Other expenses	(81.531)	(144.507)
Other expenses	**(759.126)**	**(148.480)**
Total	**621.252**	**(136.058)**

Compensation received relates to the extraordinary income due to early break off tenancy agreements by tenants in Terminal Brovary.

Accounts payable written off represent a write off of management fees associated with SEC South East Continent Unique Estate Investments Ltd charged by a related party, SECURE Management Ltd, which has accepted to forgo any claim on such payable amount.

Impairment of assets represents an amount paid by a subsidiary 8 years ago for acquiring an option to buy properties which has not been exercised.

Transaction costs represent due diligence costs for properties that were considered for acquisition which at the end were not acquired. Such expenses were presented previously as Deferred expenses.

Other income/(expenses) represents mainly non recoverable VAT.

11. Impairment allowance for inventory and provisions

	31 Dec 2015	31 Dec 2014
	€	€
Impairment of Inventory	(975.659)	-
Provision (Notes 29, 34)	(700.000)	-
Total	**(1.675.659)**	**-**

Impairment of Inventory relates to Boyana residence (Note 19).

Provision reflects potential contigent liabilities from legal cases (Notes 29, 34).

12. Finance costs and income

Finance income	**31 Dec 2015**	**31 Dec 2014**
	€	€
Interest from non bank loans	48.730	-
Bank interest income	14.866	80.895
Total finance income	**63.596**	**80.895**

Finance costs	**31 Dec 2015**	**31 Dec 2014**
	€	€
Borrowing interest expenses (Note 26)	(3.283.056)	(1.091.474)
Finance leasing interest expenses (Note 30)	(551.640)	(256.752)
Finance charges and commissions	(258.493)	(68.744)
Default interest	(325.707)	-
Other finance expenses	(19.295)	(41.328)
Total finance costs	**(4.438.191)**	**(1.458.298)**
Net finance result	**(4.374.595)**	**(1.377.403)**

Borrowing interest expense represents interest expense charged on bank and non-bank borrowings.

Finance leasing interest expenses relate to the sale and lease back agreements of the Group.

Finance charges and commissions include regular banking commissions, and various fees paid to the banks, including a fee paid to EBRD for the restructuring of the Terminal Brovary loan amounting to €99.154.

Default interest relates to interest charged by Bank of Cyprus in relation to the loan over Delia Lebada Invest srl (Note 26).

13. Foreign exchange profit / (losses)

a. Foreign exchange loss – non realised

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR, mainly the EBRD loan (Note 26). The exchange loss for the year ended 31 December 2015 amounted to €5.071.048 (2014: loss € 7.512.640).

b. Exchange difference on intercompany loans to foreign holdings

The intercompany loans provided by SC Secure Capital Limited to Ukrainian subsidiaries (Note 33.3) incurred an exchange loss (non-realised) of €13.653.402, due to the UAH devaluation which took place during the reporting period (2014: loss €19.746.111). Settlement of these loans is not planned to occur in the foreseeable future and in substance is part of the Group's net investment in its foreign operations.

14. Income Tax Expense

	31 Dec 2015	31 Dec 2014
	€	€
Current income and defence tax expense	(80.188)	(220.476)
Taxes	**(80.188)**	**(220.476)**

For the year ended 31 December 2015, the corporate income tax rate for the Company's subsidiaries are as follows: in Ukraine 19%, in Romania 16%, in Greece 26% and in Bulgaria 10%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

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

	31 Dec 2015	31 Dec 2014
	€	€
Profit / (loss) before tax	**(11.530.401)**	1.188.565
Tax calculated on applicable rates	(3.340.505)	318.134
Expenses not recognized for tax purposes	483.029	941.488
Tax effect of allowances and income not subject to tax	(248.073)	(139.164)
Tax effect of group tax relief	(8.573)	-
Tax effect on tax losses for the year	3.181.833	(882.377)
Tax effect on tax losses brought forward	(822)	(43.807)
10% additional tax	7.200	13.989
Defence tax	2.092	2.656
Overseas tax in excess of credit claim used during the year	166	6.598
Prior year tax	3.841	2.959
Total Tax	**80.188**	**220.476**

15. Investment Property

15.1 Investment Property Presentation

Investment Property consists of the following assets:

Income Producing Assets

- **Terminal Brovary Logistic Park** consists of a 49.180 sqm gross leasable Class A warehouse and associated office space, situated on the junction of the main Kyiv – Moscow highway and the Borispil road. The facility is in operation since Q1 2010 and as at the end of the reporting period its warehouse space is ~47% leased (~45% occupancy).

- **Innovations Logistic 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 was acquired by the Group in May 2014 and was 87% leased at the end of the reporting period.

- **EOS Business Park** is a 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania. EOS Business Park was acquired by the Group in October 2014.

- **GED Logistics** is a logistics park comprising 17.756 gross leasable sqm and has a net operating income ("NOI") of approximately €1,5 million per annum. It is fully let to the German multinational transportation and logistics company, Kuehne + Nagel (70%) and to a Greek commercial company trading electrical appliances GE Dimitriou SA (30%). The NOI also includes income from selling electric energy produced by the 1MW photovoltaic park installed on the roof of the property to the Greek Electric Grid.

- **Praktiker Craiova**, a DIY retail property was acquired by the Group in July 2015. Situated in a prime location in Craiova, Romania it is wholly let to Praktiker, a regional DIY retailer. The property has a Gross Lettable Area ('GLA') of 9.385 square meters and at the time the agreement to acquire the property was concluded, it produced an annualized gross rental income of ~€1 million. Early in 2016 the tenant offered to extend the lease agreement for an additional 5 years until 2025, in exchange of reducing the annual rent to the levels of the temporary reduction that the tenant and the previous owner had agreed for the last few months of 2015, namely to ~€600k. Such offer is under discussion.

Residential Assets

- The Company owns a **residential portfolio,** consisting at the end of the reporting period of partly let and income producing 104 apartments and villas across five separate complexes (Residential portfolio: Romfelt, Linda, Monaco, Blooming House, Green Lake Residential: Green Lake Parcel K) located in different residential areas of Bucharest and Sofia. The Group acquired the portfolio partly in August 2014 and partly May 2015. The aggregate residential portfolio is ~27% let at the end of the reporting period.

Land Assets

- **Bela Logistic Center** is a 22,4 Ha plot in Odessa situated on the main highway to Kyiv. Following the issuance of permits in 2008, below ground construction for the development of a 103.000 sqm GBA logistic center commenced. Construction was put on hold in 2009 following adverse macro-economic developments at the time.

- **Kiyanivsky Lane** 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.

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

- **Rozny Lane** is a 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex. It has been registered under the Group pursuant to a legal decision (Note 15.4c).

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

- **Green Lake land** is a 40.360 sqm plot and is adjacent to the Green Lake part of the Company's residential portfolio (classified under Associates). It is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns 44,24% of these plots, but has effective management control.

- **Pantelimon Lake** consists of a ~40.000 sq m plot of land in east Bucharest situated on the shore of Pantelimon Lake, opposite to a famous Romanian hotel, the Lebada Hotel. The construction permit, which allows for ~54.000 sqm residential space to be built, was renewed in April 2014.

15. Investment Property (continued)

15.2 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.

2015 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	**Type**	**Carrying amount 31/12/2015**	**Foreign exchange translation difference (a)**	**Fair value gain/(loss) based on local currency valuations (b)**	**Disposals 2015**	**Transfer from prepayments made for investments**	**Additions 2015**	**Carrying amount as at 31/12/2014**
Terminal Brovary Logistic Park	Warehouse	12.264.323	(4.609.808)	(589.179)		-	-	17.463.310
Bela Logistic Center	Land	5.125.389	(1.471.485)	1.513.658		-	-	5.083.216
Kiyanivskiy Lane	Land	3.203.368	(1.092.315)	278.302		-	-	4.017.381
Tsymlyanskiy Lane	Land	1.006.773	(319.719)	178.669		-	-	1.147.823
Balabino	Land	1.555.922	(567.608)	(8.143)		-	-	2.131.673
Rozny Lane	Land	1.194.085	-	(324.395)		1.518.480	-	-
Total Ukraine			**(8.060.935)**	**1.048.912**	**-**			
Overall change in Ukraine		**24.349.860**	**(7.012.023)**			**1.518.480**		**29.843.403**
Innovations Logistics Park	Warehouse	14.400.000	-	400.000		-	-	14.000.000
EOS Business Park	Office	6.550.000	-	150.000		-	-	6.400.000
Residential portfolio	Residential	6.722.000	-	251.500	(1.902.500)	-	-	8.373.000
Green Lake	Land	17.932.000	-	(865.000)		-	18.797.000	-
Pantelimon Lake	Land	5.812.000	-	(10.000)		-	5.822.000	-
Praktiker Craiova	Retail	7.200.000	-	(2.870.000)		-	10.070.000	-
Total Romania		**58.616.000**	**-**	**(2.943.500)**	**(1.902.500)**	**-**	**34.689.000**	**28.773.000**
GED Logistics	Warehouse	16.500.000	-	100.000		-	16.400.000	-
Total Greece		**16.500.000**	**-**	**100.000**	**-**	**-**	**16.400.000**	**-**
TOTAL		**99.465.860**	**(8.060.935)**	**(1.794.588)**	**(1.902.500)**	**1.518.480**	**51.089.000**	**58.616.403**

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

a. The translation loss due to the devaluation of local currencies of €8.060.935 (a) is presented as part of the exchange difference on translation of foreign operations in other comprehensive income of the Profit and Loss Account and then carried forward in the Foreign currency translation reserve; and,
b. The fair value loss in terms of the local functional currencies amounting to €1.794.588 (b), is presented as Valuation gains/(losses) from investment properties under the Profit and Loss Account and is carried forward in Accumulated losses.

The fair value of the properties held by the Group in Ukraine has decreased overall, as a result of the political uncertainty, by €7.012.023. The reduction includes a €324.395 fair value loss for the Rozny property that the Group finally registered under its name in July 2015 following protracted legal actions (Note 15.4c).

The fair value of the unsold units of the Residential portfolio as at the end of the reporting period has increased by €251.500 compared to the 2014 valuation (which was used for discharging the units sold during the period).

2014 (€)			Fair Value movements			
Asset Name	**Type**	**Carrying amount 31/12/2014**	**Foreign Exchange Translation difference**	**Fair Value gain/(loss)**	**Additions/ acquisitions 2014**	**Carrying amount 31/12/2013**
Terminal Brovary Logistic Park	Industrial	17.463.310	(9.382.086)	8.512.454	60.155	18.272.787
Bela Logistic Center	Land	5.083.216	(3.089.631)	1.646.852	-	6.525.995
Kiyanovskiy Lane	Land	4.017.381	(2.503.662)	1.155.225	-	5.365.818
Tsymlyanskiy Lane	Land	1.147.823	(776.892)	184.450	-	1.740.265
Balabino	Land	2.131.673	(1.473.579)	269.743	-	3.335.509
Sub total			**(17.225.850)**	**11.768.724**		
Total Ukraine		**29.843.403**	**(5.457.126)**		**60.155**	**35.240.374**
Innovations Logistics Park	Industrial	14.000.000	-	1.000.000	13.000.000	-
EOS Business Park	Office	6.400.000	-	550.000	5.850.000	-
Residential portfolio	Residential	8.373.000	-	(1.581.000)	9.954.000	-
Total Romania		**28.773.000**	**(31.000)**		**28.804.000**	**-**
TOTAL		**58.616.403**	**(5.488.126)**		**28.864.155**	**35.240.374**

15. Investment Property (continued)

15.3 Investment Property Valuations per asset

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

Asset Name	Description/ Location	Principal Operation	Related Companies	Carrying amount as at	
				31 Dec 2015	31 Dec 2014
				€	€
Terminal Brovary Logistics Park	Brovary, Kiev oblast	Warehouse	LLC TERMINAL BROVARY LLC AISI BROVARY SL LOGISTICS LIMITED	12.264.323	17.463.310
Bela Logistic Center	Odesa	Land and Development Works for Warehouse	LLC AISI BELA	5.125.389	5.083.216
Kiyanivskiy Lane	Podil, Kiev City Center	Land for residential development	LLC AISI UKRAINE	3.203.368	4.017.381
Tsymlianskiy Lane	Podil, Kiev City Center	Land for residential development	LLC ALMAZ PRES UKRAINE	1.006.773	1.147.823
Balabino	Zaporizhia	Land for retail development	LLC INTERTERMINAL LLC AISI Ilvo,	1.555.922	2.131.673
Rozhny Lane	Brovary district, Kyiv oblast	Land for residential Development	SC Secure Capital	1.194.085	-
Total Ukraine				**24.349.860**	**29.843.403**
Innovations Logistic Park	Clinceni, Bucharest	Warehouse	MYRNES INNOVATIONS PARK LIMITED BEST DAY REAL ESTATE SRL	14.400.000	14.000.000
EOS Business Park	Bucharest	Office building	YAMANO LIMITED SPDI SRL, N-E Real Estate Park First Phase Srl	6.550.000	6.400.000
Residential Portfolio	Bucharest	Residential apartments (90 in total in 4 complexes)	Secure Investment II Demetiva Limited Diforio Limited Frizomo Limited Ketiza Limited SecRom Srl SecVista Srl SecMon Srl Ketiza Srl	6.722.000	8.373.000
Green Lake	Bucharest	Residential apartments (14 in total) & land for residential development	Secure Investment I Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Ram Real Estate Management Limited Moselin Investments srl Rimasol Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Develpoment Srl Jenby Ventures Limited Jenby Investments Srl Ebenem Limited Ebenem Investments Srl	17.932.000	-
Pantelimon Lake	Bucharest	Land for residential development	Secure Investment I Mofben Investments Limited Delia Lebada Invest srl	5.812.000	-
Praktiker Craiova	Craiova	Big Box retail	Bluehouse Accession Project IX Bluehouse Accession Project IV BlueBigBox 3 srl	7.200.000	-
Total Romania				**58.616.000**	**28.773.000**
GED Logistics	Athens	Warehouse	Victini Holdings Limited. SPDI Logistics S.A.	16.500.000	-
Total Greece				**16.500.000**	**-**
TOTAL				**99.465.860**	**58.616.403**

15. Investment Property (continued)

15.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Terminal Brovary, Innovations, EOS Business Park, GED Logistics Park, Craiova Praktiker, the Residential Portfolio (consisting of apartments in 4 complexes and Green Lake) as well as all the land assets namely Kiyanivskiy Lane, Tsymlyanskiy Lane, Balabino and Rozny in Ukraine, Pantelimon Lake and Green Lake in Romania.

	31 Dec 2015	31 Dec 2014
	€	€
At 1 January	**53.533.187**	**28.714.379**
Capital expenditure on investment property	-	60.155
Acquisitions of investment property	51.089.000	28.744.000
Disposal of investment Property	(1.902.500)	-
Transfer from prepayments made	1.518.480	-
Revaluation gain/(loss) on investment property	(3.308.246)	10.090.872
Translation difference	(6.589.450)	(14.076.219)
At 31 December	**94.340.471**	**53.533.187**

b. Investment Properties Under Development

As at 31 December 2015 investment property under development represents the carrying value of Bela Logistic Center project, which has reached the +10% construction in late 2008 but it is stopped since then.

	31 Dec 2015	31 Dec 2014
	€	€
At 1 January	**5.083.216**	**6.525.995**
Revaluation on investment property	1.513.658	1.646.852
Translation difference	(1.471.485)	(3.089.631)
At 31 December	**5.125.389**	**5.083.216**

c. Prepayments made for Investments

From time to time, when the Company acquires a new project, it may proceed with downpayment in order to facilitate such transactions. Movements of such prepayments are presented below for 2014 and 2015.

	31 Dec 2015	31 Dec 2014
	€	€
At 1 January	**2.674.219**	**3.625.553**
Advances for acquisition transferred to Investment in subsidiary	(624.841)	624.841
Translation difference	9.761	-
Transfer to Investment Property	(1.518.480)	-
Advances for investments from acquisition of subsidiaries	100.000	-
Impairment provision	(540.659)	(1.576.175)
At 31 December	**100.000**	**2.674.219**

Advances for acquisition transferred to Investment in subsidiary reflects a downpayment provided for the acquisition of GED logistics park in 2014 that has been closed upon transaction finalizaztion in 2015.

Transfer to Investment Property relates to Kiev Oblast-Rozny Property. The Group made an advance payment of ~US$12mil. for the acquisition of a project in Podil (Kyiv) in 2007. As of the end of the reporting period Management continues its effort to collect the original US $12mil as the seller defaulted but at the same time succeeded in enforcing the collateral (a 42ha land plot Kiev Oblast named Rozny-) after a protracted legal battle. Such asset was transfered to Investment Property at €1.518.480 when the Group took ownership (July 2015) while the amount of €540.659 represents the impairment at the date of transfer. The Group will keep pursuing legally the difference from the advance payment.

15. Investment Property (continued)

15.5 Investment Property valuation method presentation

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

- Level 1 relates to quoted prices (unadjusted) in active and liquid markets for identical assets or liabilities.
- Level 2 relates to inputs other than quoted prices that are observable for the asset or liability indirectly (that is, derived from prices). Level 2 fair values of investment properties have been derived using the market value approach by comparing the subject asset with similar assets for which price information is available. Under this approach the first step is to consider the prices for transactions of similar assets that have occurred recently in the market. The most significant input into this valuation approach is price per square meter.
- Level 3 relates to inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Level 3 valuations have been performed by the external valuer using the income approach (discounted cash flow) due to the lack of similar sales in the local market (unobservable inputs).

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

Fair value measurements at 31 Dec 2015 (€)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Recurring fair value measurements				
Balabino- Zaporizhia	-	1.555.922	**-**	1.555.922
Tsymlyanskiy Lane – Podil, Kyiv City Center	-	1.006.773	**-**	1.006.773
Bela Logistics Center- Odessa	-	**-**	5.125.389	5.125.389
Terminal Brovary Logistics Park - Brovary Kyiv Oblast	-		12.264.323	12.264.323
Kiyanivskiy Lane – Podil, Kyiv City Center	-	3.203.368	**-**	3.203.368
Rozny Lane – Brovary district, Kyiv oblast	-	1.194.085	**-**	1.194.085
Innovations Logistics Park – Bucharest	-	**-**	14.400.000	14.400.000
EOS Business Park – Bucharest, City Center	-	**-**	6.550.000	6.550.000
Residential Portfolio (ex Green Lake) – Bucharest	-	6.722.000	**-**	6.722.000
Green Lake – Bucharest	-	17.932.000		17.932.000
Pantelimon Lake – Bucharest	-	5.812.000	-	5.812.000
Praktiker - Craiova	-	-	7.200.000	7.200.000
GED Logistics – Athens	-	16.500.000	-	16.500.000
Totals	**-**	**53.926.148**	**45.539.712**	**99.465.860**

Fair value measurements at 31 Dec 2014 (€)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Recurring fair value measurements				
Balabino – Zaporizhia	-	2.131.673	-	**2.131.673**
Tsymlyanskiy – Podil, Kyiv City Center	-	-	1.147.823	**1.147.823**
Bela Logistics Center – Odessa	-	5.083.216	-	**5.083.216**
Terminal Brovary Logistics Park - Brovary Kyiv Oblast	-	-	17.463.310	**17.463.310**
Kiyanivskiy Lane – Podil, Kyiv City Center	-	-	4.017.381	**4.017.381**
Innovations Logistics Park – Bucharest	-	-	14.000.000	**14.000.000**
EOS Business Park – Bucharest, City Center	-	-	6.400.000	**6.400.000**
Residential Portfolio - Bucharest	-	8.373.000	-	**8.373.000**
Totals		**15.587.889**	**43.028.514**	**58.616.403**

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

Level 3 Fair value measurements at 31 Dec 2015 (€)	**Terminal Brovary Logistics Park**	**Kiyanivskiy Lane**	**Tsymlyanskiy Lane**	**Bela Logistics Center**	**Innovations Logistics Park**	**EOS Business Park**	**Praktiker Craiova**	**Total**
Opening balance	17.463.310	4.017.381	1.147.823	-	14.000.000	6.400.000	-	**43.028.514**
Transfer to and from level 2 due to change of valuation methods	-	(4.017.381)	(1.147.823)	5.083.216	-	-	-	**(81.988)**
Acquisitions	-	-	-	-	-	-	10.070.000	**10.070.000**
Additions	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	-
Profit/(loss) on revaluation	(589.179)	-	-	1.513.658	400.000	150.000	(2.870.000)	**(1.395.521)**
Translation difference	(4.609.808)	-	-	(1.471.485)	-	-	-	**(6.081.293)**
Closing balance	**12.264.323**	**-**	**-**	**5.125.389**	**14.400.000**	**6.550.000**	**7.200.000**	**45.539.712**

15. Investment Property (continued)

15.5 Investment Property valuation method presentation (continued)

Level 3 Fair value measurements at 31 Dec 2014 (€)	Terminal Brovary Logistics Park	Kiyanivskiy Lane	Tsymlyanskiy Lane	Innovations Logistics Park	EOS Business Park	Total
	€	€	€	€	€	€
Opening balance	18.272.787	5.365.818	1.740.265	-	-	**25.378.870**
Acquisitions	-	-	-	13.000.000	5.850.000	**18.850.000**
Additions	60.155	-	-	-	-	**60.155**
Disposals	-	-	-	-	-	-
Profit on revaluation	8.512.454	1.155.225	184.450	1.000.000	550.000	**11.402.129**
Translation difference	(9.382.086)	(2.503.662)	(776.892)	-	-	**(12.662.640)**
Closing balance	**17.463.310**	**4.017.381**	**1.147.823**	**14.000.000**	**6.400.000**	**43.028.514**

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

	Fair value at 31 Dec 2015	Fair value at 31 Dec 2014	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	€	€	€	€	€
Terminal Brovary Logistics Park-Brovary Kyiv Oblast	12.264.323	17.463.310	Combined market and income approach	Future rental income and costs for 14 months, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Bela Logistics Center – Odessa	5.125.389	-	Combined market and cost approach	Percentage of development works completion, deterioration rate	The higher the percentage of completion the higher the fair value. The higher the deterioration rate the lower the fair value
Innovations Logistics Park – Bucharest	14.400.000	14.000.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
EOS Business Park – Bucharest, City Center	6.550.000	6.400.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Praktiker Craiova	7.200.000	-	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Kiyanivskiy Lane	-	4.017.381	Combined market and income approach	Future rental income and costs for 4 years	The higher the price of sales/rental income the higher the fair value
Tsymlyanskiy Lane	-	1.147.823	Combined market and income approach	Future rental income and costs for 4 years	The higher the price of sales/rental income the higher the fair value
Total	**45.539.712**	**43.028.514**			

16. Investment Property Acquisitions and Goodwill Movement

a. Investment Property Acquisitions

In March 2015 the Group completed the acquisition of an income producing logistics park (the "GED Logistics Park"), located in the West Attica Industrial Area of Athens, Greece. The GED Park comprises a fully let 17.756 leasable sqm warehouse property which has a photovoltaic alternative energy production facility installed on its roof. 70% of the space is let to the multinational transportation and logistics company Kuehne + Nagel, with the remaining 30% let to GE Dimitriou SA, a Greek company which trades electrical appliances.

In July 2015 the Group acquired Praktiker Craiova, a DIY retail property. Situated in a prime location in Craiova, Romania it is wholly let to Praktiker,a regional DIY retailer. At the time of concluding the acquisition the building produced a gross rental income of ~€1 million and has a Gross Lettable Area ('GLA') of 9.385 square metres. The acquisition has been effected through the issuance of the Redeemable Convertible Preference Shares ('RCPS') to the vendors (Note 23.6). The Purchase Price was €6,1m while the property has debt amounting to €5m (Note 37f).

16. Investment Property Acquisitions and Goodwill Movement (continued)

During the reporting period the Company acquired the mixed use portfolio of Sec South, a private equity entity, which included investment properties, inventories and investment in associates, (Notes 15, 16, 17) via in kind contribution by the vendors and in exchange of 18.028.294 ordinary shares of €0,01 and 2 equivalent set of warrants as described below (Note 23.4).The shares were issued at a price of 0,65 GBP per share while the first set of warrants had an exercise price of £0,10 and the second of £0,45. Assuming that all sellers would exersises the 10p warrants the effective share price acquisition would be 37,5p. In parallel the Company in exchange of these shares wrote off a past liability of the portfolio of €0,2m and took over via assignment a loan that had been contributed by a partner of a project amounting to €838.561. The acquisition was in line with the Company's strategy to build a diversified portfolio of prime commercial real estate in East and Southeast Europe, which generates cash flow from blue chip tenants and offers substantial potential for capital growth. The acquired investment properties include Green Lake (residential portfolio and land), Pantelimon Lake (land) and Boyana (residential portfolio and land) projects. The transaction did not include Hotel Yugoslayvija, a Sec South property that was under development, but prior to having received zoning and construction permits. The Hotel Yugoslayvija is being transferred to the old shareholders of Sec South but the process has not finalized yet. The vendors of the Sec South included Ionian Equity Participations Limited, a substantial shareholder in the Company, holding then in excess of 10% of the Company's issued share capital, as well as an entity in which Lambros Anagnostopoulos (a director of the Company and the CEO) had a majority stake and Constantinos Bitros (the CFO of the Company) with stakes in Sec South of less than 20%, 4% and 1% respectively. Sec South transferred four properties in SPDI, the net equity of which was €15.782.190 (fair value at acquisition).

The fair value of identifiable assets and liabilities of acquired projects during **2015** as of the date of their acquisition was as follows:

€	GED Logistics	SEC South East	Praktiker Craiova	Total
ASSETS				
Non-current assets				
Investment property	16.400.000	24.619.000	10.070.000	51.089.000
Investments in associates	-	6.132.516	-	6.132.516
Other non-current assets	29.911	69.536	-	99.447
Current assets				
Inventories	-	12.300.000	-	12.300.000
Prepayments and other current assets	353.366	1.203.036	384.884	1.941.286
Cash and cash equivalents	160	777.247	26.425	803.832
Total assets	**16.783.437**	**45.101.335**	**10.481.309**	**72.366.081**
Non-current liabilities				
Interest bearing borrowings	12.549.180	23.865.253	4.892.950	41.307.383
Deposits from tenants	211.243	-	-	211.243
Current liabilities				
Interest bearing borrowings	135.110	1.431.464	-	1.566.574
Trade and other payables	492.060	3.074.332	120.961	3.687.353
Taxes payable	56.776	252.033	-	308.809
Total liabilities	**13.444.369**	**28.623.082**	**5.013.911**	**47.081.362**
Net assets acquired (including non-controlling interest)	**3.339.068**	**16.478.253**	**5.467.398**	**25.284.719**
Non-controlling interest	-	(696.063)	-	(696.063)
Net assets acquired attributable to equity holders	**3.339.068**	**15.782.190**	**5.467.398**	**24.588.656**
Financed by				
Cash consideration paid	1.786.934	-	-	1.786.934
Issue of shares	-	15.152.490	6.081.211	21.233.701
Total consideration	**1.786.934**	**15.152.490**	**6.081.211**	**23.020.635**
Gain realized on acquisition	**1.552.134**	**629.700**	**-**	**2.181.834**
Goodwill =Net Assets – Total consideration	**-**	**-**	**(613.813)**	**(613.813)**

16. Investment Property Acquisitions and Goodwill Movement (continued)

In May 2014, the Group acquired 100% of the shares of Myrnes Innovations Park Limited ("Myrnes"), a Cyprus registered company which in turn owns 100% of the shares of Best Day Real Estate SRL ("Best Day"), a Romanian entity, owner of a multipurpose warehousing space in South Bucharest, Romania. The purchase price was funded by €4,4 million of the Company's existing cash resources and by issuance of 785.000 redeemable preference shares to the sellers of the asset. The then existing leasing contracted with the Bank of Piraeus Romania and associated with the asset of €7.500.000 remained (Note 30.2).

The acquisition of a Residential Portfolio consisting of appartment units in four residential complexes (Romfelt, Linda, Monaco, Blooming House) was completed in August 2014. The Company acquired all the shares of SEC South East Continent Unique Real Estate Investments II Ltd in exchange for 3.702.910 of the Company's shares. No cash consideration was paid for this acquisition. Lambros Anagnostopoulos (a director and the CEO of the Company) and Constantinos Bitros (the CFO of the Company) had small stakes in the Portfolio (less than 5% in aggregate) and received 133.437 and 33.357 SPDI shares respectively.

The acquisition of EOS Business Park in Bucharest was completed in October 2014. SECURE PROPERTY DEVELOPMENT & INVESTMENT Srl a subsidiary of the Company acquired the shares of NE REAL ESTATE PARK FIRST PHASE Srl, owner of the property. The acquisition price was €5,85 million with €1,85 million being the cash consideration with the remainder funded by a sales and lease back with Alpha Bank Romania (Note 30.2).

The fair value of identifiable assets and liabilities of acquired projects during **2014** as of the date of their acquisition was as follows:

(€)	**Innovations Logistics Park**	**Residential Portfolio**	**EOS Business Park**	**Total**
ASSETS				
Non-current assets				
Investment property	13.000.000	9.894.000	5.850.000	28.744.000
Tangible and intangible assets	-	5.701	7.584	13.285
Other non-current assets	124.396	510	-	124.906
	13.124.396	**9.900.211**	**5.857.584**	**28.882.191**
Current assets				
Cash and cash equivalents	30.823	134.667	83.864	249.354
Trade and other receivables	-	178.176	2.445.863	2.624.039
	30.823	**312.843**	**2.529.727**	**2.873.393**
Total assets	**13.155.219**	**10.213.054**	**8.387.311**	**31.755.584**

(€)	**Innovations Logistics Park**	**Residential Portfolio**	**EOS Business Park**	**Total**
LIABILITIES				
Non-current liabilities				
Interest bearing borrowings	-	6.311.417	-	6.311.417
Finance lease liabilities	7.414.992	-	3.905.656	11.320.648
Deposits from tenants	-	57.749	-	57.749
	7.414.992	**6.369.166**	**3.905.656**	**17.689.814**
Current liabilities				
Interest bearing borrowings		75.560	-	75.560
Finance lease liabilities	85.008	-	85.954	170.962
Trade and other payables	192.592	574.118	41.336	808.046
	277.600	**649.678**	**127.290**	**1.054.568**
Total liabilities	**7.692.592**	**7.018.844**	**4.032.946**	**18.744.382**
Net assets acquired (including non-controlling interest)	**5.462.627**	**3.194.210**	**4.354.365**	**13.011.202**
Non-controlling interest	-	248.668	-	248.668
Net assets acquired attributable to equity holders	**5.462.627**	**3.442.878**	**4.354.365**	**13.259.870**
Financed by				
Cash consideration paid	4.372.000		2.087.608	6.459.608
Issuance of redeemable-convertible shares	698.650			698.650
Issuance of ordinary shares	-	3.068.634	-	3.068.634
Accounts receivable swap (netting)	-	-	2.310.026	2.310.026
Total consideration	**5.070.650**	**3.068.634**	**4.397.634**	**12.536.918**
Gain realized on acquisition	**391.977**	**374.244**	**-**	**766.221**
Goodwill	**-**	**-**	**(43.269)**	**(43.269)**

16. Investment Property Acquisitions and Goodwill Movement (continued)

b. Goodwill Movement

Management decided to fully impair the goodwill resulting mainly from the 2015 acquisitions and to a lesser extent from the 2014 acquisitions as they expect that the future cashflow to be generated from the related properties, based on year end valuations and sales price expectations do not validate any more.

Goodwill	**31 Dec 2015**	**31 Dec 2014**
	€	**€**
Opening Balance	43.269	-
Goodwill on acquisitions (Note 16a)	613.813	43.269
Goodwill impairment	(657.082)	-
Total	**-**	**43.269**

17. Investments in associates

In May 2015 by acquiring the mixed use Sec South portfolio (Note 16) the Group acquired participation in certain properties classified under Investments in Associates. The associates acquired are as follows:

a) Green Lake Development srl, is a residential compound company which consists as at end of the reporting period of 40 apartments plus 23 villas as well as 4 commercial use designated buildings (Phase A of Green Lake project). The compound is situated on the banks of Grivita Lake, in the northern part of the Romanian capital. The compound includes also facilities such as private kindergarten, nautical club, outdoor sport courts, and restaurants. The Company has a 40,35% participation in this asset. The property as of the end of the reporting period was 41% let.
b) The Company acquired a 24,35% participation in the Delea Nuova office building property in Bucharest. The property is a 10.280 sqm office building, which consists of two underground levels, a ground floor and ten above-ground floors. As of the end of the reporting period, the building was 100% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA).The table below summarizes the movements in the carrying amount of the Group's investment in associates.

	€
At 1 January 2015	**-**
Cost of investment in associates	6.132.516
Share of profits /(losses) from associates	(1.244.572)
At 31 December 2015	**4.887.944**

Share of profits/(losses) from associates reflects the post acquisition after tax profits of each associate derived from rental income, change in the fair value of properties, minus operational and financial expenses for the year ended 31 December 2015.

As at 31 December 2015, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	**Associates**	**Total assets**	**Total liabilities**	**Profit/ (loss)**	**Holding**	**Share of profits from associates**	**Country**	**Asset type**
		€	**€**	**€**	**%**	**€**		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct S.R.L.	24.232.215	(4.158.521)	(2.895.756)	24,354%	(705.232)	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	15.651.396	(16.080.270)	(2.374.548)	40,35%	(539.340)	Romania	Residential assets
Total		**39.880.611**	**(20.238.791)**	**(5.270.304)**		**(1.244.572)**		

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

18. Tangible and intangible assets

As at 31 December 2015 the intangible assets were composed of the capitalized expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €90.647. Amortization was recognized during 2015 and amounts to €30.213 as the system was already in use.

As at 31 December 2015 and 2014 the tangible non-current assets mainly consisted of the machinery and equipment used for the servicing the Group's investment properties in Ukraine and Romania.

19. Inventories

	31 Dec 2015	31 Dec 2014
	€	€
Inventories	**11.300.000**	**-**

In May 2015 by acquiring the mixed use Sec South portfolio (Note 16) the Group also acquired also 100% of a residential portfolio in Boyana, Sofia, Bulgaria which is classified as Inventory. The Group had at Boyana Residence 61 apartment units as at the end of the reporting period and adjacent land plots with surface of 17.000 sqm.

20. Available for sale financial assets

In April 2015 the Group completed the acquisition of a 20% interest in a fully let and income generating office building in Sofia, Autounion, for a cash consideration of €4.059.839 including the assignment of a loan amounting to €1.859.278 including accumulated interest up to the acquisition date (Note 21). The holding is classified as "Available for Sale Financial Assets" in conformity with IAS 39.

	31 Dec 2015	31 Dec 2014
	€	€
At 1 January		
Acquisition cost of the investment	2.298.006	-
Fair Value gain	485.529	-
At 31 December	**2.783.535**	**-**

Autounion is a Class A BREEAM certified office building, located to close to Sofia Airport. The building has a Gross Lettable Area of 19.476 square sqm over ten floors, includes underground parking and is fully let to one of the largest Bulgarian insurance companies on a long lease extending to 2027.

Fair value gain for the reporting period represents the difference between the fair value of the investment at acquisition date minus the fair value of investment at the reporting date.

21. Prepayments and other current assets

	31 Dec 2015	31 Dec 2014
	€	€
Prepayments and other receivables	792.565	922.115
Loan to Available for Sale Financial Assets (Note 20)	1.905.933	-
Loan to associates	254.718	-
VAT and other tax receivable	938.464	1.229.057
Deferred expenses	921.427	2.100.317
Receivables due from related parties	3.384	-
Allowance for impairment of prepayments and other current assets	(21.268)	-
Total	**4.795.223**	**4.251.489**

Prepayments and other receivables include receivables from tenants, as well as short term financial support to subsidiaries.

Loan to Available for Sale Financial Assets reflects a loan receivable from Bluehouse V, holding company of Autounion building (Note 20).

Loan to associates reflects a loan receivable from Greenlake Developement SRL, holding company of Greenlake Phase A (Note 17, Note 33.4).

VAT and other tax receivable is mainly the current portion of the Terminal Brovary VAT receivable, to be offset from VAT charged over rental income during the next years.

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

22. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	31 Dec 2015	31 Dec 2014
	€	€
Cash with banks in USD	25.205	43.612
Cash with banks in EUR	214.177	495.052
Cash with banks in UAH	40.505	150.029
Cash with banks in RON	569.424	201.984
Cash with banks in BGN	3.701	-
Cash equivalents	42.410	1.261
Total	**895.422**	**891.938**

23. Share capital

Number of Shares during 2015

	31 December 2014	13 March 2015	31 May 2015	29 June 2015	1 July 2015	27 July 2015	12 August 2015	31 December 2015
		Increase of share capital	Increase of share capital	Repayment of redeemable preference shares	Increase of share capital	Exercise of warrants	Exercise of warrants	
Authorised								
Ordinary shares of €0,01	989.869.935							**989.869.935**
Total equity	**989.869.935**							**989.869.935**
Redeemable Preference Class A Shares of €0,01	785.000							**785.000**
Redeemable Preference Class B Shares of €0,01					8.618.997			**8.618.997**
Total	990.654.935				8.618.997			**999.273.932**
Issued and fully paid								
Ordinary shares of €0,01	33.884.054	23.777.748	18.028.294	-		8.785.580	5.539.047	**90.014.723**
Total equity	33.884.054	23.777.748	18.028.294	**-**		8.785.580	5.539.047	**90.014.723**
Redeemable Preference Class A Shares of €0,01	785.000			(392.500)				**392.500**
Redeemable Preference Class B Shares of €0,01					8.618.997			**8.618.997**
Total	34.669.054	23.777.748	18.028.294	(392.500)	8.618.997	8.785.580	5.539.047	**99.026.220**

Number of Shares during 2014

	31 December 2013	20 March 2014	16 May 2014	24 June 2014	28 August 2014	30 October 2014	31 December 2014
		Reduction of Share Capital	Increase of Share Capital				
Authorised							
Ordinary shares of €0,01	989.869.935	-	-	-	-	-	**989.869.935**
Ordinary Shares of €0,92	1	(1)	-	-	-	-	**-**
Deferred Shares of €0,99	4.142.727	(4.142.727)	-	-	-	-	**-**
Total equity	**994.012.663**	**(4.142.728)**	**-**	**-**	**-**	**-**	**989.869.935**
Redeemable Preference Shares of €0,01	-	-	785.000	-	-	-	**785.000**
Total	**994.012.663**	**(4.142.728)**	**785.000**	**-**	**-**	**-**	**990.654.935**
Issued and fully paid							
Ordinary shares of €0,01	28.171.833	-	-	616.726	3.934.853	1.160.642	**33.884.054**
Ordinary Shares of €0,92	1	(1)	-	-	-	-	**-**
Deferred Shares of €0,99	4.142.727	(4.142.727)	-	-	-	-	**-**
Total equity	**32.314.561**	**(4.142.728)**	**-**	**616.726**	**3.934.853**	**1.160.642**	**33.884.054**
Redeemable Preference Shares of €0,01	-	-	785.000	-	-	-	**785.000**
Total	**32.314.561**	**(4.142.728)**	**785.000**	**616.726**	**3.934.853**	**1.160.642**	**34.669.054**

23. Share capital (continued)

Value (€) for 2015

€	31 December 2014	13 March 2015	31 May 2015	29 June 2015	1 July 2015	27 July 2015	12 August 2015	31 December 2015
		Increase of share capital	Increase of share capital	Repayment of redeemable preference shares	Increase of share capital	Exercise of warrants	Exercise of warrants	
Authorised								
Ordinary shares of €0,01	9.898.699							**9.898.699**
Total equity	**9.898.699**							**9.898.699**
Redeemable Preference Class A Shares of €0,01	7.850							**7.850**
Redeemable Preference Class B Shares of €0,01	-				86.190			**86.190**
Total	**9.906.549**				**86.190**			**9.992.739**
Issued and fully paid								
Ordinary shares of €0,01	338.839	237.777	180.283			87.856	55.390	**900.145**
Total equity	**338.839**	**237.777**	**180.283**			**87.856**	**55.390**	**900.145**
Redeemable Preference Class A Shares of €0,01	7.850			(3.925)				**3.925**
Redeemable Preference Class B Shares of €0,01	-				86.190			**86.190**
Total	**346.689**	**237.777**	**180.283**	**(3.925)**	**86.190**	**87.856**	**55.390**	**990.260**

Value (€) for 2014

€	31 December 2013	20 March 2014	16 May 2014	24 June 2014	28 August 2014	30 October 2014	31 December 2014
		Reduction of Share Capital	Increase of Share Capital				
Authorised							
Ordinary shares of €0,01	9.898.699	-	-	-	-	-	**9.898.699**
Ordinary Shares of €0,92	1	(1)	-	-	-	-	**-**
Deferred Shares of €0,99	4.101.300	(4.101.300)	-	-	-	-	**-**
Total equity	**14.000.000**	**(4.101.301)**	**-**	**-**	**-**	**-**	**9.898.699**
Redeemable Preference Shares of €0,01	-	-	7.850	-	-	-	**7.850**
Total	**14.000.000**	**(4.101.301)**	**7.850**	**-**	**-**	**-**	**9.906.549**
Issued and fully paid							
Ordinary shares of €0,01	281.717	-	-	6.167	39.349	11.606	**338.839**
Ordinary Shares of €0,92	1	(1)	-	-	-	-	**-**
Deferred Shares of €0,99	4.101.300	(4.101.300)	-	-	-	-	**-**
Total equity	**4.383.018**	**(4.101.301)**	-	6.167	39.349	11.606	**338.839**
Redeemable Preference Shares of €0,01	-	-	7.850	-	-	-	**7.850**
Total	**4.383.018**	**(4.101.301)**	**7.850**	**6.167**	**39.349**	**11.606**	**346.689**

23. Share capital (continued)

23.1 Authorised share capital

As at the end of 2014 the authorized share capital of the Company was 989.869.935 Ordinary Shares of €0,01 nominal value each and 785.000 Preference Shares of €0,01 nominal value each.

During the EGM dated 24 June 2015, it was approved by the shareholders of the Company that the authorized share capital of the Company will be increased to €9.992.739,35 divided into: (a) 989.869.935 ordinary shares of € 0,01 each; (b) 785.000 Redeemable Preference Shares Class A of €0,01 each; and (c) 8.618.997 Redeemable Preference Shares Class B of €0,01 each by the creation of 8.618.997 Redeemable Preference Shares Class B of €0,01 each. The above approval has effective date of 1st July 2015. The reorganization of the capital was mandated by the acquisition growth plan of the Company since the creation of the Redeemable Preference Shares Class B was necessary to be issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of the income producing real estate asset in Craiova, Romania, which the Company acquired in July 2015.

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

23.2 Issued Share Capital

As at the end of 2014 the issued share capital of the Company was 33.884.054 Ordinary Shares of €0,01 nominal value each, and 785.000 Preference Shares of €0,01 nominal value each.

A. Further to the resolutions approved at the AGM of 31 December 2014 the Board has proceeded in allocating shares as follows:

   1. On 13/3/2015, with the allotment of 23.777.748 ordinary shares of €0,01 each for the purpose of capital raising of €8.000.000 in the Company by its existing shareholders.
   2. On 31/5/2015, with the allotment of 18.028.294 ordinary shares of €0,01 each for the purpose of an in kind contribution of mixed Portfolio acquisition (Notes 15,16,17). The shares issued for this purpose are locked in for 12 months.
   3. On 27/7/2015 and on 12/8/2015, with the allotment of 14.324.627 (8.785.580 and 5.539.047 respectively) ordinary shares of €0,01 each which were the Class A Warrants exercised (part of the total of 18.028.294 warrants) that have been provided as part of the in kind contribution of mixed Portfolio acquisition and (Notes 15,16,17).

B. Furthermore the Company proceeded on 29/6/2015 with payment of half of the issued convertible shares (392.500) but the cancellation of these shares with the appropriate authorities will be completed during 2016.

C. Finally, further to the resolutions approved at the EGM of 24 June 2015 the Board has proceeded on 1st July 2015 in issuing 8.618.997 Redeemable Preference Shares Class B of €0,01 each to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of the income producing real estate asset in Craiova, Romania, which the Company acquired in July 2015 (Note 37f).

As at the end of the reporting period the issued share capital of the Company is as follows:

a) 75.690.096 Ordinary Shares of €0,01 nominal value each,

b) 392.500 Redeemable Preference Class A Shares of €0,01 nominal value each, following the above described redemption which shall be officially finalized during 2016, and

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

23.3 Option schemes

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

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

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

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

23. Share capital (continued)

23.3 Option schemes (continued)

C. Under a scheme adopted in 2015, pursuant to an approval by the AGM of 31/12/2013, the Company proceeded in 2015 in issuing 590.000 options to its employees, as a reward for their effort and support during the previous year. Each option entitles the Option holder to one Ordinary Share. Exercise price stands at GBP 0,15. The Option holders lose and thus may not exercise any option from the moment they cease to offer their services to the Company. The CEO and the CFO of the Company did not receive any options.
   a. 147.500 Options may be exercised within 2016. Out of the Options that may be exercised in 2016, none has been exercised until the reporting date.
   b. 147.500 Options may be exercised within 2017,
   c. 295.000 Options may be exercised within 2018.

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

23.4 Class A Warrants issued

During the reporting period the Company acquired the Sec South portfolio (Notes 15,16,17) in exchange of Ordinary shares (issued at GBP 0,65 each). To the sellers the Company also provided Class A Warrants giving the right to the Warrant holders to subscribe in cash at the Exercise Amount for the Ordinary Shares. The Company issued then two sets of Class A Warrants as follows:

1) 18.028.294 warrants corresponding to 18.028.294 ordinary shares, exercisable within 45 days from signing at an exercise price of £0,10 per ordinary share. By August 2015 (Note 23.2) , 14.324.627 out of a total of 18.028.294 warrants were exercised. Any remaining warrants have lapsed.

2) 18.028.294 warrants corresponding to 18.028.294 ordinary shares, exercisable by 31 December 2016 at an exercise price of £0,45 per ordinary share.

23.5 Class B Warrants issued

On 8 August 2011 the Company issued an amount of Class B Warrants for an aggregate equivalent to 12,5% of the issued share capital of the Company at the exercise date. Each Class B Warrant entitles the holder to receive one Ordinary Share. The Class B Warrants may be exercised at any time until 31st December 2016, pursuant to a decision by the AGM of 30/12/2013. The exercise price of the Class B Warrants will be the nominal value per Ordinary Share as at the date of exercise. The Class B Warrant Instruments have anti-dilution protection so that, in the event of further share issuances by the Company, the number of Ordinary Shares to which the holder of a Class B Warrant is entitled will be adjusted so that he receives the same percentage of the issued share capital of the Company (as nearly as practicable), as would have been the case had the issuances not occurred. This anti-dilution protection will freeze on the earlier of (i) the expiration of the Class B Warrants; and (ii) capital increase(s) undertaken by the Company generating cumulative gross proceeds in excess of US$100.000.000. As of the reporting date, the aggregate amount of class B warrant is 12.859.246.

23.6 Capital Structure as at the end of the reporting period

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

Number of		(as at) 31 December 2015	(as at) 31 December 2014
Ordinary shares of €0,01	Issued and Listed in AIM	90.014.723	33.884.054
Class A Warrants		18.028.294	-
Class B Warrants		12.859.246	4.840.579
Total number of Shares	Non-Dilutive Basis	90.014.723	33.884.054
Total number of Shares	Full Dilutive Basis	102.873.969	38.724.633
Options		4.460	4.460

During the EGM dated 24 June 2015 the shareholders approved the issuance of 785.000 redeemable convertible preference SPDI shares of nominal value €0,01 each. The Preference Shares have no voting powers or rights to dividend. 392.500 of the Redeemable Preference Shares Class A were redeemed on 31 January 2015 ("Redemption Date 1") at a price of €0,89 each. The remaining 392.500 of the Preference Shares may be redeemed by 31 January 2016 (the "Redemption Date 2") at the price of €0,89. At any time prior to the Redemption Date the holders have the option to unilaterally convert the Preference Shares into ordinary shares of €0,01 each.

During the EGM dated 24 June 2015, the shareholders approved the reorganization of the Capital of the Company via the reclassification of the old Redeemable shares as Redeemable Preference Shares Class A and via the issuance of 8.618.997 Redeemable Preference Shares Class B of €0,01 for the purpose of acquiring Craiova asset in Romania. The above approval has effective date 1st July 2015.

Redeemable Preference Shares Class A

The Redeemable Preference Shares Class A do not have voting or dividend rights. The remaining 392.500 of the Redeemable Shares Class A may be redeemed by the Company at a price of €0,89 each. The holders of the Redeemable Preference Shares Class A have notified the Company for redemption and the Company has entered into discussions with them in order to setoff such redemption amount with rentals owed to Best Day srl by the holders.

23. Share capital (continued)

23.6 Capital Structure as at the end of the reporting period (continued)

Redeemable Preference Shares Class B

The Redeemable Preference Shares Class B, amounting to 8.618.997 and issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of Praktiker Craiova asset (Note 16) do not have voting rights but have economic rights at par with ordinary shares. The Redeemable Preference Shares Class B, if not converted into ordinary Shares, may be redeemed at the sole discretion of the holder of the Redeemable Preference Shares Class B by 1st July 2016 (the "Redemption Date") which may be prolonged by 3 months; the redemption price shall be €0,7056 per Redeemable Preference Share Class B. The Redeemable Preference Shares Class B have priority on the winding-up of the Company, over any other shares or class of shares issued by the Company from time to time including without limitation the Redeemable Preference Shares Class A but otherwise rank pari passu with the ordinary shares in all other respects (Note 37f).

24. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency 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 the EUR in the countries where the Company's subsidiaries' functional currencies are not EUR.

25. Non-Controlling Interests

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

%	Non-controlling interest portion	
Group Company	**31 Dec 2015**	**31 Dec 2014**
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Limited	10,00	55,00
Ketiza srl	10,00	55,00
Ram Real Estate Management Limited	50,00	-
Iuliu Maniu Limited	55,00	-
Moselin Investments Srl	55,00	-
Rimasol Enterprises Limited	55,76	-
Rimasol Real Estate Srl	55,76	-
Ashor Ventures Limited	55,76	-
Ashor Development Srl	55,76	-
Jenby Ventures Limited	55,70	-
Jenby Investments Srl	55,70	-
Ebenem Limited	55,70	-
Ebenem Investments Srl	55,70	-

26. Borrowings

	Project	31 Dec 2015	31 Dec 2014
		€	€
Principal of bank Loans			
European Bank for Reconstruction and Development ("EBRD")	Terminal Brovary	12.164.107	11.808.915
Banca Comerciala Romana	Monaco Towers	1.210.962	1.783.826
Bancpost SA	Blooming House	1.739.634	2.157.501
Alpha Bank Romania	Romfelt Plaza	869.602	1.184.688
Raiffeisen Bank Romania	Linda Residence	429.858	1.093.176
Bancpost SA	GreenLake – Parcel K	3.099.639	-
Alpha Bank Bulgaria	Boyana	3.460.813	-
Alpha Bank Bulgaria	Boyana/Sertland	736.864	
Bank of Cyprus	Delia Lebada/Pantelimon	4.569.725	-
Eurobank Ergasias SA	GED Logistics	12.343.116	-
Piraeus Bank SA	GreenLake-Phase 2	2.525.938	-
Marfin Bank Romania	Praktiker Craiova	4.839.149	-
Loans by non-controlling shareholders		2.713.458	-
Overdrafts		26.516	-
Total Principal of Bank Loans		**50.729.381**	**18.028.106**
Restructuring fees and interest payable to EBRD		32.767	29.685
Interest accrued on bank loans		2.175.165	240.619
Interests accrued on non-bank loans		743.466	-
Prepaid fees to EBRD		-	(81.988)
Total		**53.680.779**	**18.216.422**

26. Borrowings (continued)

	31 Dec 2015	31 Dec 2014
	€	€
Current portion	27.417.220	5.960.706
Non-current portion	26.263.559	12.255.716
Total	**53.680.779**	**18.216.422**

EBRD loan related to Terminal Brovary (Note 37b)

The restructuring of the Brovary construction loan with the EBRD which was signed in December 2014 and became effective in February 2015. According to the agreement the loan repayment was extended to 2022, with a balloon payment of US$3.633.333. The loan has an interest of 3 M LIBOR + 6,75%.

Under the current agreement the collaterals accompanying the existing loan facility are as follows:

1. LLC Terminal Brovary pledged all movable property with the carrying value more than US$25.000.
2. LLC Terminal Brovary pledged its Investment property, Brovary Logistics Centre the construction of which was finished in 2010 (Note 15), and all property rights on the center.
3. SPDI PLC pledged 100% corporate rights in SL SECURE Logistics Ltd, a Cyprus Holding Company which is the Shareholder of LLC Terminal Brovary, LLC Aisi Brovary.
4. SL SECURE Logistics Ltd pledged 99% corporate rights in LLC Aisi Brovary.
5. LLC Aisi Brovary pledged 100% corporate rights in LLC Terminal Brovary.
6. LLC Terminal Brovary pledged all current and reserve accounts opened by LLC Terminal Brovary in Unicreditbank Ukraine.
7. LLC Aisi Brovary entered into a call and put option agreement with EBRD, pursuant to which following an Event of Default (as described in the Agreement) EBRD has the right (Call option) to purchase at the Call Price from LLC Aisi Brovary, 20% of the Participatory Interest of LLC Terminal Brovary on the relevant Settlement Date.
8. LLC Terminal Brovary has granted EBRD a second ranking mortgage in relation to its own and LLC Aisi Brovary's obligations under the call and put option agreement.
9. LLC Terminal Brovary has pledged its rights arising in connection with the existing Lease agreements with Tenants.
10. LLC Aisi Brovary has entered with EBRD into a conditional assignment agreement of 20% and 80% corporate rights in LLC Terminal Brovary.
11. SL Secure Logistics Limited has entered with EBRD into a conditional assignment agreement of 99% corporate rights in LLC Aisi Brovary.
12. SPDI PLC has issued a corporate guarantee dated 12 January 2009 guaranteeing all liabilities and fulfilment of conditions under the existing loan agreement remains in force. The maturity of the guarantee is equal to the maturity of the loan.

The existing credit agreement with EBRD includes among others the following requirements for LLC Terminal Brovary and the Group as a whole:

1. At all times LLC Brovary Logistics shall maintain a balance in the Debt Service Reserve Amount (DSRA) account equal to not less than the sum of all payments of principal and interest on the Loan which will be due and payable during the next six months.
2. LLC Terminal Brovary shall achieve a "CNRI"(Contract Net Rental Income is the aggregate of monthly lease payments, net of value added tax, contracted by the Borrower pursuant to the Lease Agreements as of the relevant testing date and converted into Dollars at the official exchange rate established by the National Bank of Ukraine as of such testing date) according to the following schedule:
   (1) on 31 December 2015, CNRI of USD 230.000 or more; and
   (2) on 30 June and 31 December in each year commencing on the date of 30 June 2016, CNRI of USD 250.000 or more, in respect of the six month period commencing on any such date.
3. LLC Terminal Brovary shall achieve a "DSCR"(Debt Service Coverage Ratio is the sum of net income minus operating expenses plus amortization, divided with the sum of paid principal & interest) according to the following schedule:
   i. in respect of the 6 months period ending on 30 June 2015 and 31 December 2015, the DSCR of more than 1,15x.
   ii.in respect of the 6 months period ending on 30 June or 31 December in any year commencing on the date of 30 June 2016, the DSCR of more than 1,2x.

As certain of the covenants were breached as at the end of the reporting period and also Terminal Brovary LLC was late in repaying the March 2015 installments, the loan is classified as current (Note 37c). As of the reporting date all March principal installments have been repaid. As of the reporting date the covenants remain in breach. In addition as at reporting date an agreement has been signed for the potential disposal of the asset (Note 37b).

Other bank Borrowings

SecMon Real Estate Srl (2011) entered into a loan agreement with Banca Comerciala Romana for a credit facility for financing part of the acquisition of the Monaco Towers Project apartments. As of the end of the reporting period the balance of the loan was €1.210.962 and bears interest of EURIBOR 3M plus 5%. The loan was repayable in October 2015 and the Company is in discussions for extension of its maturity. The loan is secured by all assets of SecMon Real Estate Srl as well as its shares.

Ketiza Real Estate Srl entered (2012) into a loan agreement with Bancpost S.A. for a credit facility for financing the acquisition of the Blooming House Project and 100% of the remaining (without VAT) construction works Blooming House project. As of the end of the reporting period the balance of the loan was €1.739.634. The loan bears interest of EURIBOR 3M plus 3,5% and matures in May 2017. The bank loan is secured by all assets of Ketiza Real Estate Srl as well as its shares.

26. Borrowings (continued)

SecRom Real Estate Srl entered (2009) into a loan agreement with Alpha Bank- Romania for a credit facility for financing part of the acquisition of the Doamna Ghica Project apartments. As of the end of the reporting period, the balance of the loan was €869.602, bears interest of EURIBOR 3M+5,25% and is repaid on the basis of investment property sales. The loan matures in October 2016 and the Company is in discussion for extension of its maturity. The loan is secured by all assets of SecRom Real Estate Srl as well as its shares.

SecVista Real Estate Srl entered (2011) into a loan agreement with Raiffeisen Bank- Romania for a credit facility for financing part of the acquisition of the Linda Residence Project apartments. As of the end of the reporting period the balance of the loan was €429.858. The loan bears interest of EURIBOR 1M+5,2%. The loan is secured by all assets of SecVista Real Estate Srl as well as its shares. As at the reporting date, and due to a bulk sale of appartment units in the said project, the loan has been fully repaid (Note 37a).

Moselin Investments Srl (2010) entered into a construction loan agreement with Bancpost SA covering the construction works of Parcel K –Green Lake project. As of the end of the reporting period the balance of the loan was €3.099.639 and bears interest of EURIBOR 3M plus 5%. The loan is repayable from the sales proceeds while it matures in 2017. The loan is secured with the property itself and the shares of Moselin Investments Srl.

Boyana Residence ood entered (2011) into a loan agreement with Alpha Bank- Bulgaria for a construction loan related to the construction of the Boyana Residence projects (finished in 2014). As of the end of the reporting period the balance of the loan was €3.460.813 and bears interest of EURIBOR 3M plus 5,75%. The loan matures in 2017. The loan currently is being repaid through sales proceeds. The facility is secured through a mortgage over the property and a pledge over the company shares as well as those of Sertland Properties Limited.

Sertland Properties Limited entered (2008) into a loan agreement with Alpha Bank- Bulgaria for an acquisition loan related to the acquisition of 70% of Boyana Residence ood. As of the end of the reporting period the balance of the loan was €736.864 and bears interest of EURIBOR 3M plus 5,75%. The loan matures in 2017. The loan currently is being repaid through sales proceeds of Boyana Residence apartment sales. The loan is secured with a pledge on company's shares, and a corporate guarantee by SEC South East Continent Unique Real Estate (Secured) Investments Limited.

SPDI Logistics SA entered (April 2015) into a loan agreement with EUROBANK SA to refinance the then existing debt facility related to GED Logistics terminal. As of the end of the reporting period the balance of the loan is €12.343.166 and bears interest of EURIBOR 6M plus 3,2%+30% of the asset swap. The loan is repayable by 2022, has a balloon payment of €8.660.000 and is secured by all assets of SPDI Logistics SA as well as its shares.

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank (since 2007) for the acquisition of the Green Lake project land in Bucharest Romania._As of the end of the reporting period the balance of the loan was €2.525.938 and bears interest of EURIBOR 3M plus 4% plus the Greek law 128/78 0,6% contribution. The term of the loan facility extends to 2017.

BBB3 srl (Praktiker Craiova) has a loan agreement with Marfin Bank Romania. As of the end of the reporting period the balance of the loan was €4.839.149 and bears interest of EURIBOR 6M plus 5% and 3M plus 4,5%. The loan which is repayable by 2020 with a ballon of €2.110.000 is secured by the asset as well as the shares of the SPV. The Company is in discussions with the lending bank to reschedule the loan to match the cash flow to be agreed with the tenant (Note 37f).

Delia Lebada Invest Srl, a subsidiary, entered into a loan agreement with the Bank of Cyprus Limited in 2007 to effectively finance a leveraged buy-out of the subsidiary by the Company. The bank loan amounting to €4.830.000 is secured with a mortgage at 120% of the loan value and with a corporate guarantee by SEC South East Continent Unique Real Estate (Secured) Investments Limited. The loan bears 7% fixed interest while the interest is payable quarterly. The balance of the loan as at the end of the reporting period was €4.569.725 (without any accrued interest and default penalty). The loan is in default and the Bank has initiated insolvency procedures to take over the Pantelimon lake asset. The Company is currently in discussion with its partner and the bank in an effort to find an amicable settlement to the case.

Other non bank borrowing include borrowings from non-controlling interests. During the last six years and in order to support the Green Lake project the minority shareholders of Moselin and Rimasol ltd (other than the Company) have contributed their share of capital injections by means of shareholder loans. The loans bear interest between 5% and 7% annually and are repayable in 2016 and 2017. Management expects such loans not to be repaid in the foreseeable future, as these reflect mainly the equity consideration of the shareholders and will be repaid to them post project completions/sale.

27. Trade and other payables

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

	31 Dec 2015	31 Dec 2014
	€	€
Payables to related parties (Note 33.2)	743.200	335.004
Payables due for construction	405.904	202.200
Payables to third parties	6.209.235	916.827
Deferred income from tenants current	99.554	145.267
Accruals	259.031	270.239
Total	**7.716.924**	**1.869.537**

27. Trade and other payables (continued)

	31 Dec 2015	31 Dec 2014
	€	€
Current portion	3.044.036	1.654.852
Non – current portion	4.672.888	214.685
Total	**7.716.924**	**1.869.537**

Payables to related parties represent amounts due to board of directors and committee members and accrued management remuneration as well as the balances with Secure Management Ltd and Grafton Properties (Note 33.2).

Payables for construction represent amounts payable to the contractor of Bela Logistic Center in Odessa. The settlement was reached in late 2011 on the basis of maintaining the construction contract in an inactive state (to be reactivated at the option of the Group), while upon reactivation of the contract or termination of it (because of the sale of the asset) the Group would have to pay an additional UAH5.400.000 (~US$160.000) payable upon such event occurring. Since it is uncertain when the latter amount is to be paid, it has been discounted at the current discount rates in Ukraine and is presented as a non-current liability. Payables for construction include an amount of €~245.000 payable to Boyana's constructor which has been withheld as Good Performance Guarantee.

Payables to third parties represent shareholder payable balances owed to minority partners of the property assets acquired within the period as well as amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group.

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

Accruals mainly include the accrued audit fees, administration fees and accounting fees of the year 2015 (expenses not invoiced within 2015).

28. Deposits from Tenants

	31 Dec 2015	31 Dec 2014
	€	€
Deposits from tenants non-current	623.770	499.831
Deposits from tenants current	132.684	161.579
Total	**756.454**	**661.410**

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

29. Provisions and Taxes Payables

	31 Dec 2015	31 Dec 2014
	€	€
Corporate income	482.389	322.727
Defence tax	24.920	34.202
Other taxes including VAT payable	314.696	74.899
Provision (Notes 11, 34)	724.445	68.253
Total Provisisons and Tax Liabilities	**1.546.450**	**500.081**

Corporate income tax represents taxes payable in Cyprus and Romania.

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

30. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €11.273.639 and the current portion of €192.083 (31 December 2014: € 11.463.253 and € 181.723, accordingly).

31 Dec 2015	**Note**	**Minimum lease payments**	**Interest**	**Principal**
		€	€	€
Less than one year	36.2	775.146	586.626	188.520
Between two and five years	&	3.592.679	2.169.534	1.423.145
More than five years	36.6	12.373.657	2.573.824	9.799.833
		16.741.482	**5.329.984**	**11.411.498**
Accrued Interest				54.224
Total Finance Lease Liabilities				**11.465.722**

30. Finance Lease Liabilities (continued)

31 Dec 2014		Minimum lease payments	Interest	Principal
		€	€	€
Less than one year		766.289	584.677	181.612
Between two and five years		3.424.203	2.205.329	1.218.874
More than five years		13.285.643	3.094.876	10.190.767
		17.476.135	**5.884.882**	**11.591.253**
Accrued Interest				53.723
Total Finance Lease Liabilities				**11.644.976**

30.1 Land Plots Financial Leasing

The Group rents in Ukraine land plots classified as finance leases. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as presented above. Following the appropriate discounting finance lease liabilities are carried at €210.448 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

30.2 Sale and Lease Back Agreements

A. Innovations Logistic Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Srl, through a lease back agreement with Piraeus Leasing Romania SA. As of the end of the reporting period the balance is €7.365.404, bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon of €5.244.926. At the maturity of the lease agreement Best Day will become owner of the asset.

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

1. Best Day pledged its future receivables from its tenants.
2. Best Day pledged its shares.
3. Best Day pledged all current and reserved accounts opened in Piraeus Leasing, Romania.
4. Best Day is obliged to provide cash collateral in the amount of €250.000 in Piraeus Leasing Romania, which had been be deposited as follows, half in May 2014 and half in May 2015.
5. SPDI provided a corporate guarantee in favor of the bank towards the liabilities of Best Day arising from the sale and lease back agreement.

B. EOS Business Park

In October 2014 the Group concluded the acquisition of EOS Business Park in Bucharest, owned by First Phase Srl, through a sale and lease back agreement with Alpha Bank Romania SA. As of the end of the reporting period the balance is €3.889.870 bearing interest rate at 3M Euribor plus 5,25% margin, being repayable in monthly tranches until 2024 with a balloon of €2.653.600. At the maturity of the lease agreement First Phase will become owner of the asset.

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

1. First Phase pledged its future receivables from its tenants.
2. First Phase pledged Bank Guarantee receivables from its tenants.
3. Best Day pledged its shares.
4. First Phase pledged all current and reserved accounts opened in Alpha Bank Romania SA.
5. First Phase is obliged to provide cash collateral in the amount of €300.000 in Alpha Bank Romania SA, starting from October 2019.
6. SPDI provided a corporate guarantee in favor of the bank towards the liabilities of First Phase arising from the sales and lease back agreement.

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

a. Weighted average number of ordinary shares

	31 Dec 2015	31 Dec 2014
Issued ordinary shares capital	90.014.723	33.884.054
Weighted average number of ordinary shares (Basic)	69.460.155	30.037.571
Diluted weighted average number of ordinary shares	82.631.610	34.204.860

b. Basic diluted and adjusted earnings per share

Earnings per share	31 Dec 2015	31 Dec 2014
	€	€
Profit/(loss) after tax attributable to owners of the parent	(11.015.852)	927.337
Basic	(0,16)	0,03
Diluted	(0,13)	0,03

31. Earnings and net assets per share attributable to equity holders of the parent (continued)

c. Net assets per share

Net assets per share	31 Dec 2015	31 Dec 2014
	€	€
Net assets attributable to equity holders of the parent	42.433.125	32.560.472
Number of ordinary shares	90.014.723	33.884.054
Diluted number of ordinary shares	102.873.969	38.866.775
Basic	0,47	0,96
Diluted	0,41	0,84

32. 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
- Office segment
- Retail segment

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.

Profit and Loss for the year 2015

	Warehouse	Office	Retail	Residential	Land Plots	Total
	€	€	€	€	€	€
Segment profit						
Sales income	-	-	-	1.725.326	-	1.725.326
Cost of sales	-	-	-	(2.043.649)	-	(2.043.649)
Rental income	3.627.698	523.013	258.191	196.120	-	4.605.022
Service charges and utilities income	470.413	75.563	-	-	-	545.976
Sale of electricity	297.962	-	-	-	-	297.962
Valuation gains/(losses) from investment property	(89.178)	150.000	(2.870.000)	251.500	222.431	(2.335.247)
Gain realized on acquisition of subsidiaries (Note 16)	1.552.134	-	-	-	-	1.552.134
Share of profits/(losses) from associates		(705.232)	-	-	(539.340)	(1.244.572)
Investment properties operating expenses	(622.699)	(155.931)	(31.010)	(156.863)	(158.080)	(1.124.583)
Impairment of inventory and provisions	-	-	-	-	(1.675.659)	(1.675.659)
Goodwill impairment		(43.269)	(613.813)			(657.082)
Segment profit	**5.236.330**	**(155.856)**	**(3.256.632)**	**(27.566)**	**(2.150.648)**	**(354.372)**
Gain realized on acquisition of subsidiaries (Note 16)						629.700
Administration expenses						(2.981.338)
Other (expenses)/income, net						621.252
Finance income						63.596
Interest expenses						(3.834.696)
Other finance costs						(603.495)
Foreign exchange losses, net						(5.071.048)
Income tax expense						(80.188)
Exchange difference on I/C loan to foreign holdings						(13.653.402)
Exchange difference on translation foreign holdings						8.064.848
Available for sale financial assets gains						485.529
Total Comprehensive Income	**5.236.330**	**(155.856)**	**(3.256.632)**	**(27.566)**	**(2.150.648)**	**(16.713.614)**

32. Segment information (continued)

Profit and Loss for the year 2014

	Warehouse	Office	Residential	Land Plots	Total
	€	€	€	€	€
Segment profit					
Sales income	-	-	107.917	-	107.917
Cost of sales	-	-	(93.459)	-	(93.459)
Rental income	2.857.904	46.601	159.370	-	3.063.875
Service charges and utilities income	506.599	6.971	-	-	513.570
Valuation gains/(losses) from investment property	10.328.525	550.000	(1.581.000)	-	9.297.525
Segment profit	**13.693.028**	**603.572**	**(1.407.172)**	**-**	**12.889.428**
Gain realized on acquisition of subsidiaries (Note 16)	-	-	-	-	766.221
Investment properties operating expenses	(598.328)	(38.869)	(23.066)	-	(660.263)
Administration expenses	-	-	-	-	(2.743.723)
Other (expenses)/income, net	-	-	-	-	(136.058)
Finance costs (net)	-	-	-	-	(1.414.400)
Foreign exchange losses, net	-	-	-	-	(7.512.640)
Income Tax expense					(220.476)
Exchange difference on I/C loan to foreign holdings					(19.746.111)
Exchange difference on translation foreign holdings					8.904.153
Total Comprehensive Income	**13.094.700**	**564.703**	**(1.430.238)**	**-**	**(9.873.869)**

Balance Sheet as at 31 December 2015

	Warehouse	Office	Retail	Residential	Land plots	Total
	€	€	€	€	€	€
Assets						
Investment properties	43.164.324	6.550.000	7.200.000	6.847.538	30.578.609	94.340.471
Investment property under development	-	-	-	-	5.125.389	5.125.389
Prepayments made for investments	100.000	-	-	-	-	100.000
Goodwill	-	-	-	-	-	-
Long-term receivables	250.000	-	-	1.185	1.731	252.916
Investments in associates	-	4.887.943	-	-	1	4.887.944
Available-for-sale financial assets	-	2.783.535	-	-	-	2.783.535
Inventories	-	-	-	6.990.150	4.309.850	11.300.000
Segment assets	**43.514.324**	**14.221.478**	**7.200.000**	**13.838.873**	**40.015.580**	**118.790.255**

Tangible and intangible assets						164.617
Prepayments and other current assets						4.795.223
Cash and cash equivalents						895.422
Total assets						**124.645.517**
Interest bearing borrowings	24.539.925	-	4.839.149	4.586.129	19.715.576	53.680.779
Finance lease liabilities	7.508.988	3.889.870	**-**	**-**	66.864	11.465.722
Deposits from tenants	614.018	-	-	37.444	104.992	756.454
Redeemable preference shares	349.325	-	6.081.211	-	-	6.430.536
Segment liabilities	**33.012.256**	**3.889.870**	**10.920.360**	**4.623.573**	**19.887.432**	**72.333.491**
Trade and other payables	**-**	**-**	**-**	**-**	-	7.716.924
Taxes payables	**-**	**-**	**-**	**-**	-	1.546.450
Total liabilities	**33.012.256**	**3.889.870**	**10.920.360**	**4.623.573**	**19.887.432**	**81.596.865**

32. Segment information (continued)

Balance Sheet as at 31 December 2014

	Warehouse	Office	Residential	Land plots	Total
	€	€	€	€	€
Assets					
Investment properties	31.463.310	6.400.000	8.373.000	7.296.877	53.533.187
Investment property under development	-	-	-	5.083.216	5.083.216
Prepayments made for investments	624.841	-	-	2.049.378	2.674.219
Goodwill	-	43.269	-	-	43.269
Long-term receivables	125.909	-	-	-	125.909
Segment assets	**32.214.060**	**6.443.269**	**8.373.000**	**14.429.471**	**61.459.800**
Tangible and intangible assets	-	-	-	-	200.203
Prepayments and other current assets	-	-	-	-	4.251.489
Cash and cash equivalents	-	-	-	-	891.938
Total assets					**66.803.430**
Interest bearing borrowings	11.756.612	-	6.459.810	-	18.216.422
Finance lease liabilities	7.594.863	3.981.252	-	68.861	11.644.976
Deposits from tenants	621.129	-	40.281	-	661.410
Redeemable preference shares	698.650	-	-	-	698.650
Provisions	-	-	-	68.253	68.253
Segment liabilities	**20.671.254**	**3.981.252**	**6.500.091**	**137.114**	**31.289.711**
Trade and other payables	-	-	-	-	1.869.537
Taxes payables and Provisions	-	-	-	-	431.828
Total liabilities	**20.671.254**	**3.981.252**	**6.500.091**	**137.114**	**33.591.076**

Geographical information

Operating income from 3rd parties	**31 Dec 2015**	**31 Dec 2014**
	€	€
Ukraine	1.835.181	2.439.780
Romania	2.182.045	1.152.123
Greece	1.163.832	-
Bulgaria	(50.421)	-
Total	**5.130.637**	**3.591.903**

	31 Dec 2015	**31 Dec 2014**
	€	€
Carrying amount of assets (investment properties, associates, inventory and available for Sale)		
Ukraine	24.349.860	31.892.781
Romania	63.503.944	28.773.000
Greece	16.600.000	624.841
Bulgaria	14.083.535	-
Total	**118.537.339**	**61.290.622**

33. Related Party Transactions

The following transactions were carried out with related parties:

33.1 Expenses /Income

<u>33.1.1 Expenses</u>

	31 Dec 2015	**31 Dec 2014**
	€	€
Board of Directors	278.417	171.197
Management Remuneration	863.810	553.379
Back office expenses	8.874	70.289
Total	**1.151.101**	**794.865**

Board of Directors expense represents the remuneration of all the non-executive members of the Board and committees pursuant to the decision of the Remuneration Committee.

33. Related Party Transactions (continued)

33.1 Expenses /Income (continued)

33.1.1 Expenses (continued)

Name	Position	2015 Remuneration (€)	2014 Remuneration (€)
Paul Ensor	Chairman	33.132	19.820
Antonios Achilleoudis	Non-Executive Director until 22 July 2015	14.383	22.298
Barseghyan Vagharshak	Non-Executive Director since 22 July 2015	16.921	-
Ian Domaille	Non-Executive Director	45.141	27.006
Franz Horhager	Non-Executive Director	33.132	19.820
Antonios Kaffas	Non-Executive Director	38.101	22.793
Kalypso Maria Nomikou	Non-Executive Director since 22 July 2015	16.921	-
Alvaro Portela	Non-Executive Director	33.132	19.820
Robert Sinclair	Non-Executive Director until 22 July 2015	13.499	19.820
Harin Thaker	Non-Executive Director	34.055	19.820

Management remuneration includes the remuneration of the CEO,the CFO the Group Commercial Director, the Group Investment Director and that of the Country Managers of Ukraine and Romania pursuant to the decisions of the remuneration committee. During 2015 the remuneration has been increased as the the Gross Asset Value of the Company grew. The increase was as mandated by the remuneration policy.

33.1.2 Income

	31 Dec 2015	31 Dec 2014
	€	€
Interest Income from loan from associates	2.055	-
Total	**2.055**	**-**

33.2 Payables to related parties

	31 Dec 2015	31 Dec 2014
	€	€
Board of Directors & Committees	475.389	193.212
Grafton Properties	123.549	123.548
SECURE Management Ltd	1.062	18.244
Management Remuneration	143.200	-
Total	**743.200**	**335.004**

33.2.1 Board of Directors & Committees
The amount payable represents remuneration payable to non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's cash flow, receive their payment in exchange for shares in the Company's capital. This was approved also by the Annual General Meeting of the Company's shareholders.

33.2.2 Loan payable to Grafton Properties
Under the Settlement Agreement of July 2011, the Company undertook the obligation to repay to certain lenders who had contributed funds for the operating needs of the Company between 2009-2011, by lending to AISI Realty Capital LLC, the total amount of US$450.000. As of the reporting date the liability towards Grafton Properties, representing the Lenders, was US$150.000, which is contingent on the Company raising US $50m of capital in the markets.

33.2.3 Management Remuneration
Management Remuneration represents deferred amounts payable to the CEO and CFO of the Company, as well as the Group Commercial Director, the Group Investment Director and the Country Managers for Romania and Ukraine.

33.3 Loans from SC Secure Capital Ltd to the Company's subsidiaries

SC Secure Capital Ltd, the finance subsidiary of the Company 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.

Borrower	Limit –as of 31 Dec 2015	Principal as of 31 Dec 2015	Principal as of 31 Dec 2014
	€	€	€
LLC "TERMINAL BROVARY"	28.827.932	26.798.804	27.578.265
LLC "AISI UKRAINE"	23.062.351	12.275	12.275
LLC "ALMAZ PRES UKRAINE"	8.236.554	140.021	140.021
Total		**26.951.100**	**27.730.561**

All loans from SC Secure Capital Limited to the Company's subsidiaries are USD denominated and in 2015 they generated a foreign exchange loss totaling €13.653.402 as a result of the devaluation of the Ukrainian Hryvnia during the reporting period. As settlement of these loans is not likely to occur in the foreseeable future and in substance is part of the Group's net investment in its foreign operations, the foreign exchange loss is recognised in other comprehensive income.

33. Related Party Transactions (continued)

33.3 Loans from SC Secure Capital Ltd to the Company's subsidiaries (continued)

The Loan agreement between SC Secure Capital Limited (old Aisi Capital Limited) (Lender) and Limited Liability Company "Terminal Brovary" (Borrower) was signed on 19 December 2006 and originally had a Repayment Date of 19 December 2012. Under this agreement the Lender agrees to provide USD 30.000.000 to the Borrower with the interest rate to be Libor (3 months) plus 7,5% per annum. The Borrower has the obligation to repay the Loan in full on the Repayment Date together with the accrued interest. In 2015 no interest was calculated for this loan.

A potential Ukrainian Hryvnia weakening/strengthening by 30% against the US dollar with all other variables held constant, would result in an exchange difference on I/C loans to foreign holdings of (€8.085.330)/ € 8.996.341 respectively, estimated on balances held at 31 December 2015.

33.4 Loans to associates

	31 Dec 2015	31 Dec 2014
	€	€
Loans to Greenlake Development SRL	254.718	-
Total	**254.718**	**-**

34. Contingent Liabilities

34.1 Tax Litigation

The Group performed during the reporting period a 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 subsequent calendar years; however, under certain circumstances a tax year may remain open for longer.

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

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

At the same time the Group's entities are involved in court proceedings with tax authorities; Management believes that the estimates provided within the financial statements present a reasonable estimate of the outcome of these court cases.

34.2 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.

34.3 Delia Lebada srl debt towards Bank of Cyprus

Sec South East Continent Unique Real Estate Investment ltd has provided in 2007 a corporate guarantee to the Bank of Cyprus in respect to the loan provided by the latter to its subsidiary Delia Lebada srl, the owner of the Pantelimon Lake plot (Note 15). As the loan is in default, the bank has initiated an insolvency procedure. Depending on the final outcome of the procedure (that may include an auctioning of the plot), the Bank may call the difference between the price received from the auction and €4.569.725 (without any accrued interest and default penalty) which is the total liability. The Group is in discussions with the bank and its partner in the project to find an amicable settlement to the case. Management believes that the case has been adequately being provided for.

34.4 Other Litigation

The Company has a number of 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.

34.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 31 December 2015.

35. Commitments

The Group had no other commitments as at 31 December 2015.

36. Financial Risk Management

36.1 Capital Risk Management

The Group manages its capital to ensure that it will be able to implement its stated growth strategy in order to maximize the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 26), trade and other payables (Note 27) deposits from tenants (Note 28), financial leases (Note 30), taxes payable (Note 29) and equity attributable to ordinary or preferred shareholders. The Group is not subject to any externally imposed capital requirements.

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

36.2 Categories of Financial Instruments

	Note	31 Dec 2015	31 Dec 2014
		€	€
Financial Assets			
Cash at Bank	22	895.422	891.938
Long Term Receivables		252.916	125.909
Prepayments made for investments	15.4c	100.000	2.674.219
Prepayments and other receivables	21	4.795.223	4.251.489
Available for sale investments	20	2.783.535	-
Total		**8.827.096**	**7.943.555**
Financial Liabilities			
Borrowings	26	53.680.779	18.216.422
Trade and other payables	27	7.716.924	1.869.537
Deposits from tenants	28	756.454	661.410
Finance lease liabilities	30	11.465.722	11.644.976
Taxes payable and provisions	29	1.546.450	431.828
Redeemable preference shares	23	6.430.536	698.650
Total		**81.596.865**	**33.522.823**

36.3 Financial Risk Management Objectives

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

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

36.4 Economic Market Risk Management

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

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

Interest Rate Risk
The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On December 31st, 2015, cash and cash equivalent financial assets amounted to € 895.422 (2014: € 891.938) of which approx. € 40.000 in UAH and €570.000 in RON (Note 22) while the remaining are mainly denominated in either USD or €.

The Group is exposed to interest rate risk in relation to its borrowings amounting to €53.680.779 (31 December 2014: €18.216.422) 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.

36. Financial Risk Management (continued)

36.4 Economic Market Risk Management (continued)

The Group's exposures to financial risk are discussed also in Note 5.

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

As at 31 December 2015 the average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 5,00% (31 December 2014: 5,77%).

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2014 is presented below:

	Actual as at 31.12.2015	+100 bps	+200 bps
Weighted average interest rate	5,00%	6,00%	7,00%
Influence on yearly finance costs	-	(648.116)	(1.296.232)

The Group's exposures to financial risk are discussed also in Note 5.

36.5 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.

36.6 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.

31 December 2015	Carrying amount	**Total Contractual Cash Flows**	Less than one year	From one to two years	More than two years
	€	**€**	**€**	**€**	**€**
Financial assets					
Cash at Bank	895.422	**895.422**	895. 422	-	-
Prepayments and other receivables	4.795.223	**4.795.223**	4.795.223		
Available for sale investments	2.783.535	**2.783.534**	2.783.534		
Long Term Receivables	252.916	**252.916**	252.916		
Prepayments made for investments	100.000	**100.000**	100.000		
Total Financial assets	**8.827.096**	**8.827.096**	**8.827.096**		
Financial liabilities				-	-
Borrowings	53.680.779	**56.037.869**	24.198.982	14.649.577	17.189.310
Trade and other payables	7.716.924	**7.716.924**	3.044.036	-	4.672.888
Deposits from tenants	756.454	**756.454**	132.684	-	623.770
Finance lease liabilities	11.465.722	**16.741.482**	775.146	840.158	15.126.178
Redeemable preference shares	6.430.536	**6.430.536**	6.430.536	-	-
Taxes payable	1.546.450	1.546.450	1.546.450	-	-
Total Financial liabilities	**81.596.865**	**89.229.715**	**36.127.834**	**15.489.735**	**37.612.146**
Total net liabilities	**72.069.769**	**80.402.619**	**27.300.738**	**15.489.735**	**37.612.146**

36. Financial Risk Management (continued)

36.6 Liquidity Risk Management (continued)

31 December 2014	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	891.938	**891.938**	891.938	-	-
Prepayments and other receivables	4.251.489	**4.251.489**	4.251.489	-	-
Total Financial assets	**5.143.427**	**5.143.427**	**5.143.427**	-	-
Financial liabilities					
Interest bearing borrowings	18.216.422	**22.319.389**	6.665.533	2.743.797	12.910.059
Trade and other payables	1.869.537	**1.869.537**	1.654.852	73.841	140.844
Deposits from tenants	661.410	**661.410**	161.579	68.973	430.858
Finance lease liabilities	11.644.976	**17.476.135**	766.289	769.922	15.939.924
Taxes payable	698.650	**698.650**	349.325	349.325	-
Total Financial liabilities	**33.090.995**	**43.025.121**	**9.597.578**	**4.005.858**	**29.421.685**
Total net liabilities	**27.947.568**	**37.881.694**	**4.454.151**	**4.005.858**	**29.421.685**

36.7 Net Current Liabilities

The current liabilities amounting to €38.763.009 exceed current assets amounting to €16.990.645 by €21.772.364. This difference is primarily a result of:

a) the bank borrowings related to the residential portfolio €11.117.514 that are repayable by ongoing sales proceeds, which according to the IFRS appear to be repayable within the next 12 months.
b) the EBRD Terminal Brovary debt, amounting to €12.164.107 which is also presented as a current liability due to the breach of certain covenants should be viewed as under transfer upon completion of the sale of Terminal Brovary (Note 37b).

Based on the above, current assets are in effect higher than current liabilities by €1.509.257. An additional €429.858 have been repaid by May 2016 to the lending bank of the Linda project, with the related loan being fully repaid (Note 37a).

37. Events after the end of the reporting period

a. Sale of Linda

In May 2016, the Company signed a binding agreement to sell its Linda Residences residential property sub-portfolio (part of its Residential portfolio) in East Bucharest, Romania for €660.000 (gross of debt). The Linda Residences portfolio, which was purchased in an all-share transaction as part of a broader property portfolio in 2014 is located at Pantelimon lake in East Bucharest in a heavily populated area and comprises of 16 apartment units in different property blocks. Pursuant to the sale, the related bank debt amounting to ~€225.000 at the time (Note 26) has been fully repaid.

b. Announcement for the rental and disposal of Terminal Brovary

In January 2016 the Group received an unsolicited offer to sell the Terminal Brovary to Rozetka, the leading Ukrainian internet retailer, partly owned by the Horizon Private Equity Group. Following negotiations the Group agreed with the potential buyer on a price for the acquisition, subject to a number of steps including an agreement with the lending bank, EBRD. As such steps may take time, Rozetka agreed to lease all unlet warehouse areas of the Terminal, bringing its warehouse occupancy up to 100%, through a four year lease agreement, that would be valid even if the sale does not take place. If the sale is concluded by October 2016, such lease payments by Rozetka will be set off against the consideration. The Letter of Intent for the sale and the firm lease agreement were signed on 6 June 2016.

c. EBRD loan

While the negotiations for the sale of the Terminal Brovary continued and EBRD is in discussions with the buyer for agreeing a loan roll-over or repayment, the Company has not repaid the installment due to EBRD in March 2016. In view of this the EBRD loan is in default, yet all three parties (buyer, the Company and EBRD) are focusing on the sale transaction. As of the reporting date all March principal installments have been paid.

d. Innovations Park- Nestle

Nestle- Ice Cream, the anchor tenant of the Innovations portfolio notified the Group of their intention to break the lease agreement and leave the premises. As the rental agreement is based on a closed contract until September 2018, Nestle and the Company entered into discussion to find an amicable solution that would facilitate both parties and agreed in principle for Nestle to leave. Such agreement to be implemented, needs the consent of the lending bank, (as lending came in the form of sale and lease back agreement, the effective owner of the asset) Bank of Piraeus Romania. The Bank of Piraeus has still not formally provided such consent, and discussions are ongoing, while neither Nestle is paying its rental dues to the Group, nor the Bank of Piraeus demanding its lease payment due by the Group since January 2016. The Group has retained legal advisors to explore all its legal rights in case the agreement is at the end not successfully implemented.

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

e. Delia – BOC Loan

Delia Lebada Invest Srl, a subsidiary, entered into a loan agreement with the Bank of Cyprus Limited in 2007 to effectively finance a leveraged buy-out of the subsidiary by Sec South. The bank loan amounting to €4.830.000 is secured with a mortgage and a corporate guarantee by SEC South. The balance of the loan as at 31 December 2015 is €4.569.725 (without any accrued interest and default penalty). Following acquisition by the Group in mid 2015, and as the loan was already in default and the Bank initiated insolvency procedures to take over the Pantelimon lake asset. The insolvency procedure may culminate in auctioning off the land plot within the second half of 2016. The Group is currently in discussion with its partner and the bank in an effort to find an amicable settlement, prior to auctioning off the land plot.

f. Praktiker Craiova

The Company is in discussions with the tenant of its retail unit is Craiova, Praktiker, to extend the lease agreement for an additional five years until December 2025, in exchange for reducing the annual rent to the levels of the temporary reduction that the tenant and previous owner had agreed for the last few months of 2015, namely to ~€600k. At the same time the Company is in discussions with the lending bank to reprofile the payment schedule of the debt, to match the new rental conditions. As such the redemption value of the redeemable convertible shares is also under discussion with their owners (Notes 16 & 23.6).

g. United Kingdom possibility of exiting the European Union

On Thursday 23rd June 2016, the United Kingdom passed a referendum for exiting the European Union. The final decision of Britain to exit the European Union, which may materialize in the next few years, may affect the UK stockmarkets and GBP foreign exchange rates and thus the Group's share price as it is listed on the AIM Market of the London Stock Exchange and its share price is quoted in GBP. The Group's operations are in South East Europe and denominated in other currencies, which are not expected to be affected.