

30 October 2020

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

Half Year Report

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its unaudited half year report for the period ended 30 June 2020.

As announced on 30 September 2020, the Company was granted by AIM Regulation a one-month extension to the date by which it is required under AIM Rule 18 to publish its interim accounts for the six months ended 30 June 2020. Accordingly, the Company is required to announce its half year report before 31 October 2020.

Financial Overview

Outbreak of COVID-19 pandemic has brought barriers to the successful completion of negotiations with Arcona Property Fund N.V ('Arcona')

- EBITDA decreased to €0,18m compared to €0,47m in H1 2019 as a result of operating income reduction related to the sale of the Greek logistics park
- Net finance costs reduced by 56% to €0,24m
- Operating result after finance and tax expenses increased by 8% to €0,081m loss from €0,088m loss in H1 2019
- Romania has now become the single operating income source of the Company

Corporate Overview

Company maintains strategy to maximise value for shareholders through continued discussions with regards to SPDI's property portfolio

- Following the completion of Stage 1 of the Arcona transaction (the 'Transaction') in 2019, involving two land plots in Ukraine and a residential and land asset in Bulgaria, the Company received a total of 595.534 Arcona shares and 144.264 warrants over Arcona shares
- Discussions with Arcona for the completion of Stage 2 of the Transaction are progressing slowly during the COVID-19 pandemic and enforced lockdowns, SPDI expects activity to

pick up as measures put in place to combat COVID-19 in the various related jurisdictions (Holland, Czech Republic for Arcona, Romania, Cyprus and the UK) are eased

- Discussions regarding Stage 3 will follow the successful closing of Stage 2

Lambros G. Anagnostopoulos, Chief Executive Officer, said, *"The majority of our income producing assets in Romania are let to blue chip tenants operating in defensive industries, such as the food and the telco sectors. As a result, to date our tenants and our income have experienced little to no disruption from the COVID-19 crisis. Yet, the COVID-19 associated lockdowns have caused delays to the Arcona Transaction process. We are continuing to work hard alongside Arcona to overcome such delays and progress the final steps of Stage 2 of the Transaction."*

**** ENDS ****

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

For further information please visit www.secure-property.eu or contact:

Lambros Anagnostopoulos	SPDI	Tel: +357 22 030783
Rory Murphy Ritchie Balmer Jack Botros	Strand Hanson Limited	Tel: +44 (0) 20 7409 3494
Jon Belliss	Novum Securities Limited	Tel: +44 (0) 207 399 9400
Cosima Akerman Frank Buhagiar	St Brides Partners Ltd	Tel: +44 (0) 20 7236 1177

Notes to Editors

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

1. Management Report

1.1 Corporate Overview and Financial Performance

SPDI's core property asset portfolio currently consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases.

During 2020, management in line with Company's strategy to maximise value for shareholders, continued the discussions with Arcona Property Fund N.V (Arcona) in relation to the conditional implementation agreement for the sale of Company's property portfolio, excluding its Greek logistics property (which has now also separately been sold), in an all-share transaction to Arcona, an Amsterdam and Prague listed company that invests in commercial property in Central Europe. Arcona currently holds high yielding real estate investments in Czech Republic, Poland and Slovakia, with the transaction valuing the SPDI assets NAV at ~ €29m, significantly higher than the current market value of the Company as a whole. If one takes into consideration and assumes the warrants that will be issued together with the ARCONA shares, the transaction values the SPDI assets at their Net Asset Value.

Following the completion of Stage 1 of the transaction in 2019, which involved two land plots in Ukraine and residential and land asset in Bulgaria and resulted in Company receiving a total of 595.534 Arcona shares and 144.264 warrants over Arcona shares, during the current period the two parties engaged in negotiating and planning Stage 2 of the aforementioned transaction. This Stage is centred on the sale of two commercial income producing assets in Romania and three land plots in Ukraine. The combination of the two complimentary asset portfolios is expected to create a significant European Property company, benefiting both the Company's and the buyer's respective shareholders. However, the rapid development of COVID-19 outbreak and its effects on all related countries and therefore on all participants in this process, have caused major delays. Lockdowns, travel restrictions, remote working and other similar measures, have affected the effective completion of all relevant actions and therefore brought barriers to the successful completion of the negotiations. Both parties are currently trying to overcome all issues and continue towards completion of this part of the transaction.

The table below presents the operating performance for H1 2020 compared to H1 2019. EBITDA reached €0,18m compared to €0,47m in H1 2019, net finance costs reduced by 56% to €0,24m, and operating result after finance and tax expenses increased by 8% to -€0,080m from -€0,088m in H1 2019. Romania has now become the single operating income source of the Company.

EUR	2020			2019		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total

Rental, Utilities, Management & Sale of electricity Income	399,986	513,533	913,519	150,041	1,203,928	1,353,969
Net gain/(loss) on disposal of investment property				0	120,022	120,022
Income from Operations	399,986	513,533	913,519	150,041	1,323,950	1,473,991
Asset operating expenses	-	(193,889)	(193,889)	-	(319,445)	(319,445)
Net Operating Income	399,986	319,644	719,630	150,041	1,004,505	1,154,546
Share of profits from associates	-	218,862	218,862	-	224,177	224,177
Total Income	399,986	538,506	938,492	150,041	1,228,682	1,378,723
Administration expenses	(680,837)	(77,490)	(758,327)	(800,710)	(111,352)	(912,062)
Operating Result (EBITDA)	(280,851)	461,016	180,165	(650,669)	1,117,330	466,661
Finance Cost, net	203,979	(441,396)	(237,417)	165,067	(701,091)	(536,024)
Income tax expense	(81)	(23,452)	(23,533)	(2,212)	(16,368)	(18,580)
Operating Result after Finance and Tax Expenses	(76,953)	(3,832)	(80,785)	(487,814)	399,871	(87,943)
Other income / (expenses), net	34,305	48	34,353	66,056	237,474	303,530
Fair value adjustments from Investment Properties	-	996,297	996,297	-	286,595	286,595
Net gain/(loss) on disposal of investment property	-	1,199	1,199	-	(2,067)	(2,067)
Impairment of financial investments	(284,404)	-	(284,404)	-	-	-
Foreign exchange differences, net	(42,043)	(132,904)	(174,947)	(43,865)	(274,005)	(317,870)
Result for the year	(369,095)	860,808	491,713	(465,623)	649,935	184,312
Exchange difference on I/C loans to foreign holdings	-	(42,638)	(42,638)	-	21,828	21,828
Exchange difference on translation due to presentation currency	-	(1,176,630)	(1,176,630)	-	(183,153)	(183,153)
Total Comprehensive Income for the year	(369,094)	(358,460)	(727,554)	(465,623)	488,610	22,987

2. Regional Economic Developments

Romania

In Romania, growth fell to a six year low in Q1 2020, mainly due to March 2020 being hit by the consequences of the COVID-19 containment measures. GDP growth for Q1 2020 was 2,4%, considerably lower than Q4's 2019 4,3% expansion. In seasonally-adjusted quarter-on-quarter terms, GDP plunged 12,3% in Q2 as COVID-19 containment measures took their toll, marking the worst

reading on record. Although only projections can be used at the moment, analysts forecast GDP falling by 5,7% in 2020, while for 2021 they see growth of 4,9%.

Fixed investment growth lost significant traction in Q1, slowing to 5,9% from 15,7% in Q4 2019 and lost even more steam in Q2 to 1,8%. Moreover, public spending growth decelerated to 0,8% in Q1, down markedly from Q4's 2019 9,4% rise, while in Q2 accelerated by 4,7% y-o-y as the government deployed various stimulus measures, including employment support schemes and tax relief, to mitigate the economic spillover from the lockdown. Private consumption fell by 3,8% in Q1, following previous quarter's 7,3% increase, and 13,3% annually in Q2 due to lockdown measures enacted at the end of March, marking the worst result in the series' history.

On the external front, exports of goods and services fell by 28,5% y-o-y in Q2, considerably steeper than Q1's 1,6% drop. Similarly, imports of goods and services fell 21,6%, contrasting Q1's 2,2% increase. Thus, taken together, net trade contributed positively to growth in Q2.

Ukraine

GDP fell 11,4% y-o-y in Q2, following Q1's 1,3% decline and marking the sharpest contraction since Q2 2015. Although a comprehensive release is not yet available, the downturn likely reflected a broad-based deterioration across the major sectors of the economy as COVID-19 and related containment measures hit activity.

The economy is set to shrink this year as COVID-19 takes its toll. A higher unemployment rate and social distancing measures will weigh on private consumption, while lingering uncertainties should restrain capital inflows. On the upside, the recently secured IMF loan should give the government room to boost fiscal spending and cushion the downturn. Analysts project GDP to fall 5,2% this year, which is up 0,1 percentage points from last month's forecast. In 2020, they see the economy expanding 4,2%.

Sources: World Bank Group, EBRD, National Bank of Greece, Eurobank Research, and Economic Research Division, National Institute of Statistics- Romania, National Statistical Institute –Republic of Bulgaria, National Institute of Statistics – Ukraine, IMF, FocusEconomics

3. Real Estate Market Developments

3.1 Romania

With a transaction volume in the first quarter of 2020 of around 130 million Euros, Romanian investment market had a similar start to 2019, where it featured a volume of 117,5 million Euros in the first quarter. Overall volume was expected to be similar to 2019, with optimistic scenarios placing the total investment in volume for 2020 at 750 million Euros and pessimistic scenarios at 500 million Euros. As of Q1 the office sector continues to dominate the market with over 60% of the Q1 investments. As far as yields are concerned, prime yields in Romania continue to be amongst the

highest in Europe across all market sectors, at around 7%. However, as of Q2, due to the COVID-19 pandemic, the situation changed. As of late March, all retail projects drastically reduced their activities and several scheduled deliveries have been postponed for the second part of the year. Additionally, leasing activity faced a 50% decrease compared to Q1 2020.

As of Q1 2020, the industrial sector could be considered the rising star of Romania real estate. Romania's modern industrial stock space reached 4,7 million sqm in Q1 2020, expected to reach 5 million within the end of 2020. Total leasing activity (TLA), tripled within Q1 2020 as compared to Q1 2019. Nevertheless, the sector was also hit by the COVID-19 pandemic, and although an increase in the logistics market is expected to be held within 2020, the sector is facing a slowdown and final results are yet to be recorded.

Work from home imposed by the mandatory lockdown slowed down companies expansion plans. A new supply of 104.000 sqm was delivered for the first half of 2020, increasing Bucharest's modern office stock to 3,3 million sqm. The transactional activity, overall limited compared to previous year, was mainly generated by Computers Hi-Tech and Financial sectors.

Surprisingly, the residential market in Romania managed to stay strong in face of the COVID-19 repercussions. In spite of the measures taken and the lockdown, asking prices for residential properties in Romania increased by 7,1% in Q2 2020 as compared to the previous year, and only slightly decreased by 1,7% as compared to Q1 2020. Nationwide, in the first quarter of 2020 133.181 properties were sold, 14,7% more than the same period in 2019, with a downfall following in the second quarter, as 105.928 properties were sold, representing a 15,5 % downfall. Nevertheless, the residential market had a strong reaction after the measures were lifted, with 135.000 potential buyers recorded interested in acquiring a property, and both demand and supply started to boost.

3.2 Ukraine

The Ukrainian real estate market started strong in Q1 2020, following a 3,3% increase in real GDP in 2019. On a quarterly basis the housing market prices increased by 1,25% Q-o-Q, and the market was showing signs of steady growth. Surprisingly, although the COVID-19 pandemic occurred, the Ukrainian real estate market managed to stand fast. Although a presidential election, the collapse of one of the country's biggest construction firms and the COVID-19 pandemic occurred, all of which are events that could have affected negatively Ukraine's real estate market, both commercial and residential real estate in the country managed to maintain a slow but steady growth.

As of 2020, 272.000 sqm of new shopping centers are planned to be developed, with OceanVille, RetroMall, Rive Gauche and New Ray under construction. Office space counts for approximately 100.000 sqm, with more demand incoming. Although the pandemic sent 70% of the employees working from home, according to analysts, this is only a temporary measure, and with positive news of an incoming vaccine, the office sector is ready to meet the ongoing demand.

In Ukraine, residential investments are considered to be the most solid real estate investments. Nevertheless, the deficit of residential real estate remains high in the country. The main constraint is high mortgage interest rates (18–22% per annum), which means that fewer people can afford to invest in new housing complexes and so fewer developers have enough backers to start constructing. During the quarantine in Q2 2020, the residential real estate market slowed down, as people self isolated and stopped buying property. Although the market was expected to shrink by 50%, prices went down only by 10%. However, no one is taking the risk to make a projection on the final impact the pandemic will have on real estate, as the parameters are changing on a day to day basis.

4. Property Assets

4.1 EOS Business Park – Danone headquarters, Romania

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

The Company acquired the office building in November 2014. The complex is fully let to Danone Romania, the French multinational food company, until 2025. The asset is planned to be part of the Arcona transaction.

4.2 Delenco office building, Romania

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

The Company acquired 24,35% of the property in May 2015. As at the year end 2019, the building is 100% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA). The asset is planned to be part of the Arcona transaction.

4.3 Innovations Logistics Park, Romania

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

In April 2017, the Company signed a lease agreement with Aquila Srl, a large Romanian logistics operator, for 5.740 sqm of ambient space in the warehouse which expired during April 2018 without being extended. During Q1 2019 the Company signed with Favorit Business Srl a lease agreement for

3,000 sqm of cold storage space, 506 sqm of ambient storage space, and 440 sqm of office space. In Q2 2019 the Company agreed with Favorit Business Srl a lease of an extra 3.000 sqm of cold storage space, and an extra 210 sqm of office space to accommodate their new business line which involves as end user Carrefour. Moreover, during 2019 and H1 2020 the Company signed short term lease agreements for 2.000 sqm of ambient storage space with Chipita Romania Srl, one of the fastest growing regional food companies. As at the end of the reporting period, the terminal was ~83% leased. The asset is planned to be part of the Arcona transaction.

4.4 Kindergarten, Romania

Situated on the GreenLake compound on the banks of Grivita Lake, a standalone building on ground and first floor, is used as a nursery by one of the Bucharest's leading private schools.

The building is erected on 1.428,59 sqm plot with a total gross area of 1.198 sqm.

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

4.5 Residential portfolio

- Romfelt Plaza (Doamna Ghica), Bucharest, Romania

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

At the end of June 2020, one apartment was available. The asset is planned to be part of the Arcona transaction.

- Monaco Towers, Bucharest, Romania

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

At the end of H1 2020, 10 apartments were available, 3 of which were rented. Following extended negotiations for the last two years with the company which acquired Monaco's loan, the SPV holding Monaco units entered into insolvency status in order to protect itself from its creditors. During 2020, based on regulatory procedures for disposing assets held by the debtor and upon agreement of all involved parties and the judicial administrator's approval, 7 units were sold. The asset is planned to be part of the Arcona transaction.

- Blooming House, Bucharest, Romania

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

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

During H1 2020 2 units and one commercial space were sold and at the end of the period 2 apartments were available. The asset is planned to be part of the Arcona transaction.

- GreenLake, Bucharest, Romania

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

During H1 2020, 6 apartments and villas were sold while at the end of the period, of the 40 units that were unsold, 5 were let. The asset is planned to be part of the Arcona transaction.

4.6 Land Assets

- Kiyanovskiy Residence – Kiev, Ukraine

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

Discussions are ongoing with interested parties with view to sale the property. The asset is planned to be part of the Arcona transaction.

- Tsymlyanskiy Residence – Kiev, Ukraine

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

Discussions are ongoing with interested parties with a view to partnering in the development or sale of this property. The asset is planned to be part of the Arcona transaction.

- Rozny Lane – Kiev Oblast, Kiev, Ukraine

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

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

UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Note	30 June 2020 €	30 June 2019 €
Continued Operations			
Income	9	399.986	150.041
Net Operating Income		399.986	150.041
Administration expenses	11	(680.837)	(800.710)
Other operating income/(expenses), net	14	34.305	66.056
Impairment of financial investments	26	(284.404)	-
Operating profit loss		(530.950)	(584.613)
Finance income	15	260.543	232.715
Finance costs	15	(56.564)	(67.648)
Loss before tax and foreign exchange differences		(326.971)	(419.546)
Foreign exchange (loss), net	16a	(42.043)	(43.865)
Loss before tax		(369.014)	(463.411)
Income tax expense	17	(81)	(2.212)
Loss for the period from continuing operations		(369.095)	(465.623)
Profit/(Loss) from discontinued operations	8b	860.808	649.935
Profit/(Loss) for the period		491.713	184.312
Other comprehensive income			
Exchange difference on I/C loans to foreign holdings	16b	(42.638)	21.828
Exchange difference on translation of foreign operations	29	(1.176.630)	(183.153)
Total comprehensive income for the period		(727.555)	22.987
Loss for the period from continued operations attributable to:			
Owners of the parent		(369.095)	(465.623)
Non-controlling interests		-	-
		(369.095)	(465.623)
Profit/(Loss) for the period from discontinued operations attributable to:			
Owners of the parent		962.448	513.193
Non-controlling interests		(101.640)	136.742
		860.808	649.935
Profit/(Loss) for the period attributable to:			
Owners of the parent		593.353	47.570
Non-controlling interests		(101.640)	136.742
		491.713	184.312
Total comprehensive income attributable to:			
Owners of the parent		(638.119)	73.392
Non-controlling interests		(89.436)	(50.405)
		(727.555)	22.987
Earnings/(losses) per share (Euro per share):			
Basic earnings/(losses) for the period attributable to ordinary equity owners of the parent	38b	0.003	0,0004

Diluted earnings/(losses) for the period attributable to ordinary equity owners of the parent	0.003	0,0004
Basic earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent	0.007	0.005
Diluted earnings/(losses) for the period from discontinued operations attributable to ordinary equity owners of the parent	0.007	0.005

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2020

	Note	30 June 2020	31 December 2019
€			
ASSETS			
Non-current assets			
Tangible and intangible assets	22	514	566
Financial Assets at FV through P&L	26	7.327.474	3.581.643
Long-term receivables and prepayments	23	841	852
		7.328.829	3.583.061
Current assets			
Prepayments and other current assets	25	6.885.924	10.833.913
Cash and cash equivalents	27	282.966	207.251
		7.168.890	11.041.164
Assets classified as held for sale	8d	49.134.964	49.891.627
		56.303.854	60.932.791
Total assets		63.632.683	64.515.852
EQUITY AND LIABILITIES			
Issued share capital	28	1.291.911	1.291.911
Share premium		71.924.045	71.924.045
Foreign currency translation reserve	29	9.144.465	10.232.119
Exchange difference on I/C loans to foreign holdings	40.3	(191.903)	(149.263)
Accumulated losses		(53.312.991)	(53.906.344)
Equity attributable to equity holders of the parent		28.855.527	29.392.468
Non-controlling interests	30	7.255.639	7.446.255
Total equity		36.111.166	36.838.723
Non-current liabilities			
Borrowings	31	7.154	7.249
Bonds issued	32	1.033.842	1.033.842
Taxation	35	549.181	595.541
		1.590.177	1.636.632
Current liabilities			
Borrowings	31	987.909	420.751
Bonds issued	32	190.734	156.761
Trade and other payables	33	4.528.316	4.579.595
Taxation	35	544.339	550.162
		6.251.298	5.707.269
Liabilities directly associated with assets classified as held for sale	8d	19.680.042	20.333.228
		25.931.340	26.040.497
Total liabilities		27.521.517	27.677.129
Total equity and liabilities		63.632.683	64.515.852
Net Asset Value (NAV) € per share:	38d		
Basic NAV attributable to equity holders of the parent		0,22	0,23
Diluted NAV attributable to equity holders of the parent		0,22	0,23

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

Lambros Anagnostopoulos
Director & Chief Executive Officer

Michael Beys
Director & Chairman of the Board

Theofanis Antoniou
Finance Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Attributable to owners of the Company

	Share capital	Share premium, Net ¹	Accumulated losses, net of non-controlling interest ²	Exchange difference on I/C loans to foreign holdings ³	Foreign currency translation reserve ⁴	Total	Non-controlling interest	Total
	€	€	€	€	€	€	€	€
Balance 1 January 2019	1.272.702	71.381.259	(46.704.622)	(215.820)	9.874.757	35.608.276	7.535.691	43.143.967
Loss for the year	-	-	47.570	-	-	47.570	136.742	184.312
Exchange difference on I/C loans to foreign holdings (Note 16b)	-	-	-	21.828	-	21.828	-	21.828
Foreign currency translation reserve	-	-	-	-	3.993	3.993	(187.147)	(183.154)
Balance 30 June 2019	1.272.702	71.381.259	(46.657.052)	(193.992)	9.878.750	35.681.667	7.485.286	43.166.953
Loss for the year	-	-	(7.249.292)	-	-	(7.249.292)	(91.951)	(7.341.243)
Issue of share capital, net	19.209	542.786	-	-	-	561.995	-	561.995
Exchange difference on I/C loans to foreign holdings (Note 16b)	-	-	-	44.729	-	44.729	-	44.729
Foreign currency translation reserve	-	-	-	-	353.369	353.369	52.920	406.289
Balance 31 December 2019	1.291.911	71.924.045	(53.906.344)	(149.263)	10.232.119	29.392.468	7.446.255	36.838.723
Loss for the year	-	-	593.353	-	-	593.353	(101.640)	491.713
Exchange difference on I/C loans to foreign holdings (Note 16b)	-	-	-	(42.640)	-	(42.640)	-	(42.640)
Foreign currency translation reserve	-	-	-	-	(1087.654)	(1.087.654)	(88.976)	(1.176.630)
Balance – 30 June 2020	1.291.911	71.924.045	(53.312.991)	(191.903)	9.144.465	28.855.527	7.255.639	36.111.166

¹ Share premium is not available for distribution.

² Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defense at 20% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defense is payable on account of the shareholders.

³ Exchange differences on intercompany loans to foreign holdings arose as a result of devaluation of the Ukrainian Hryvnia during previous years. The Group treats the mentioned loans as a part of the net investment in foreign operations (Note 40.3).

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Note	30 June 2020 €	30 June 2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		(369.014)	(463.411)
Profit/(Loss)before tax and non-controlling interests-discontinued operations	8b	878.830	666.303
Profi/(Loss) before tax and non-controlling interests		509.816	202.892
Adjustments for:			
(Gains)/losses on revaluation of investment property	12	(996.297)	(408.684)
Net gain/loss on disposal of investment properties	13	(1.199)	2.067
Accounts payable written off	14	(95)	(238.399)
Depreciation/ Amortization charge	11	3.620	12.348
Finance income	15	(265.213)	(237.756)
Interest expense	15	498.075	764.151
Share of profit from associates	20	(218.862)	(224.177)
Effect of foreign exchange differences	16a	174.947	317.870
Cash flows from/(used in) operations before working capital changes		(295.208)	190.312
Change in prepayments and other current assets	25	77.287	43.265
Change in trade and other payables	33	(112.182)	194.198
Change in VAT and other taxes receivable	25	(10.543)	(20.315)
Change in other taxes payables	35	22.346	37.955
Change in provisions	35	71.091	(451)
Change in deposits from tenants	34	(898)	(47)
Cash generated from operations		(248.107)	444.917
Income tax paid		(83.149)	(107.836)
Net cash flows provided/(used) in operating activities		(331.256)	337.081
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	13b	744.052	249.600
Dividend received from associates	20	-	121.772
Interest received		-	801
Decrease in long term receivable	23	15	43
Net cash flows from / (used in) investing activities		744.067	372.216
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and non-bank loans	31	550.000	500.000
Repayment of principle amount of borrowings		(459.567)	(660.788)
Interest and financial charges paid		(145.544)	(523.335)
Decrease in financial lease liabilities	36	(286.995)	(196.500)
Net cash flows from / (used in) financing activities		(342.106)	(880.623)
Net increase/(decrease) in cash at banks		70.705	(171.326)
Cash:			
At beginning of the period		771.163	942.489
At end of the period	27	841.868	771.163

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2020

1. General Information

Country of incorporation

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

Principal activities

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

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

As at the reporting date, the companies of the Group employed and/or used the services of 14 full time equivalent people, (2019 → 14 full time equivalent people).

2. Basis of preparation

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

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

Following certain conditional agreement signed in December 2018 with Arcona Property Fund N.V for the sale of Company's non-Greek portfolio of assets, as well as plans and discussions regarding the Greek asset, the Company has classified its assets in 2018 as discontinued operations (Note 4.3) .

3. Adoption of new and revised Standards and Interpretations

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

4. Significant accounting policies

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

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

4.1 Basis of consolidation

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

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business

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

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

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

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

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

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

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

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

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

4.2 Functional and presentation currency

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

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

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

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

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

Currency	Average for the period			Closing as at		
	1 Jan 2020 - 30 June 2020	1 Jan 2019 - 31 Dec 2019	1 Jan 2018 - 30 June 2019	30 June 2020	31 December 2019	30 June 2019
USD	1,1020	1,1195	1,1298	1,1198	1,1234	1,1380
UAH	28,6031	28,9406	30,4277	29,9500	26,422	29,7302
RON	4,8163	4,7453	4,7414	4,8423	4,7793	4,7351
BGN	1,9558	1,9558	1,9558	1,9558	1,9558	1,9558

4.3 Discontinued operations

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

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

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

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

4.4 Investment Property at fair value

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

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

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

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

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

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

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

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

Initial measurement and recognition

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

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

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

Subsequent measurement

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

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

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

Basis of valuation

The fair values reflect market conditions at the financial position date. These valuations are prepared annually by chartered surveyors (hereafter "appraisers"). The Group appointed valuers in 2014, which remain the same the period ending 30 June 2020:

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

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

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

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

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

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

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

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

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

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

Valuation Approach

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

Pre Development

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

Development

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

Post Development

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

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

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

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

4.5 Investment Property under development

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

4.6 Goodwill

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

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

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

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

4.7 Property, Plant and equipment and intangible assets

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

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

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

Type	%
Leasehold	20

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

No depreciation is charged on land.

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

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

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

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

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

4.8 Inventory

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

4.9 Cash and Cash equivalents

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

4.10 Assets held for sale

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

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

4.11 Financial Instruments

4.11.1 Recognition and initial measurement

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

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

4.11.2 Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

Financial assets – Business model assessment:

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

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

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

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

4.11.3 Derecognition

Financial assets

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

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

Financial liabilities

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

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

4.11.4 Offsetting

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

4.11.5 Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting –

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

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

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

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

Cash flow hedges

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

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

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

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

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued,

the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

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

Net investment hedges

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

4.12 Leases

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

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

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

The Company as lessor

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

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

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

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

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

The Company as lessee

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

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

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

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

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

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

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

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

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

Short term leases and leases of low value assets

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

4.13 Borrowings

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

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

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

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

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

4.14 Tenant security deposits

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

4.15 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

4.16 Share Capital

Ordinary shares are classified as equity.

4.17 Share premium

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

4.18 Share-based compensation

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

4.19 Provisions

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

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

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

4.20 Non-current liabilities

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

4.21 Revenue recognition

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

4.21.1 Income from investing activities

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

4.21.2 Dividend income

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

4.21.3 Interest income

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

4.21.4 Rental income

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

4.22 Service charges and expenses recoverable from tenants

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

4.23 Other property expenses

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

4.24 Borrowing costs

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

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

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

4.25 Asset Acquisition Related Transaction Expenses

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

4.26 Taxation

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

4.26.1 Current tax

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

4.26.2 Deferred tax

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

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

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

4.26.3 Current and deferred tax for the year

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

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

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

4.26.4 Withholding Tax

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

4.26.5 Dividend distribution

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

4.27 Value added tax

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

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

4.28 Operating segments analysis

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

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

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

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

4.29 Earnings and Net Assets value per share

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

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

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

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

4.30 Comparative Period

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

5. Critical accounting estimates and judgments

In March 2018 the IASB issued a comprehensive set of concepts for financial reporting, the revised "Conceptual Framework for

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

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

New standards

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

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

Amendments

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2020).

- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020)

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

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

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The above are expected to have no significant impact on the Company's financial statements when they become effective.

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

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

- **Provision for impairment of receivables**

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

- **Fair value of financial assets**

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

6. Risk Management

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. The fair value has been estimated as at 31 December 2019 (Note 18.2).

- **Income taxes**

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

- **Impairment of tangible assets**

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

- **Provision for deferred taxes**

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

- **Application of IFRS 10**

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

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

7. Investment in subsidiaries

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

Name	Country	Related Asset	Holding %		
			as at 30 June 2020	as at 31 Dec 2019	as at 30 June 2019
SC Secure Capital Limited	Cyprus		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100	100
LLC Trade Center	Ukraine		100	100	100
LLC Almaz-Pres-Ukraine	Ukraine	Tsymlyanskiy Residence	55	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park Balabino Project	-	-	100
LLC Retail Development Balabino	Ukraine		100	100	100
LLC Interterminal	Ukraine		100	100	100
LLC Aisi Ilvo	Ukraine		100	100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100	100
Best Day Real Estate Srl	Romania		100	100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100	100
N-E Real Estate Park First Phase Srl	Romania		100	100	100
Victini Holdings Limited	Cyprus	Victini Logistics	100	100	100

Victini Logistics Park S.A. (ex SPDI Logistics S.A.)	Greece		-	-	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100	100
Bluehouse Accession Project IV Limited	Cyprus		100	100	100
BlueBigBox 3 Srl	Romania	Kindergarten	100	100	100
SPDI Real Estate Srl	Romania		50	50	50
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100	100
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100	100
Demetiva Holdings Limited	Cyprus		100	100	100
Ketiza Holdings Limited	Cyprus		90	90	90
Frizomo Holdings Limited	Cyprus		100	100	100
Ketiza Real Estate Srl	Romania		90	90	90
Edetrio Holdings Limited	Cyprus		100	100	100
Emakei Holdings Limited	Cyprus		100	100	100
RAM Real Estate Management Limited	Cyprus		50	50	50
Iuliu Maniu Limited	Cyprus		45	45	45
Moselin Investments Srl	Romania		45	45	45
Rimasol Enterprises Limited	Cyprus		44,24	44,24	44,24
Rimasol Real Estate Srl	Romania		44,24	44,24	44,24
Ashor Ventures Limited	Cyprus		44,24	44,24	44,24
Ashor Development Srl	Romania		44,24	44,24	44,24
Jenby Ventures Limited	Cyprus		44,30	44,30	44,30
Jenby Investments Srl	Romania		44,30	44,30	44,30
Ebenem Limited	Cyprus		44,30	44,30	44,30
Ebenem Investments Srl	Romania		44,30	44,30	44,30
Sertland Properties Limited	Cyprus		100	100	100
Boyana Residence ood	Bulgaria		-	-	100
Mofben Investments Limited	Cyprus	100	100	100	
SPDI Management Srl	Romania	100	100	100	

During the 2019 the Group proceeded with the disposal of Aisi Bela in Ukraine as well as with the disposal of the Boyana Residence in Bulgaria, as part of the Arcona's transaction. In addition the Group also disposed of Victini Logistics Park AE in Greece on top of the aforementioned transactions with Arcona.

The Group has resolved to streamline its structure in Cyprus and Romania for cost cutting and tax optimization purposes. Towards this goal, during 2018 the following mergers have been finalized:

A. merger by absorption of SecVista Real Estate Srl acting as Absorbed Company, with Best Day Real Estate Srl acting as Absorbing Company,

B. merger by absorption of SecRom Real Estate Srl and Secure Property Development and Investment Srl acting as Absorbed Companies, with N-E Real Estate Park First Phase Srl acting as Absorbing Company.

Following extended but unsuccessful negotiations for more than 2 years with Tonescu Finance Srl, the company which has acquired Monaco Towers property's loan, SecMon Real Estate Srl entered voluntarily in January 2018 into insolvency process, in order to protect its interests against its creditor, given that the value of the assets is higher than the value of the relevant loan. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl is not consolidated in the present consolidated financial statements.

8. Discontinued operations

8.(a) Description

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

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

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

- **Bulgaria:** Boyana Residence ood (sold during 2019)
- **Cyprus:** Ashor Ventures Limited, Ebenem Limited, Jenby Ventures Limited, Edetrio Holdings Limited, Rimasol Enterprises Limited, Emakei Holdings Limited, Iuliu Maniu Limited, Ram Real Estate Management Limited, Frizomo Holdings Limited, Ketiza Holdings Limited
- **Greece:** Victini Logistics Park S.A. (sold during 2019)
- **Romania:** Ashor Development Srl, Ebenem Investments Srl, Jenby Investments Srl, Rimasol Real Estate Srl, Moselin Investments Srl, Best Day Real Estate Srl, N-E Real Estate Park First Phase Srl, Ketiza Real Estate Srl, SPDI Real Estate Srl
- **Ukraine:** LLC Aisi Bela (sold during 2019), LLC Aisi Ukraine, LLC Almaz-Pres-Ukraine, LLC Trade Center, LLC Retail Development Balabino

As a result, the Company has reclassified all assets and liabilities related to these properties as held for sale according to IFRS 5 (Note 4.3 & 4.10).

8.(b) Results of discontinued operations

For the period ended 30 June 2020

	Note	30 June 2020 €	30 June 2019 €
Income	9	513.533	1.203.928
Asset operating expenses	10	(193.889)	(319.445)
Net Operating Income		319.644	884.483
Administration expenses	11	(77.490)	(111.352)
Share of profits from associates	20	218.862	224.177
Valuation gains/(losses) from Investment Property	12	996.297	408.684
Net profit /(loss) on disposal of investment property	13b	1.199	(2.067)
Other operating income/(expenses), net	14	48	237.474
Operating profit		1.458.560	1.641.399
Finance income	15	4.670	5.041
Finance costs	15	(446.066)	(706.132)
Profit / (Loss) before tax and foreign exchange differences		1.017.164	940.308
Foreign exchange (loss), net	16a	(132.904)	(274.005)
Profit/(Loss) before tax		884.260	666.303
Income tax expense	17	(23.452)	(16.368)
Profit/(Loss) for the year		860.808	649.935
Profit/(Loss) attributable to:			
Owners of the parent		962.448	513.193
Non-controlling interests		(101.640)	136.742
		860.808	649.935

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

	30 June 2020 €	30 June 2019 €
Net cash flows provided in operating activities	179.050	947.288
Net cash flows from / (used in) financing activities	744.056	(1.380.187)
Net cash flows from / (used in) investing activities	(1.122.110)	371.819
Net increase/(decrease) from discontinued operations	(199.004)	(61.080)

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

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 June 2020:

	Note	30 June 2020	31 Dec 2019
		€	€
Assets classified as held for sale			
Investment properties	18.4a	40.967.207	42.180.852
Tangible and intangible assets	22	12.902	14.342
Long-term receivables and prepayments	23	315.261	315.265
Investments in associates	20	5.591.114	5.380.021
Financial asset at fair value through OCI	21	1	1
Prepayments and other current assets	25	1.689.577	1.470.772
Cash and cash equivalents	27	558.902	530.374
Total assets of group held for sale		49.134.964	49.891.627
Liabilities directly related with assets classified as held for sale			
Borrowings	31	8.559.266	8.949.660
Finance lease liabilities	36	9.797.475	10.084.470
Trade and other payables	33	954.364	1.015.266
Taxation	35	302.566	216.563
Deposits from tenants	34	66.371	67.269
Total liabilities of group held for sale		19.680.042	20.333.228

9. Income

Income from *continued operations* for the period ended 30 June 2020 represents:

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

Continued operations	30 June 2020	30 June 2019
	€	€
Rental income	286.536	132.025
Service charges and utilities income	93.450	18.016
Property management income	20.000	-
Total income	399.986	150.041

Income from *discontinued operations* for the period ended 30 June 2020 represents:

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

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Rental income	497.248	1.076.619
Sale of electricity	-	82.965
Service charges and utilities income	15.238	43.281
Service and property management income	1.047	1.063
Total income	513.533	1.203.928

Occupancy rates in the various income producing assets of the Group as at 30 June 2020 were as follows:

Income producing assets			
%		30 June 2020	30 June 2019
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	83	83
Victini Logistics	Greece	-	100
Kindergarten	Romania	100	100

10. Asset operating expenses

The Group incurs expenses related to the proper operation and maintenance of all properties in Kiev and Bucharest. A part of these expenses is recovered from the tenants through the service charges and utilities recharge (Note 9).

Under *continued operations* are no any expenses related to asset operating expenses.

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

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Property related taxes	(54.682)	(103.884)
Repairs and technical maintenance	(14.701)	(134.613)
Utilities	(88.711)	(23.630)
Property security	(13.903)	(22.282)
Property insurance	(1.495)	(11.805)
Leasing expenses	(20.319)	(23.231)
Other investment property operating expenses	(78)	-
Total	(193.889)	(319.445)

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

Repairs and technical maintenance decreased substantially in 2020 since during H1 2020 relevant works performed in Innovations Logistics Park in Bucharest, essential for hosting successfully new tenant in the cold spaces of the property.

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

Leasing expenses reflect expenses related to long term land leasing.

11. Administration Expenses

Continued operations	30 June 2020	30 June 2019
	€	€
Salaries and Wages	(188.094)	(247.355)
Advisory fees	(218.475)	(146.649)
Due Dilligence expenses for non acquired projects	-	(60.410)
Public group expenses	(71.053)	(38.583)
Corporate registration and maintenance fees	(24.791)	(31.765)
Vat Expensed	(4.447)	(84.423)
Audit and accounting fees	(62.185)	(55.504)
Legal fees	(41.275)	(59.293)
Depreciation/Amortization charge	(1.724)	(1.699)
Corporate operating expenses	(68.793)	(75.029)
Total Administration Expenses	(680.837)	(800.710)

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Salaries and Wages	(10.608)	(20.015)
Advisory fees	(2.169)	(5.589)
Corporate registration and maintenance fees	(18.586)	(22.329)
Vat Expensed	(4.483)	(4.179)
Audit and accounting fees	(19.174)	(30.059)
Legal fees	-	(8.224)
Depreciation/Amortization charge	(1.896)	(10.649)
Corporate operating expenses	(20.574)	(10.308)
Total Administration Expenses	(77.490)	(111.352)

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

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

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

Public group expenses include among others fees paid to the AIM:LSE stock exchange and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company. The increase in such costs is due to a related credit invoice which issued and posted during H1 2019 resulted in a significant reduction of the total amount during that period.

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

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

Corporate operating expenses include office expenses, travel expenses, (tele)communication expenses, D&O insurance and all other general expenses for Cypriot, Romanian, Ukrainian, Bulgarian (in 2019) and Greek (in 2019) operations.

12. Valuation gains / (losses) from investment properties

Discontinued operations (Note 8)	Valuation gains/(losses)	
Property Name (€)	30 June 2020	30 June 2019
	€	€
Bela Logistic Park	-	(79.758)
Kiyanovskiy Residence	349.653	(47.264)
Tsymlyanskiy Residence	135.349	(16.247)
Balabino Project	-	(22.155)
Rozny Lane	23.586	6.448
Innovations Logistics Park	138.654	159.177
EOS Business Park	100.720	114.127
Residential Portfolio	9.588	20.333
GreenLake	219.937	252.911
Kindergarten	18.810	21.112
Total	996.297	408.684

13. Gain/ (Loss) from disposal of Investment properties

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

During H1 2020 the Group sold 2 parking spaces (H1 2019: 1 apartment) in Romfelt Plaza (Doamna Ghica) and 2 apartments, 8 parking spaces and 1 commercial space in Zizin (H1 2019: 2 apartments and 1 parking space). The Group also sold one villa in Moselin (Greenlake Parcel K).

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Income from sale of investment property	744.052	249.600
Cost of investment property	(742.853)	(251.667)
Loss from disposal of investment property	1.199	(2.067)

14. Other operating income/(expenses), net

Continued operations	30 June 2020	30 June 2019
	€	€
Other income	39.653	66.810
Other income	39.653	66.810
Penalties	(4.638)	(754)
Other expenses	(710)	-
Other expenses	(5.348)	(754)
Other operating income/(expenses), net	34.305	66.056

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Accounts payable written off	95	238.399
Other income	95	238.399
Penalties	-	(452)
Other expenses	(47)	(473)
Other expenses	(47)	(925)
Other operating income/(expenses), net	48	237.474

Accounts payable written off in H1 2019 relates to Boyana asset which sold later in the year, and in particular to a payable to constructor of the project as part of the withholding of a Good Performance Guarantee that has been written off as a result of statute of limitations.

Other income, for both periods, represent income received as part of the sale of Terminal Brovary and in particular sale price adjustment according to the relevant sale and purchase agreement.

15. Finance costs and income

Continued operations		
	30 June 2020	30 June 2019
	€	€
Interest received from non-bank loans (Note 40.1.1)	260.543	232.715
Total finance income	260.543	232.715

Finance costs	30 June 2020	30 June 2019
	€	€
Interest expenses (bank)	-	(700)
Interest expenses (non-bank) (Note 40.1.2)	(19.381)	(24.837)
Finance charges and commissions	(3.210)	(8.324)
Bonds interest	(33.973)	(33.787)
Total finance costs	(56.564)	(67.648)
Net finance result	203.979	165.067

Discontinued operations (Note 8)		

	30 June 2020	30 June 2019
Finance income	€	€
Interest received from non-bank loans (Note 40.1.1)	4.670	4.645
Interest income associated with banking accounts	-	396
Total finance income	4.670	5.041
Finance costs	€	€
Interest expenses (bank)	(201.500)	(454.405)
Interest expenses (non-bank) (Note 40.1.2)	(7.048)	(3.550)
Finance leasing interest expenses	(236.173)	(246.872)
Finance charges and commissions	(1.345)	(1.305)
Total finance costs	(446.066)	(706.132)
Net finance result	(441.396)	(701.091)

Interest income from non-bank loans, reflects income from loans granted by the Group for financial assistance of associates. This amount includes also interest on Loan receivables from 3rd parties provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania. The loan provided initially with a convertibility option which was not exercised. According to the last addendum, the loan had certain one-off and monthly payments for a period until 30 June 2020. The two parties are currently engaged in discussions for agreeing and signing a new addendum with a new re-payment schedule. The loan is bearing a fixed interest rate of 10% and secured by relevant corporate guarantees, while the Company is in the process of getting agreed security in the form of pledge of shares following the relevant process provided in the initial Loan Agreement.

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

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

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

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

16. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 30 June 2020 from continued operations amounted to €42.043 (30 June 2019: loss €43.865).

The exchange loss from discontinued operations for the year ended 30 June 2020 amounted to €132.904 (30 June 2019: loss €274.005) (Note 8).

b. Exchange difference on intercompany loans to foreign holdings

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 40.3). For these intercompany loans the foreign exchange differences are recognized initially in other comprehensive income and in a separate component of equity. During 30 June 2020, the Group recognized a foreign exchange loss of €42.638 (30 June 2019: profit €21.828).

17. Tax Expense

Continued operations	30 June 2020	30 June 2019
	€	€
Income and defence tax expense	(81)	(2.212)
Taxes	(81)	(2.212)

Discontinued operations (Note 8)	30 June 2020	30 June 2019
	€	€
Income and defence tax expense	(23.452)	(16.368)
Taxes	(23.452)	(16.368)

For the period ended 30 June 2020 the corporate income tax rate for the Group's subsidiaries are as follows: in Ukraine 18%, and in Romania 16%. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12,5%.

18. Investment Property

18.1 Investment Property Presentation

Investment Property consists of the following assets:

Income Producing Assets

- **Victini Logistics (ex GED)** is a logistics park comprising 17.756 gross leasable sqm. It is fully let to the German multinational transportation and logistics company, Kuehne & Nagel and to a Greek commercial company trading electrical appliances GE Dimitriou SA. On the roof of the warehouse there is a 1MW photovoltaic park installed with the electricity generated being sold to Greek Electric Grid on a long term contract. The asset was sold within 2019.
- **EOS Business Park** consists of 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania until 2025.
- **Innovations Logistics Park** is a 16.570 sqm gross leasable area logistics park located in Clinceni in Bucharest, which benefits from being on the Bucharest ring road. Its construction was tenant specific, was completed in 2008 and is separated in four warehouses, two of which offer cold storage (freezing temperature), the total area of which is 6.395 sqm. Innovations Logistics Park was acquired by the Group in May 2014 and was 83% leased at the end of the reporting period.
- During 2017 the Company proceeded with an internal reorganization and the Kindergarten asset of GreenLake which was under the ownership of the associate GreenLake Development Srl was acquired by a separate entity (SPDI Real Estate). The Kindergarten is fully let to one of Bucharest's leading private schools and produces an annual rent inflow of ~€115.000.

Residential Assets

The Company owns a **residential portfolio**, consisting at the end of the reporting period of 16 apartments and villas across four three separate complexes located in different residential areas of Bucharest (Residential portfolio: Romfelt Plaza, Blooming House, GreenLake Residential: GreenLake Parcel K). During 2017 Tonescu Finance (the company which acquired the Monaco Towers related loan) commenced against SecMon Real Estate Srl legal proceedings and in order for SecMon Real Estate Srl to protect itself it entered voluntarily in January 2018 into insolvency process in January 2018. The entering of SecMon Real Estate Srl in the insolvency process means loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl (Monaco Towers assets) is not consolidated in the present financial statements. (Note 8).

Land Assets

- **Bela Logistic Park** is a 22,4 Ha plot in Odessa situated on the main highway to Kiev. Following the issuance of permits in 2008, below ground construction for the development of a 103.000 sqm GBA logistic center commenced. Construction was put on hold in 2009. The asset was sold in H2 2019.
- **Kiyanovskiy Residence** consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighborhood.
- **Tsymlyanskiy Residence** is a 0,36 Ha plot of land located in the historic Podil District of Kiev and is destined for the development of a residential complex.
- **Rozny Lane** is a 42 Ha land plot located in Kiev Oblast, destined for the development of a residential complex. It has been registered under the Group pursuant to a legal decision in 2015.
- **Balabino Project** is a 26,38 Ha plot of land situated on the south entrance of Zaporizhia, a city in the south of Ukraine with a population of 800.000 people. Balabino Project is zoned for retail and entertainment development. The asset was sold in H2 2019.
- **GreenLake land** is a 40.360 sqm plot and is adjacent to the GreenLake part of the Company's residential portfolio, which is classified under Investments in Associates (Note 20). It is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns ~44% of these plots, but has effective management control.
- **Boyana Land:** The complex of Boyana Residence ood includes adjacent land plots available for sale or development of ~22.000 sqm of gross buildable area. The asset was sold in H2 2019.

18.2 Investment Property Movement during the reporting period

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

Continued Operations

In H1 2020 and 2019, the Company did not have any Investment Property assets classified within continued operations.

Discontinued Operations

30 June 2020 (€)		Fair Value movements					Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 30/06/2020	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Transfer to FA at fair value through OCI (Note 21)	Disposals and change in allowance for investment property for H1 2020	Transfer from Continued Operations	Carrying amount as at 31/12/2019
Kiyanovskiy Residence	Land	2.768.351	(340.782)	349.653	-	-	-	2.759.480
Tsymlyanskiy Residence	Land	1.071.620	(131.915)	135.349	-	-	-	1.068.186
Balabino Project	Land	-	-	-	-	-	-	-
Rozny Lane	Land	1.071.620	(20.152)	23.586	-	-	-	1.068.186
Total Ukraine		4.911.591	(492.849)	508.588	-	-	-	4.895.852
Innovations Logistics Park	Warehouse	10.600.000	(138.654)	138.654	-	-	-	10.600.000
EOS Business Park	Office	7.700.000	(100.720)	100.720	-	-	-	7.700.000
Residential portfolio	Residential	341.476	(496.119)	9.588	-	95.007	-	733.000
GreenLake	Land	15.976.140	(219.937)	219.937	-	(837.860)	-	16.814.000
Kindergarten	Retail	1.438.000	(18.810)	18.810	-	-	-	1.438.000
Total Romania		36.055.616	(974.240)	487.709	-	(742.853)	-	37.285.000
Total		40.967.207	(1.467.089)	996.297	-	(742.853)	-	42.180.852

Discontinued Operations

31 December 2019 (€)		Fair Value movements					Asset Value at the Beginning of the period or at Acquisition/Transfer date	
Asset Name	Type	Carrying amount as at 30/06/2019	Foreign exchange translation difference	Fair value gain/(loss) based on local currency valuations	Transfer to FA at fair value through OCI (Note 21)	Disposals and change in allowance for investment property for H1 2019	Transfer from Continued Operations	Carrying amount as at 31/12/2018
Bela Logistic Park	Land	-	-	-	(4.716.157)	-	-	4.716.157
Kiyanovskiy Residence	Land	2.759.480	507.983	(543.263)	-	-	-	2.794.760
Tsymlyanskiy Residence	Land	1.068.186	185.028	(77.541)	-	-	-	960.699
Balabino Project	Land	-	-	-	(1.310.044)	-	-	1.310.044
Rozny Lane	Land	1.068.186	-	20.152	-	-	-	1.048.034
Total Ukraine		4.895.852	693.011	(600.652)	(6.026.201)	-	-	10.829.694
Innovations Logistics Park	Warehouse	10.600.000	(257.785)	257.785	-	-	-	10.600.000
EOS Business Park	Office	7.700.000	(185.545)	285.545	-	-	-	7.600.000
Residential portfolio	Residential	733.000	(32.889)	27.366	(615.477)	-	-	1.354.000
Greenlake	Land	16.814.000	(409.385)	381.385	-	-	-	16.842.000
Greenlake - kindergarten	Commercial	1.438.000	(34.423)	66.423	-	-	-	1.406.000
Total Romania		37.285.000	(920.027)	1.018.504	(615.477)	-	-	37.802.000
Boyana	Land	-	-	-	(4.230.000)	-	-	4.230.000
Total Bulgaria		-	-	-	(4.230.000)	-	-	4.230.000
Victini Logistics	Warehouse	-	-	-	(15.200.000)	-	-	15.200.000
Total Greece		-	-	-	(15.200.000)	-	-	15.200.000
Total		42.180.852	(227.016)	417.852	(26.071.678)	-	-	68.061.694

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

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

Asset Name	Location	Principal Operation	Related Companies	Carrying amount as at			
				30 June 2020		31 Dec 2019	
				Continued operations	Discontinued operations	Continued operations	Discontinued operations
				€	€	€	€
Bela Logistic Park	Odesa	Land and Development Works for Warehouse	LLC Aisi Bela	-	-	-	-
Kiyanovskiy	Podil,	Land for	LLC Aisi Ukraine	-	2.768.351	-	2.759.480

Residence	Kiev City Center	residential development	LLC Trade Center				
Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz-Pres-Ukraine	-	1.071.620	-	1.068.186
Balabino Project	Zaporizhia	Land for retail development	LLC Aisi Bela	-	-	-	-
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	1.071.620	-	1.068.186
Total Ukraine				-	4.911.591	-	4.895.852
Innovations Logistics Park	Cloceni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	10.600.000	-	10.600.000
EOS Business Park	Bucharest	Office building	Yamano Holdings Limited, N-E Real Estate Park First Phase Srl	-	7.700.000	-	7.700.000
Kindergarten	Bucharest	Retail	SPDI Real Estate Srl	-	1.438.000	-	1.438.000
Residential Portfolio	Bucharest	Residential apartments (3 in total in 2 complexes)	SEC South East Continent Unique Real Estate Investments II Limited Ketiza Holdings Limited Ketiza Real Estate Srl N-E Real Estate Park First Phase Srl (in 2018 after merger with SecRom Real Estate Srl)	-	341.476	-	733.000
GreenLake	Bucharest	Residential villas (13 villas) & land for residential development	SEC South East Continent Unique Real Estate (Secured) Investments Limited Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Ram Real Estate Management Limited Moselin Investments Srl Rimasol Enterprises Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Development Srl Jenby Investments Srl Ebenem Investments Srl	-	15.976.140	-	16.814.000
Total Romania				-	36.055.616	-	37.285.000
TOTAL				-	40.967.207	-	42.180.852

18.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park, EOS Business Park, Kindergarten of GreenLake, the Residential Portfolio (consisting of apartments in 2 complexes) and GreenLake parcel K, as well as all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residence and Rozny Lane in Ukraine, and GreenLake in Romania

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At the beginning of the reporting period	-	42.180.852	-	63.345.537
Disposal of investment Property	-	(742.853)	-	(21.355.521)
Revaluation (loss)/gain on investment property	-	996.297	-	417.852
Translation difference	-	(1.467.089)	-	(227.016)
As at the end of the reporting period	-	40.967.207	-	42.180.852

Disposals in H1 2020 of Investment Properties represent the sales of apartments, commercial spaces and parking spaces of residential portfolio. During 2019 the Bela and Balabino land plots in Ukraine, the Boyana Residence in Bulgaria and the Victini Logistics asset in Greece were sold.

b. Investment Properties Under Development

Investment property under development represents the carrying value of Bela Logistic Park property, which has reached the +10% construction in late 2008 but it is stopped since then. This property sold during December 2019.

	30 June 2020	31 Dec 2019
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	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At 1 January	-	-	-	4.716.157
Revaluation on investment property	-	-	-	-
Disposal of IP	-	-	-	(4.716.157)
Translation difference	-	-	-	-
Transferred to Assets held for sale	-	-	-	-
At 31 December	-	-	-	-

19. Investment Property Acquisitions, Goodwill Movement and Disposals

Disposal of subsidiaries

	Victini Logistics Park AE	Aisi Bela	Boyana	Total
	€	€	€	€
ASSETS				
Non-current assets				
Investment property	15.200.000	1.318.104	4.230.000	20.748.104
Investment property under construction	-	4.745.167	-	4.745.167
Tangibles and intangibles assets	16.994	-	-	16.994
	15.216.994	6.063.271	4.230.000	25.510.265
Current assets				
Inventories	-	-	4.604.044	4,604.044
Prepayments and other current assets	475.143	938	1.255	477.336
Cash and cash equivalents	35.994	27	2.187	38.208
	511.137	965	4.607.486	5.119.588
Total assets	15.728.131	6.064.236	8.837.486	30.629.853
Non-current liabilities				
Borrowings	10.082.370	-	2.257.980	12.340.350
Deposits from tenants	151.930	-	-	151.930
	10.234.300	-	2.257.980	12.492.280
Current liabilities				
Borrowings	-	-	336.329	336.329
Trade and other payables	586.870	78.068	24.046	688.984
Tax Payable	180.883	-	136.138	317.021
Provisions	42.512	-	-	42.512
	810.265	78.068	496.513	1.384.846
Total liabilities	11.044.565	78.068	2.754.493	13.877.126
Net assets disposed	4.683.566	5.986.168	6.082.993	16.752.727
Financed by				
Cash consideration received	2.030.624	-	-	2,030.624
Retained receivables from tenants	337.600	-	-	337.600
Financial assets received	-	3.735.555	4.241.544	7,977.099
Bank Loan pending transfer (Notes 25 & 44 c)	-	-	775.641	775.641
Net deferred consideration in the form of a loan receivable	-	-	639.000	639.000
Total result from disposal	(2.315.342)	(2.250.613)	(426.808)	(4.992.763)

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

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

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

20. Investments in associates

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cost of investment in associates at the beginning of the period	-	5.380.021	-	5.313.235
Share of profits from associates	-	280.982	-	297.985
Dividend Income	-	-	-	(121.772)
Foreign exchange difference	-	(69.889)	-	(109.427)
Total	-	5.591.114	-	5.380.021

Dividend Income reflects dividends received from Delenco Srl, owner of the Delea Nuova building, where the Group maintains a 24,35% participation.

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

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

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

As at 30 June 2019, the Group's interests in its associates and their summarised financial information, including total assets at fair value, total liabilities, revenues and profit or loss, were as follows:

Project Name	Associates	Total assets	Total liabilities	Profit/ (loss)	Holding	Share of profits from associates	Country	Asset type
		€	€	€	%	€		
Delea Nuova Project	Lelar Holdings Limited and S.C. Delenco Construct Srl	24.180.906	(2.181.762)	920.493	24,35%	224.177	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	9.171.101	(11.379.751)	(26.150)	40,35%	-	Romania	Residential assets
Total		33.352.007	(13.561.513)	894.343		224.177		

21. Financial assets at fair value through OCI

The Group proceeded with an impairment of €297.200 for Monaco Towers (company SecMon Real Estate Srl) in 2018 for which following the court decision for entering into insolvency in January 2018, the Company lost the control over the asset and as such it was reclassified as Financial assets at fair value through OCI as per table below (where the fair value of the property was adjusted at 80% of its value): During the reporting period, the Management believes that the fair value of the Financial asset at fair value through OCI should remain the same as last year.

Discontinued operations (Note 8)		
	Unadjusted	Adjusted
ASSETS	€	€
Non-current assets		
Investment property	1.486.000	1.188.800
Current assets		
Prepayments and other current assets	20.447	20.447
Cash and cash equivalents	10.321	10.321
Total assets	1.516.768	1.219.568
Current liabilities		
Borrowings	(1.075.176)	(1.075.176)
Other liabilities	(19.433)	(19.433)
Intercompany loans	(1.845.700)	(124.958)
Total liabilities	(2.940.309)	(1.219.567)
Total Net equity	(1.423.541)	1
Add back Intercompany loans	1.845.700	-
Total Net equity (excluding IC)	422.159	1
Financial Asset at fair value through OCI		1

22. Tangible and intangible assets

As at 30 June 2020 the intangible assets were composed of the capitalized expenditure on the Enterprise Resource Planning system (Microsoft Dynamics-Navision) in the amount of €103.193 (31 Dec 2019: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (31 Dec 2019: €103.193) and therefore net value amounts to €0 (31 Dec 2019: €0).

As at 30 June 2020 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €514 (31 Dec 2019: €566).

As at 30 June 2020 the tangible non-current assets under discontinued operations mainly consisted of the machinery and equipment used for servicing the Group's investment properties in Ukraine, Romania, Greece and Bulgaria, amount to €85.377 (31 Dec 2019:€ 60.741). Accumulated depreciation as at the reporting date amounts to €72.475 (31 Dec 2019: €46.399).

23. Long Term Receivables and prepayments

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	841	315.261	852	315.265
Total	841	315.261	852	315.265

Long term receivables mainly include the cash collateral existing in favor of Piraeus Leasing and the guarantee deposit from a tenant in Innovations Logistics Park.

24. Inventory

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At 1 January	-	-	-	4.604.044
Sale of Inventories (Note 13a)	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	(4.604.044)

As at the end of the reporting period	-	-	-	-
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The residential portfolio in Boyana, Sofia, Bulgaria is classified as Inventory. Boyana residential portfolio was sold within 2019.

25. Prepayments and other current assets

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	1.099.929	656.060	1.062.508	437.183
Bank Loan pending transfer (Note 19)	-	775.641	-	775.641
Receivable from Arcona	-	-	4.030.233	-
VAT and other tax receivables	172.101	74.616	145.910	111.350
Deferred expenses	135	50.461	14.533	15.245
Receivables due from related parties	66.792	5.347	71.147	6.927
Loan receivables from 3 rd parties	5.606.142	124.958	5.575.555	124.958
Loan to associates (Note 40.4)	-	296.878	-	292.208
Allowance for impairment of prepayments and other current assets	(59.175)	(294.384)	(65.973)	(292.740)
Total	6.885.924	1.689.577	10.833.913	1.470.772

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

Bank Loan pending transfer refers to the agreement, as part of the transaction for the sale of Boyana to Arcona, of the transfer of the relevant loan at Sertland level to Arcona upon signing relevant documentation with Alpha Bank. The transfer completed effectively in August 2020 (Note 19 & Note 44 c).

Receivables from Arcona refer to the consideration shares and warrants in relation to the disposal of Boyana asset, which at year end were in escrow account, agreed then to be released to the Company upon agreement of the extension terms of the associated loans. The consideration shares and warrants were released effectively in February 2020.

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

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

Loan receivables from 3rd parties include an amount of €4.580.000 provided as an advance payment for acquiring a participation in an investment property portfolio (Olympians portfolio) in Romania, as well as associated interest of €897.182 (2019 €771.125). The loan provided initially with a convertibility option which was not exercised. According to the last addendum the loan had certain one-off and monthly payments for a period until 30 June 2020. The two parties are currently engaged in discussions for agreeing and signing a new addendum with a new re-payment schedule. The loan is bearing a fixed interest rate of 10% and secured by relevant corporate guarantees, while the Company is in the process of getting agreed security in the form of pledge of shares following the relevant process provided in the initial Loan Agreement.

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

Loans receivables from 3rd parties also include an amount of €115.000 provided to the SPV that acquired Delia Lebada asset, as part of an agreement of obtaining a 5% stake on the property.

Loan receivable from 3rd parties under discontinued operations include a loan receivable from SecMon Real Estate Srl which since January 2018 is classified as Financial Asset at Fair value through OCI (Note 21).

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

26. Financial Assets at FV through P&L

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

	30 June 2020	31 Dec 2019
	€	€
Arcona shares	3.549.453	3.735.555
Transfer from Receivables	4.030.234	

FV change in Arcona shares	(260.870)	(186.102)
Arcona shares at reporting date	7.318.817	3.549.453
Warrants over Arcona shares	32.190	1
Transfer from Receivables	1	-
FV change in warrants	(23.534)	32.189
Arcona warrants at reporting date	8.657	32.190
Total Financial Assets at FV	7.327.474	3.581.643
FV change in Arcona shares	(260.870)	(186.102)
FV change in warrants	(23.534)	32.189
Fair Value loss on Financial Assets at FV through P&L	(284.404)	(153.913)

The Company received during 2019, 277.943 Arcona shares as part of the disposal of Aisi Bella LLC, the owner company of Bella and Balabino assets in Ukraine, to Arcona Property Fund N.V. Moreover the Company received during H1 2020, 315.591 Arcona shares held previously in escrow, as part of the disposal of Boyana, and therefore a relevant transfer from receivables account took place. At the end of the reporting period the shares re-valued to their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value loss of EUR 260.870 is recognized.

On top of the aforementioned shares, the Company received for the sale of Bella and Balabino assets, 67.063 warrants over shares in Arcona for a consideration of EUR 1, and 77.201 warrants over Arcona shares for the sale of Boyana, held previously in escrow, for a consideration of EUR 1. The warrants are exercisable upon the volume weighted average price of the Arcona shares traded on a regulated market at EUR 8,10 or higher. At year end, the warrants are re-valued to fair value and as a result a relevant loss of EUR 23.534 is recognized. The terms and assumptions used for such warrant re-valuation are:

- Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 4,35 per share
- Strike price of the warrants: EUR 8,10 per share
- Expiration date: 1 November 2024
- Standard deviation of stock price: 19,45%
- Annualized dividend yield on shares: 0,10%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 0,677%

27. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	15.550	1	15.700	-
Cash with banks in EUR	186.274	51.517	151.349	51.539
Cash with banks in UAH	11	94	59	95
Cash with banks in RON	81.131	507.290	40.143	478.740
Total	282.966	558.902	207.251	530.374

28. Share capital

Number of Shares

	30 June 2020	31 Dec 2019
Authorised		
Ordinary shares of €0,01	989.869.935	989.869.935
Total ordinary shares	989.869.935	989.869.935
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	8.618.997	8.618.997
Total redeemable shares	8.618.997	8.618.997
Issued and fully paid		
Ordinary shares of €0,01	129.191.442	129.191.442
Total ordinary shares	129.191.442	129.191.442
RCP Class A Shares of €0,01	-	-

RCP Class B Shares of €0,01	-	-
Total redeemable shares	-	-
Total	129.191.442	129.191.442

Nominal value (€)

€	30 June 2020	31 Dec 2019
	€	€
Authorised		
Ordinary shares of €0,01	9.898.699	9.898.699
Total ordinary shares	9.898.699	9.898.699
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	86.190	86.190
Total redeemable shares	86.190	86.190
Issued and fully paid		
Ordinary shares of €0,01	1.291.911	1.291.911
Total ordinary shares	1.291.911	1.291.911
RCP Class A Shares of €0,01	-	-
RCP Class B Shares of €0,01	-	-
Total redeemable shares	-	-
Total	1.291.911	1.291.911

28.1 Authorised share capital

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

The Company cancelled the Redeemable Preference Class A Shares following the AGM decision of 29 December 2017 and the subsequent court approval obtained during H1 2018 while Redeemable Preference Class B Shares (Note 28.6) remain to be cancelled.

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

- a) 989.869.935 Ordinary Shares of €0,01 nominal value each,
- b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 28.6).

28.2 Issued Share Capital

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

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

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

- for the Redeemable Preference Class B Shares, in lieu of redemption the Company gave its 20% holding in Autounion (Note 28.6) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 41.3). As soon as the case is settled, the Company will proceed with the cancellation of the Redeemable Preference Class B Shares.

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

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

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

- a) 129.191.442 Ordinary Shares of €0,01 nominal value each,
- b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 28.6).

28.3 Class A Warrants issued

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, (Note 25) issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. Pursuant to issuing the instrument, the Company issued 17.066.560 Class A warrants which were exercised during 2017 at an exercise price of £0,10 per ordinary share and the Company proceeded at, beginning of 2018, with the issuance of 17.066.560 new ordinary shares corresponding to these warrants.

There are no Class A warrants in circulation as at the issuance date of the financial statements.

28.4 Class B Warrants issued

On 8 August 2011 the Company issued an amount of Class B Warrants for an aggregate corresponding to 12,5% of the issued share capital of the Company after the exercise date. Further to the resolution approved at the AGM of 30 December 2016 the exercise period of the Class B Warrants was extended until 30 June 2017, at an exercise price of the nominal value per Ordinary Share as at the date of exercise. The Class B Warrant Instruments have anti-dilution protection so that, in the event of further share issuances by the Company, the number of Ordinary Shares to which the holder of a Class B Warrant is entitled will be adjusted so that he receives the same percentage of the issued share capital of the Company (as nearly as practicable), as would have been the case had the issuances not occurred. This anti-dilution protection will freeze on the earlier of (i) the expiration of the Class B Warrants; and (ii) capital increase(s) undertaken by the Company generating cumulative gross proceeds in excess of USD 100.000.000.

As at 30 June 2017 there were 12.948.694 warrants in circulation corresponding to an equal amount of ordinary shares (1:1) and the Company received valid notices from holders of Class B warrants for the full exercise of their warrants and proceeded with the issue of 12.948.694 new ordinary shares.

There are no Class B warrants in circulation.

28.5 Capital Structure as at the end of the reporting period

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

Number of		(as at) 30 June 2020	(as at) 31 December 2019	(as at) 31 December 2018
Ordinary shares of €0,01	Issued and Listed on AIM	129.191.442	129.191.442	127.270.481
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442	127.270.481
Total number of Shares	Full Dilutive Basis	129.191.442	129.191.442	127.270.481
Options	-	-	-	-
Shares issued in 2018 for exercise of warrants and options in 2017	-	-	-	-

Redeemable Preference Class A Shares

The Redeemable Preference Class A Shares which do not have voting or dividend rights were issued as part of the Innovations Logistics Park acquisition consideration. As at the reporting date all of the Redeemable Preference Class A Shares have been redeemed and the Company, following the approval received by the AGM on 29 December 2017, proceeded in their cancellation within 2018.

Redeemable Preference Class B Shares

The Redeemable Preference Class B Shares, issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. as part of the Praktiker Craiova asset acquisition do not have voting rights but have economic rights at par with ordinary shares. As at the reporting date all of the Redeemable Preference Class B Shares have been redeemed but the Company is in legal proceedings with the vendor in respect of a final settlement (Notes 33, 41.3).

28. Share capital (continued)

28.6 Other share capital related matters

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

- That the balance of the share premium account of the Company will be reduced by €53.569.295 and will be set off against carried forward losses of the Company amounting to €53.569.295.
- That the balance of the share premium account of the Company will be reduced by €698.650 and that the said amount will be set off against any outstanding balances between the Company, Myrian Nes Ltd and Theandron Estates Ltd related to the Redeemable Preference Class A Shares.
- That the authorised share capital of the Company, as well as the issued share capital of the Company each will be reduced, by the cancellation of 785.000 Redeemable Preference Class A Shares of €0,01 each, namely 777.150 Redeemable Preference Class A Shares of €0,01 each in the name of Myrian Nes Ltd and 7.850 Redeemable Preference Class A Shares of €0,01 each in the name of Theandron Estates Ltd and the amount reduced will be set off against any outstanding balances between the Company, Myrian Nes Ltd and Theandron Estates Ltd.
- That the articles of association of the Company will be amended by adding the following new Regulation 3.10 after

Regulation 3.9:

"Subject to the provisions of the Law, the Company may purchase its own shares (including any redeemable shares)."

Pursuant to decisions taken by the AGM of 31st December 2018, the Board has been authorized and empowered to:

- issue and allot up to 20.000.000 ordinary shares of euro 0,01 each, at an issue price as the Board may in its sole unfettered discretion from time to time determine (and such price may be at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the new shares) and for such purpose any rights of pre-emption and other rights the Company's shareholders have or may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the authority conferred on the Board for the issue and allotment of shares in the Company as contemplated in this resolutions or the issue of shares in the Company pursuant to such authority be and are hereby irrevocably and unconditionally waived. The authority conferred by this resolution expired on 31 December 2019. Under this authority and following relevant Board resolution on 11/12/2019, the Company issued 1.920.961 ordinary shares of euro 0,01 each.
- issue up to 15.000.000 Class A Warrants, being convertible to up to 15.000.000 ordinary share of euro 0,01 each in the Company upon exercise of the Warrants, with such terms and conditions and at an issue price as the Board may in its sole unfettered discretion from time to time determine (and such price may be at a discount to the net asset value per share in the Company which is in issue immediately prior to the issue of the Warrants) and for such purpose any rights of pre-emption and other rights the Company's shareholders have or may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the authority conferred on the Board for the issue and allotment of shares or Warrants in the Company as contemplated in this resolution or the issue and allotment of shares or Warrants in the Company pursuant to such authority be and are hereby irrevocably and unconditionally waived. The authority conferred by this resolution shall expire on 31 December 2019. The Company did not issue any Class A Warrants under this authority.

29. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency to EUR of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against EUR in the countries where the Company's subsidiaries' functional currencies are not EUR. The Company had foreign exchange losses on translation due to presentation currency of €1.176.630 for H1 2020, in comparison to €183.153 relevant losses for H1 2019.

30. Non-Controlling Interests

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

% Group Company	Non-controlling interest portion	
	30 June 2020	31 Dec 2019
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Holdings Limited	10,00	10,00
Ketiza Real Estate Srl	10,00	10,00
Ram Real Estate Management Limited	50,00	50,00
Iuliu Maniu Limited	55,00	55,00
Moselin Investments Srl	55,00	55,00
Rimasol Enterprises Limited	55,76	55,76
Rimasol Real Estate Srl	55,76	55,76
Ashor Ventures Limited	55,76	55,76
Ashor Development Srl	55,76	55,76
Jenby Ventures Limited	55,70	55,70
Jenby Investments Srl	55,70	55,70
Ebenem Limited	55,70	55,70
Ebenem Investments Srl	55,70	55,70
SPDI Real Estate Srl	50,00	50,00

31. Borrowings

	Project	30 June 2020		31 Dec 2019	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Principal of bank Loans					
Eurobank SA	Blooming House	-	-	-	277.802
Alpha Bank Romania	Romfelt Plaza	-	31.027	-	51.594
Alpha Bank Romania	EOS Business Park	-	170.335	-	293.466
Eurobank SA	GreenLake – Parcel K	-	3.249.926	-	3.249.926
Alpha Bank Bulgaria	Boyana Residence	-	666.468	-	666.468

	(Sertland Loan)				
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Eurobank SA	Kindergarten – SPDI RE	-	694.040	-	732.107
Loans from other 3 rd parties and related parties (Note 40.5)		932.360	181.761	382.455	177.686
Overdrafts		459	2.417	459	2.546
Total principal of bank and non-bank Loans		932.819	7.521.912	382.914	7.977.533
Interest accrued on bank loans		-	972.967	-	922.073
Interests accrued on non-bank loans		62.244	64.387	45.086	50.054
Total		995.063	8.559.266	428.000	8.949.660

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	987.909	3.504.668	420.751	3.451.833
Non-current portion	7.154	5.054.598	7.249	5.497.827
Total	995.063	8.559.266	428.000	8.949.660

Ketiza Real Estate Srl entered in 2012 into a loan agreement with Bancpost SA for a credit facility for financing the acquisition of the Blooming House and 100% of the remaining (without VAT) construction works of Blooming House project. The loan bears interest EURIBOR 3M plus 3,5% and secured by all assets of Ketiza Real Estate Srl, as well as its shares and is being repaid through sales proceeds. As at the end of the reporting period the loan has been repaid in full.

SecRom Real Estate Srl entered (2009) into a loan agreement with Alpha Bank Romania for a credit facility for financing part of the acquisition of the Doamna Ghica Project apartments. During 2018, SecRom Real Estate Srl was merged with N-E Real Estate Park First Phase Srl as a result the loan was transferred to N-E Real Estate Park First Phase Srl. As at the end of the reporting period, the balance of the loan was €51.594, bears interest of EURIBOR 1M+4.25% and is repayable on the basis of investment property sales. The loan is secured by all assets of SecRom Real Estate Srl, currently held by N-E Real Estate Park First Phase Srl, as well as its shares and is being repaid through sales proceeds with a maturity in 2021.

31. Borrowings (continued)

Moselin Investments Srl entered in 2010 into a construction loan agreement with Eurobank SA (ex Bancpost) covering the construction works of Parcel K GreenLake project. As at the end of the reporting period the balance of the loan was €3.249.926 and bears interest of EURIBOR 3M plus 2,5%. Following restructuring implemented during 2017 the loan maturity was extended to 2022. The loan is secured with the property itself and the shares of Moselin Investments Srl and is being repaid through sales proceeds.

Sertland Properties Limited entered in 2008 into a loan agreement with Alpha Bank Bulgaria for an acquisition loan related to the acquisition of 70% of Boyana Residence ood. The loan bears interest of EURIBOR 3M plus 5,75% and has been agreed to be transferred to Arcona as part of the transaction of the sale of Boyana Residence ood in Bulgaria on 5 December 2019. The relevant agreement between Sertland, Arcona and Alpha Bank was signed in August 2020 when the transfer of the loan from Sertland to Arcona effectively enforced (Note 19).

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank for the acquisition of the GreenLake land in Bucharest Romania. As at the end of the reporting period the balance of the loan was €2.525.938 plus accrued interest €471.112 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. During September 2019, the company received a termination notice from Piraeus Bank in relation to this loan, and currently relevant discussions with the Bank are taking place for a mutual agreed solution.

N-E Real Estate Park First Phase Srl entered in 2016 into a loan agreement with Alpha Bank Romania for a credit facility of €1.000.000 for working capital purposes. As at the end of the reporting period, the balance of the loan was €170.335, bears interest of EURIBOR 1M+4,5% and is repayable from the free cash flow resulting from the rental income of company's property. The loan matures in April 2024 and is secured by a second rank mortgage over assets of SecRom Real Estate Srl, which has been absorbed by N-E Real Estate Park First Phase Srl, as well as its shares.

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Eurobank. As at the end of the reporting period the balance of the loan was €694.040 and bears interest of Euribor 3m plus 4,6% per annum. The loan is repayable by 2027.

Loans from other 3rd parties and related parties under continued operations includes also loans from related parties provided as bridge financing for future property acquisitions (Note 40.5).

A) Loans from Directors reflects loans provided from 3 Directors as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 March 2020. The Company discusses with the Directors the extension of the loans until year end and relevant documentation process is currently in place.

B) The Company has borrowed during the period €500.000 from an unrelated third party for funding operating needs. The loan

bears fixed interest rate 10% and is payable within 2020, following the re-payment of the Sellers Loan that the Company has granted as part of the sale of Boyana Residences ood to Arcona.

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

32. Bonds

The Company in order to acquire up to a 50% interest in a portfolio of fully let logistics properties in Romania, the Olympians Portfolio, (Notes 25 and 28.4) issued a financial instrument, 35% of which consists of a convertible bond and 65% of which is made up of a warrant. The convertible loan element of the instrument which was in the value of €1.033.842 bears a 6,5% coupon, has a 7 year term and is convertible into ordinary shares of the Company at the option of the holder at 25p. starting from 1 January 2018.

33. Trade and other payables

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

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Payables to third parties	3.571.166	765.966	3.729.592	854.974
Payables to related parties (Note 40.2)	680.058	16.623	606.214	177
Deferred income from tenants	-	8.010	-	8.216
Accruals	150.015	163.765	99.744	151.899
Pre-sale advances	127.077	-	144.045	-
Total	4.528.316	954.364	4.579.595	1.015.266

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Current portion	4.528.316	946.354	4.579.595	1.007.050
Non-current portion	-	8.010	-	8.216
Total	4.528.316	954.364	4.579.595	1.015.266

33. Trade and other payables (continued)

Payables to third parties represents: a) payables due to Bluehouse Capital (under continued operations) as a result of the Redeemable Convertible Class B share redemption (Note 28.6) which is under legal proceedings for a final settlement (Note 41.3) , b) amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group, and c) guarantee amounts collected from tenants.

Payables to related parties under continued operations represent amounts due to directors and accrued management remuneration (Note 40.2). Payables to related parties under discontinued operations represent payables to non-controlling shareholders.

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

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

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

34. Deposits from Tenants

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Deposits from tenants non-current	-	66.371	-	67.269
Total	-	66.371	-	67.269

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

35. Provisions and Taxes Payables

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax – non current	121.602	44.442	167.961	43.535
Defence tax – non current	28.129	15	28.130	15
Tax provision – non current	399.450	71.391	399.450	-
Corporate income tax - current	436.356	56.796	450.450	56.865
Other taxes including VAT payable - current	107.942	107.393	99.669	93.322
Provisions – current	41	22.529	43	22.826
Total Provisions and Taxes Payables	1.093.520	302.566	1.145.703	216.563

Corporate income tax represents taxes payable in Cyprus and Romania.

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

Non current amounts represent the part of the settlement plan agreed with the Cyprus tax authorities to be paid within the next five years.

36. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €9.405.624 and the current portion of €391.851 (31 December 2019: €9.699.050 and €385.420, accordingly).

Discontinued operations

30 June 2020	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2 & 42.6	857.140	465.289	391.851
Between two and five years		5.476.678	1.510.101	3.966.577
More than five years		5.773.801	334.993	5.438.808
		12.107.619	2.310.383	9.797.236
Accrued Interest				239
Total Finance Lease Liabilities				9.797.475

36. Finance Lease Liabilities (continued)

31 Dec 2019	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	42.2 & 42.6	861.304	475.884	385.420
Between two and five years		5.637.702	1.611.343	4.026.359
More than five years		6.053.782	381.375	5.672.407
		12.552.788	2.468.602	10.084.186
Accrued Interest				284
Total Finance Lease Liabilities				10.084.470

36.1 Land Plots Financial Leasing

The Group holds land plots in Ukraine under leasehold agreements. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as included above. Following the appropriate discounting, finance lease liabilities are carried at €47.811 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

36.2 Sale and Lease Back Agreements

A. Innovations Logistics Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Real Estate Srl, through a sale and lease back agreement with Piraeus Leasing Romania SA. As at the end of the reporting period the balance is €6.693.531, bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon payment of €5.244.926. At the maturity of the lease agreement Best Day Real Estate Srl will become owner of the asset.

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

1. Best Day Real Estate Srl pledged its future receivables from its tenants.
2. Best Day Real Estate Srl pledged its shares.

3. Best Day Real Estate Srl pledged all current and reserved accounts opened in Piraeus Leasing, Romania.
4. Best Day Real Estate Srl was obliged to provide cash collateral in the amount of €250.000 in Piraeus Leasing Romania, which had been deposited as follows, half in May 2014 and half in May 2015.
SPDI provided a corporate guarantee in favor of the bank towards the liabilities of Best Day Real Estate Srl arising from the sale and lease back agreement.

B. EOS Business Park

In October 2014 the Group concluded the acquisition of EOS Business Park in Bucharest, owned by N-E Real Estate Park First Phase Srl, through a sale and lease back agreement with Alpha Bank Romania SA. As at the end of the reporting period the balance is €3.064.481 bearing interest rate at 3M Euribor plus 5,25% margin, being repayable in monthly tranches until 2024 with a balloon payment of €2.546.600. At the maturity of the lease agreement by N-E Real Estate Park First Phase Srl will become owner of the asset.

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

1. N-E Real Estate Park First Phase Srl pledged its future receivables from its tenants.
2. N-E Real Estate Park First Phase Srl pledged Bank Guarantee receivables from its tenants.
3. N-E Real Estate Park First Phase Srl pledged its shares.
4. N-E Real Estate Park First Phase Srl pledged all current and reserved accounts opened in Alpha Bank Romania SA.
5. N-E Real Estate Park First Phase Srl is obliged to provide cash collateral in the amount of €300.000 in Alpha Bank Romania SA, in equal annual installments starting with the 5th year of the agreement.
6. SPDI provided a corporate guarantee in favor of the bank towards the liabilities of N-E Real Estate Park First Phase Srl arising from the sales and lease back agreement.

37. Restructuring of the business

During 2016 the non-controlling shareholders of the companies related to GreenLake project (Moselin Investments Srl, Iuliu Maniu Limited, RAM Real Estate Management Limited, Rimasol Enterprises Limited, Rimasol Real Estate Srl, Ashor Ventures Limited, Ashor Development Srl, Ebenem Limited, Ebenem Investments Srl, Jenby Ventures Limited and Jenby Investments Srl) in agreement with the Group capitalized the bigger part of their capital injections by means of shareholder loans and payables effected from 2008 onwards. An amount of €6.641.997 from such loans and payables have been transferred to the equity section while the process of capitalization was partially finalised in 2017 with the remaining finalised within 2018.

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

a. Weighted average number of ordinary shares

	30 June 2020	31 Dec 2019	30 June 2019
Issued ordinary shares capital	129.191.442	129.191.442	127.270.481
Weighted average number of ordinary shares (Basic)	129.191.442	127.275.743	127.270.481
Diluted weighted average number of ordinary shares	129.191.442	127.275.743	127.270.481

b. Basic diluted and adjusted earnings per share

Earnings per share	30 Jun 2020	30 Jun 2019
	€	€
Loss after tax attributable to owners of the parent	369.095	47.570
Basic	0,03	0,0004
Diluted	0,03	0,0004

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

Earnings per share	30 Jun 2020	30 Jun 2019
	€	€
Loss after tax from discontinued operations attributable to owners of the parent	855.378	649.935
Basic	0.007	0.005
Diluted	0.007	0.005

d. Net assets per share

Net assets per share	30 June 2020	31 Dec 2019
	€	€
Net assets attributable to equity holders of the parent	28.454.530	29.392.468
Number of ordinary shares	129.191.442	129.191.442
Diluted number of ordinary shares	129.191.442	129.191.442
Basic	0,22	0,23
Diluted	0,22	0,23

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

Residential

- Residential segment

Land Assets

- Land assets

There are no sales between the segments.

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

Continued Operations

Profit and Loss for the period ended 30 June 2020

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 9)	5.924					280.612	286.536
Service charges and utilities income (Note 9)						93.450	93.450

Profit from discontinued operation (Note 8)	217.576	621.585	77.408	33.146	669.141	(88.284)	1.530.572
Impairment of financial investments						(284.404)	(284.404)
Property management						20.000	20.000
Segment profit	223.500	621.585	77.408	33.146	669.141	21.374	1.646.154
Administration expenses (Note 11)							(680.837)
Other (expenses)/income, net (Note 14)							34.305
Finance income (Note 15)							260.543
Interest expenses (Note 15)							(53.355)
Other finance costs (Note 15)							(3.209)
Foreign exchange losses, net (Note 16a)							(42.043)
Income tax expense (Note 17)							(81)
Profit from discontinued operations (Note 8)							(675.194)
Exchange difference on I/C loan to foreign holdings (Note 16b)							(42.638)
Exchange difference on translation foreign holdings (Note 29)							(1.179.550)
Total Comprehensive Income							(735.905)

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

Continued Operations

Profit and Loss for the period ended 30 June 2019

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 9)	-	-	-	-	-	132.025*	132.025
Service charges and utilities income (Note 9)	-	-	-	-	-	18.016*	18.016
Profit from discontinued operation (Note 8)	790.870	686.203	62.908	(20.259)	17.012	(21.457)	1.515.277
Segment profit	790.870	686.203	62.908	(20.259)	17.012	128.584	1.665.318
Administration expenses (Note 11)	-	-	-	-	-	-	(800.710)
Other (expenses)/income, net (Note 14)	-	-	-	-	-	-	66.056
Finance income (Note 15)	-	-	-	-	-	-	232.715
Interest expenses (Note 15)	-	-	-	-	-	-	(59.324)
Other finance costs (Note 15)	-	-	-	-	-	-	(8.324)
Foreign exchange losses, net (Note 16a)	-	-	-	-	-	-	(43.865)
Income tax expense (Note 17)	-	-	-	-	-	-	(2.212)
Profit from discontinued operations (Note 8)	-	-	-	-	-	-	(865.342)
Exchange difference on I/C loan to foreign holdings (Note 16b)	-	-	-	-	-	-	21.828
Exchange difference on translation foreign holdings (Note 29)	-	-	-	-	-	-	(183.153)
Total Comprehensive Income							22.987

Discontinued Operations

Profit and Loss for the period ended 30 June 2020

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 13)		5.942		408.083	330.027		744.052
Cost of Property sold (Note 13)		(4.294)		(387.537)	(351.022)		(742.853)
Rental income (Note 9)	114.277	313.575	63.153	6.243			497.248
Service charges and utilities income (Note 9)	13.890			1.348			15.238
Sale of electricity (Note 9)							

current assets							
Cash and cash equivalents							558.902
Total assets							49.134.964
Borrowings	29	202.203	893.015	559	7.463.460		8.559.266
Finance lease liabilities	6.693.530	3.064.481			47.811		9.805.822
Deposits from tenants	64.230			2.141			66.371
Segment liabilities	6.757.789	3.266.684	893.015	2.700	7.511.271		18.431.459
Trade and other payables							954.364
Taxes payable and provisions							302.566
Total liabilities							19.688.389

Discontinued operations

Assets and Liabilities held for sale 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	10.600.000	7.766.000	1.438.000	667.000	21.709.852	-	42.180.852
Investments in associates	315.000	265	-	-	-	-	315.265
Financial Asset at FV through OCI	-	5.380.021	-	-	-	-	5.380.021
Investment properties	-	-	-	1	-	-	1
Long-term receivables and prepayments	10.915.000	13.146.286	1.438.000	667.001	21.709.852		47.876.139
Tangible and intangible assets	-	-	-	-	-	-	14.342
Prepayments and other current assets	-	-	-	-	-	-	1.470.772
Cash and cash equivalents	-	-	-	-	-	-	530.374
Total assets							49.891.627
Borrowings	36	345.911	930.730	278.360	7.394.623	-	8.949.660
Finance lease liabilities	6.857.475	3.172.800	-	-	54.195	-	10.084.470
Deposits from tenants	64.230		-	3.039			67.269
Segment liabilities	6.921.741	3.518.711	930.730	281.399	7.448.818		19.101.399
Trade and other payables	-	-	-	-	-	-	1.015.266
Taxes payable and provisions	-	-	-	-	-	-	216.563
Total liabilities							20.333.228

Geographical information

Income (Note 9)	30 June 2020		30 June 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	5.924	513.533	-	521.618
Greece	-	-	-	681.893
Bulgaria	-	-	-	417
Cyprus *	394.062		150.041	-
Total	399.986	513.533	150.041	1.203.928

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

Gain/(loss) from disposal of investment properties (Note 13b)	30 June 2020		30 June 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations

	€	€	€	operations €
Romania	-	1.199	-	(2.067)
Total	-	1.199	-	(2.067)

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€		€
Carrying amount of assets (investment properties, associates and Financial asset at fair value through OCI)				
Ukraine	-	4.911.591	-	4.895.852
Romania	-	41.646.731	-	42.665.022
Total	-	46.558.322	-	47.560.874

40. Related Party Transactions

The following transactions were carried out with related parties:

40.1 Income/ Expense

40.1.1 Income

•	30 June 2020		30 June 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
•	€	€	€	€
Interest Income on loan to related parties	2.294		2.281	-
Interest Income from loan to associates	162	4.670	161	4.645
Total	2.456	4.670	2.442	4.645

Interest income on loan to related parties relates to interest income from Delia Lebada Srl and interest income from associates relates to interest income from GreenLake Development Srl.

40.1.2 Expenses

•	30 June 2020		30 June 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
•	€	€	€	€
Management Remuneration (Note 11)	145.904		203.870	-
Interest expenses on Director Loans	15.167		24.837	-
Interest expenses on Narrowpeak loan (Note 15)	6		154	
Total	161.077		228.861	-

40.1.2 Expenses (continued)

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

40.2 Payables to related parties (Note 33)

	• 30 June 2020		• 31 Dec 2019	
	• Continued operations	• Discontinued operations	• Continued operations	• Discontinued operations
	• €	• €	• €	• €
Board of Directors & Committees remuneration	364		364	-
Secure Management SRL	-	176	-	177
Secure Management Services Ltd	1.188	-	-	-
Sec South Management Limited	8.091	-	-	-
Management Remuneration	670.415		605.850	-
Total	680.058	176	606.214	177

40.2.1 Board of Directors & Committees

The amount payable represents costs payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's

cash flow receive their payment in shares of the Company. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to EUR 73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to EUR 74.162,04 in lieu of their before H2 2016 fees.

40.2.2 Management Remuneration

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

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

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

Borrower	Limit	Principal as at 30 June 2020	Principal as at 31 Dec 2019
	€	€	€
LLC "Aisi Ukraine"	23.062.351	80.493	57.865
LLC "Almaz-Press-Ukraine"	8.236.554	294.572	263.330
LLC "Aisi Ilvo"	150.537	47.486	28.597
Total	31.449.442	422.551	349.792

A potential Ukrainian Hryvnia weakening/strengthening by 10% against the US dollar with all other variables held constant, would result in an exchange difference on I/C loans to foreign holdings of (€30.533)/ €30.533 respectively, estimated on balances held at 30 June 2019.

40.4 Loans to associates (Note 25)

	• 30 June 2020		• 31 Dec 2019	
	• Continued operations	• Discontinued operations	• Continued operations	• Discontinued operations
	• €	• €	• €	• €
Loans to GreenLake Development Srl	8.862	296.878	8.700	292.208
Total	8.862	296.878	8.700	292.208

The loan was given to GreenLake Development Srl from Edetrio Holdings Limited. The agreement with Edetrio Holdings Limited was signed on 17 February 2012 and bears interest 5%. The maturity date is 30 April 2021.

40.5 Loans from related parties (Note 31)

	30 June 2020		31 Dec 2019	
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Loan from Narrowpeak Consultants	206	-	206	-
Loan from Directors	375.000	-	375.000	-
Other related party loans	50.000	-	-	-
Interest accrued on loans from related parties	58.494	-	45.086	-
Total	483.700	-	420.292	-

Loans from Directors reflects loans provided from 3 Directors as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 March 2020. The Company and the Directors are discussing the extension of the loans until year end and relevant documentation process is currently in place.

41. Contingent Liabilities

41.1 Tax Litigation

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

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

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

41.2 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.

41.3 Bluehouse Accession case

BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. (Bluehouse) filed in Cypriot courts in December 2018 lawsuit against the Company for the total amount of €5.042.421,87, in relation to the Praktiker Craiova acquisition in 2015, and the redemption of the Redeemable Preference Class A shares which were issued as part of the transaction to the vendor, plus special compensations of €2.500.000 associated with the related pledge agreement. The redemption of such shares was requested in 2016, and in lieu of such redemption the Company transferred to the vendor the 20% holding in Autounion asset which was used as a guarantee to the transaction for the effective redemption of the Redeemable Preference Class A shares. At the same time the Company has posted in its accounts a relevant payable provision for Bluehouse in the amount of €2.521.211 (Note 33). In addition, the Company during 2019, as part of the judicial process, has filed a claim against Bluehouse for concealing certain key information during the Praktiker Craiova transaction, which if revealed would have resulted in a significant reduction of the final acquisition price. Management believes the Company has good grounds of defence and valid arguments and the amount already provided is adequate to cover an eventual final settlement between the parties.

41.4 Other Litigation

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

41.5 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2020.

42. Commitments

The Group had no other commitments as at 30 June 2020.

43. Financial Risk Management

43.1 Capital Risk Management

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

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

43.2 Categories of Financial Instruments

	Note	30 June 2020		31 Dec 2019	
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Financial Assets					
Cash at Bank	27	282.966	558.902	207.251	530.374
Long-term Receivables and prepayments	25	841	315.261	852	315.265

Financial Assets at FV through P&L	26	7.327.474	-	3.581.643	-
Prepayments and other receivables	25	6.885.924	1.689.577	10.833.913	1.470.772
Financial Asset at FV through OCI	21	-	1	-	1
Total		14.497.205	2.563.741	14.623.659	2.316.412
Financial Liabilities					
Borrowings	31	995.063	8.559.266	428.000	8.949.660
Trade and other payables	33	4.528.316	954.364	4.579.595	1.015.266
Deposits from tenants	34	-	66.371	-	67.269
Finance lease liabilities	36	-	9.805.822	-	10.084.470
Taxes payable and provisions	35	1.093.520	302.566	1.145.703	216.563
Bonds	32	1.224.576		1.190.603	-
Total		7.841.475	19.688.389	7.343.901	20.333.228

43.3 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.

43.4 Economic Market Risk Management

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

Foreign Exchange Risk

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

Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30th, 2020, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to € 841.868(31 December 2019: €737.625) of which approx. €105 in UAH and €588.421 in RON (Note 26) while the remaining are mainly denominated in either USD or €.

The Group is exposed to interest rate risk in relation to its borrowings (including continued and discontinued operations) amounting to € 9.554.329 (31 December 2019: €9.377.660) as they are issued at variable rates tied to the Libor or Euribor. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

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

As at 30 June 2020 the weighted average interest rate for all the interest bearing borrowings of the Group stands at 3,91% (31 December 2019: 4,07%).

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 30 June 2020 is presented below:

	Actual as at 30.06.2020	+100 bps	+200 bps
Weighted average interest rate	3,91%	4.91%	5.91%
Influence on yearly finance costs		95.543	191.086

The sensitivity analysis for LIBOR and EURIBOR changes applying to the interest calculation on the borrowings principal outstanding as at 31 December 2019 is presented below:

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

The Group's exposures to financial risk are discussed also in Note 6.

43.5 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.

43.6 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.

43.6 Liquidity Risk Management (continued)

Continued Operations

30 June 2020	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	282.966	282.966	282.966		
Available for sale Investments	7.327.474	7.327.474	7.327.474	-	
Prepayments and other receivables	6.885.924	6.885.924	6.885.924		
Long-term Receivables and prepayments	841	841	-	-	841
Total Financial assets	14.497.205	14.497.205	14.496.364	-	841
Financial liabilities					
Borrowings	995.063	1.088.299	484.321	603.978	
Trade and other payables	4.528.316	4.528.316	4.528.316		
Bonds issued	1.224.576	1.694.974	257.934	67.200	1.369.840
Taxes payable and provisions	1.093.520	1.093.520	544.339	549.181	-
Total Financial liabilities	7.841.475	8.405.109	5.814.910	1.220.359	1.369.840
Total net (liabilities)/ assets	6.655.730	6.092.096	8.681.454	(1.220.359)	(1.368.999)

Discontinued Operations

30 June 2020	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	558.902	558.902	558.902	-	-
Prepayments and other receivables	1.689.577	1.689.577	1.689.577		
Long-term Receivables and prepayments	315.261	315.261	-		315.261
Financial Asset at fair Value through OCI	1	1	1		
Total Financial assets	2.563.741	2.563.741	2.248.480	-	315.261
Financial liabilities					
Borrowings	8.559.266	6.447.183	1.864.758	3.483.204	1.099.221
Trade and other payables	954.364	954.364	946.354		8.010
Deposits from tenants	66.371	66.371	-	-	66.371

Finance lease liabilities	9.805.822	12.119.619	858.788	961.109	10.299.722
Taxes payable and provisions	302.566	302.566	258.108	44.458	-
Total Financial liabilities	19.688.389	19.890.103	3.928.008	4.488.771	11.473.324
Total net liabilities	(17.124.647)	(17.326.361)	(1.679.527)	(4.488.771)	(11.158.063)

Continued Operations

31 December 2019	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	207.251	207.251	207.251	-	-
Prepayments and other receivables	10.833.913	10.833.913	10.833.913	-	-
Financial Assets at FV through P&L	3.581.643	3.581.643	3.581.643	-	-
Long-term Receivables and prepayments	852	852	-	-	852
Total Financial assets	14.623.659	14.623.659	14.622.807	-	852
Financial liabilities					
Borrowings	428.000	484.060	64.668	419.392	-
Trade and other payables	4.579.595	4.579.595	4.579.595	-	-
Bonds issued	1.190.603	1.661.001	223.961	67.200	1.369.841
Taxes payable and provisions	1.145.703	1.145.703	550.163	595.541	-
Total Financial liabilities	7.343.901	7.870.359	5.418.387	1.082.133	1.369.841
Total net assets/(liabilities)	7.279.758	6.753.300	9.204.420	(1.082.133)	(1.368.989)

Discontinued Operations

31 December 2019	Carrying amount	Total Contractual Cash Flows	Less than one year	From one to two years	More than two years
	€	€	€	€	€
Financial assets					
Cash at Bank	530.374	530.374	530.374	-	-
Prepayments and other receivables	1.470.772	1.470.772	1.470.772	-	-
Financial Asset at FV through OCI	1	1	1	-	-
Long-term Receivables and prepayments	315.265	315.265	-	-	315.265
Total Financial assets	2.316.412	2.316.412	2.001.147	-	315.265
Financial liabilities					
Borrowings	8.949.660	6.918.573	2.113.369	3.513.894	1.291.310
Trade and other payables	1.015.266	1.015.266	1.007.050	-	8.216
Deposits from tenants	67.269	67.269	-	-	67.269
Finance lease liabilities	10.084.470	12.552.787	861.304	912.841	10.778.642
Bonds issued	-	-	-	-	-
Taxation	216.563	216.563	173.012	43.551	-
Total Financial liabilities	20.333.228	20.770.458	4.154.735	4.470.286	12.145.437
Total net assets/(liabilities)	(18.016.816)	(18.454.046)	(2.153.588)	(4.470.286)	(11.830.172)

44. Events after the end of the reporting period

a) COVID-19 effects

As a result of Group's property operations being focused on the food and the telco sectors, the Group did not suffer any material adverse effects from the COVID-19 pandemic crisis which started during Q1 2020 and continues until the date of this report. All of the large/anchor tenants in Group's properties in Bucharest, including Favorit, a 3PL logistics operator servicing Carrefour; Danone, the international food company; ANCOM, the Romanian Telecoms Regulatory Authority; and the supermarket chain Mega Image, have experienced little or no disruption from either the COVID-19 crisis or the lockdown in Romania.

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

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

b) Arcona Property Fund N.V. transaction

Following the conditional Implementation Agreement signed between the Company and Arcona Property Fund N.V. in December 2018 for the sale of Company's non-Greek portfolio of assets in an all share transaction, and the completion of Stage 1 of the transaction in February 2020 with the sale of Boyana in Bulgaria, which followed the Ukrainian Bella and Balabino asset disposals in Q4 2019, the two parties have been engaged in extensive discussions for formulating and agreeing the specific terms of Stage 2 of the transaction which involves EOS and Delenco assets in Romania, and Rhozny, Kiyanovskiy and Tsymlyanskiy land plots in Ukraine.

Despite the problems during the period from the pandemic which affected all related participants in all jurisdictions of the two parties (Holland, Czech Republic, Ukraine, Romania, Cyprus, UK), discussions and negotiations in relation to agreeing and closing Stage 2 are progressing slowly.

c) Finalizing Boyana transaction with Arcona

As part of the closing of the sale of Boyana to Arcona in 2019, the parties agreed the transfer of an Alpha Bank loan of EUR 0,77m at the level of Sertland to Arcona, following the extension of the loan by Alpha Bank. The loan was transferred successfully during August 2020.