Secure Property Development & Invest PLC/ Index: AIM / Epic: SPDI / Sector: Real Estate
30 June 2021

Secure Property Development & Investment PLC ('SPDI' or 'the Company')
2020 Annual Results

Secure Property Development & Investment PLC, the AIM quoted South Eastern European focused property company, is pleased to announce its full year audited financial results for the year ended 31 December 2020.

Operational Highlights

Advancing strategy to realise value of South Eastern European property portfolio despite ongoing disruption caused by Covid-19:

- Central to strategy continues to be the staged transfer of remaining property portfolio to Arcona Property Fund N.V. (Arcona), to create a significant European focused property company
  - Arcona transaction values the SPDI assets to be transferred at ~ €29m, or three times the current market value of the Company as a whole
  - Arcona is an Amsterdam and Prague listed company which invests in commercial property in Central Europe
- Stage 1 completed in 2019 and involved exchange of two land plots in Ukraine, Bella and Balabino plots, and the Boyana asset in Bulgaria together with its attached debt, for a total of 593.534 Arcona shares and 144.264 warrants over Arcona shares
- Stage 2 discussions impacted by Covid-19 but activity picked up in H2 2020 resulting in post period end signing of relevant transaction agreements in June 2021
- Stage 2 involves transfer of certain SPDI assets in Romania and Ukraine in exchange for Arcona shares and warrants and €1m cash
  - Total estimated €8.2 million value of Stage 2 alone is almost at par with SPDI's overall current market capitalisation, highlighting significant divergence between real asset value within the Company and market value of the Company
- Closing of the Stage 2 expected to take place in H2 2021
  - Discussions regarding Stage 3 will commence on closing of Stage 2

Financial Highlights

Significant asset backing:

- NAV per share of GBP 0.17 as at 31 December 2020 compared to GBP as 0.2 as at 31 December 2019, with most of the drop reflecting (COVID induced) property valuation declines
- Current share price trading at a ca. 63% discount to NAV per share

Resilience of income generating portfolio:

- FY 2020 operating income €2.12 million (FY2019: €2.3million) highlights resilience of income generating portfolio which is largely let out to tenants operating in defensive sectors such food and telco

- 74% increase in operating income from continued operations to €795,700 compared to €457,450 in 2019 after taking into account 2019 sale of Victini and Boyana assets
- Significant improvement in EBITDA on continued operations reducing the loss by half from €1,307,507 in 2019 to €654,134 in 2020
- Improvement in operating loss after finance and tax for the year closed of - €1m compared to -€1,1m in 2019
- 45% reduction in FY finance costs to ~€0.6m compared to €1.1m in FY 2019 following the disposal of Victini and Boyana assets in 2019

Lambros G. Anagnostopoulos, Chief Executive Officer, said, "To be able to report across the board improvements at the operating income and EBITDA levels for our continued operations is a creditable outcome in any year but particularly during one that was dominated by pandemic and lockdowns that substantially affected the global real estate markets The positive operational performance is testament to the resilience of our income generating properties, all of which are now located in Romania, the defensive sectors in which our tenants operate and the extra effort by the management team who ensured that all necessary response moves to counter any pandemic effects were made in time.

“NAV per share almost three times higher than our current market cap, highlights the strong asset backing behind the Company. It also highlights the disconnect between how the industry and how the market value our portfolio. The primary aim of the Arcona transaction, which values the SPDI’s assets that are to be transferred at ~ €29m, or three times the current market value of the Company as a whole, is to create a significant European focused property company, but it will, in our view, serve to confirm that the industry valuation of our portfolio of prime real estate is much closer to the mark than that of the market’s. With this in mind, the estimated €8.2 million consideration we are due to receive at closing of Stage 2 n Arcona shares, warrants and in cash, will be an important milestone for our shareholders.”

Chairman’s Statement

The global pandemic that came upon the world early in 2020 affected life, health and businesses alike, and caused substantial delays in our efforts to merge with Arcona Property Fund (“APF”), the Central European property fund listed in Amsterdam. While SPDI’s assets were largely unaffected by the pandemic, both due to their “covid-resistant” tenancy selection in the food and telco sectors, and due to the immediate and steady response of our directors and management, Arcona Property Fund experienced a higher degree of covid-related impact. Nevertheless, as the pandemic seems to be subsiding, we expect the favorable fundamentals of our target markets to help lead a pan-European economic resurgence. As we managed to sign the Stage 2 documents just before this annual report was issued, we are confident the APF transaction, still the preferred option for generating value for our shareholders, will now move forward at a speedier pace. The Company's management and board are committed to generating value for our shareholders in markets that are strong and growing and, no matter the temporary difficulties, will attempt to do whatever is necessary to realize that end.

Michael Beys

Chairman of the Board

Copies of the Annual report and Accounts are being posted to Shareholders today and are available on the Company's website at www.secure-property.eu.

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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:

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Notes to Editors

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

1. Letter to Shareholders

28 June 2021

Dear Shareholders,

AS already presented to you last July, 2020 was to be the year when the merger with the Amsterdam and Prague listed Arcona Property Fund N.V. (APF - with assets in Poland, Czech Republic and Slovakia) would have been finalised, confirming SPDI's strategy to establish itself as the regional property company of reference in South Eastern Europe and offering to our shareholders exposure to a much larger and broader East European regional property company, as per our original plan and additional liquidity in the shares. While the complication of joining forces in six different jurisdictions, with corporate entities in two additional ones, proved an obstacle difficult to overcome (meaning that by the end of 2019, SPDI and APF had only closed one sixth of the transaction), the pandemic then developed and 2020 proved even slower and inactive than we could have imagined.

In 2020 with health and loss of life becoming the major concern of humanity, with mask, social distancing and Zoom becoming the world's new buzzwords and with major lockdowns affecting business across Europe, we were able to a) ensure that almost all our income producing properties remained fully let, experience only minor COVID-19 related disruptions, and extended any leases that were coming up for renewal, while at the same time b) increase the sales pace of our residential property portfolio which followed a growing market in Romania. Having therefore rebuffed any issues caused by the pandemic, we were just waiting for the markets to come back to normalcy and for APF to be ready to proceed with Stage 2 of our transaction, which we managed to sign in mid-June 2021.

As 2021 brought with it vaccines that are expected to alleviate the human pain as well as restart the global economies, we are fully prepared and ready to push forward for a swift closing of the APF Transaction, the preferred way of safeguarding value for our shareholder and offering them the option of further value generation, if they so choose. Management directors, and advisors of SPDI are committed to see a swift conclusion of the transaction that will ensure the transformation of our Company.

Best regards,

Lambros G. Anagnostopoulos, Chief Executive Officer

2. Management Report

SPDI's core property asset portfolio consists of South Eastern European prime commercial and industrial real estate, the majority of which is let to blue chip tenants on long leases. During 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 valueing the SPDI assets NAV at ~ €29m, significantly higher than the current market value of the Company as a whole.

Following the completion of Stage 1 of the transaction in 2019, which involved the sale of two land plots in Ukraine and residential and land assets in Bulgaria and resulted in Company receiving a total of 595.534 Arcona shares and 144.264 warrants over Arcona shares, during 2020 the two parties engaged in negotiating and planning Stage 2 of the transaction. This Stage is centred on the sale of two commercial income producing assets in Romania and 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.

Finally, in June 2021 the two parties signed relevant SPAs for Stage 2, which involves transfer of EOS and Delenco assets in Romania and the Kiyanovskiy and Rozny land plots in Ukraine in exchange of approximately 605.000 new ordinary shares in Arcona and approximately 145.000 warrants over shares in Arcona, as well as €1m in cash, subject to, inter alia, standard form adjustment and finalization in accordance with the relevant agreements. Stage 2 is likely to be dependent on shareholder approval, and is expected to close within 2021 at which point the Company will be issued the relevant shares in Arcona and the warrants.

Regarding the economic environment in which the Company operates, the Romanian economy which constitutes the main operating market of the Company, contracted by 3,9% in 2020 as a result of the COVID-19 pandemic and its impact on economic activity. Investment volume dropped to almost half the one registered in 2019 and returned back to 2015 levels, with Office properties being the most in demand type of properties and logistics being the second due to limited supply of product despite strong demand.

Following the successful sales of Victini Logistics in Athens in 2019, rental and related income reduced by 9,5% during 2020, while net income from operations reduced by 6%.

Overall, the administration costs adjusted by the one-off costs associated with the transaction with Arcona and by previous periods' transaction costs decreased by 16%, however the loss incurred from associate as a result of reduced valuation of the asset at the end of the period, resulted in reduced recurring EBITDA at -€0,2m compared to €0,06m in 2019. Finance costs dropped to ~€0,6m from €1,1m in 2019 following the disposal of Victini and Boyana assets in 2019.

EUR	2020			2019		
	Continued Operations	Discontinued Operations	Total	Continued Operations	Discontinued Operations	Total
Rental, Utilities, Management & Sale of electricity Income	795.700	1.323.232	**2.118.932**	457.450	1.884.304	**2.341.754**
Income from Operations	**795.700**	**1.323.232**	**2.118.932**	**457.450**	**1.884.304**	**2.341.754**
Asset operating expenses	-	(470.548)	**(470.548)**	-	(591.811)	**(591.811)**
Net Operating Income	**795.700**	**852.684**	**1.648.384**	**457.450**	**1.292.493**	**1.749.943**
Share of profits from associates	-	(179.775)	**(179.775)**	-	297.985	**297.985**
Net Operating Income from investments	**795.700**	**672.909**	**1.468.609**	**457.450**	**1.590.478**	**2.047.928**
Administration expenses	(1.449.834)	(217.988)	**(1.667.822)**	(1.764.957)	(220.509)	**(1.985.466)**
Operating Result (EBITDA)	**(654.134)**	**454.921**	**(199.213)**	**(1.307.507)**	**1.369.969**	**62.462**
Finance Cost, net	228.776	(861.559)	**(632.783)**	337.334	(1.420.507)	**(1.083.173)**
Income tax expense	(117.656)	(44.387)	**(162.043)**	(36.380)	(52.315)	**(88.695)**
Operating Result after Finance and Tax Expenses	**(543.014)**	**(451.025)**	**(994.039)**	**(1.006.553)**	**(102.853)**	**(1.109.406)**
Other income / (expenses), net	191.222	3.058	**194.280**	(442.629)	312.801	**(129.828)**
One of costs associated to Arcona transaction	(81.346)		**(81.346)**	(677.213)	-	**(677.213)**
One of costs associated with previous periods disposals	(170.000)	-	**(170.000)**	-	-	**-**
Fair value adjustments from Investment Properties	-	(3.495.700)	**(3.495.700)**	-	417.852	**417.852**
Net gain/(loss) on disposal of investment property	-	-	**-**		(4.992.763)	**(4.992.763)**
Fair Value adjustment on financial investments	(824.634)	-	**(824.634)**	(153.913)	-	**(153.913)**
Foreign exchange differences, net	(60.142)	(318.925)	**(379.067)**	(74.779)	(436.880)	**(511.659)**
Result for the year	**(1.487.914)**	**(4.262.592)**	**(5.750.506)**	**(2.355.087)**	**(4.801.843)**	**(7.156.930)**
Exchange difference on I/C loans to foreign holdings	-	(61.936)	**(61.936)**	-	66.557	**66.557**
Exchange difference on translation due to presentation currency	-	(1.392.153)	**(1.392.153)**	-	223.133	**223.133**

Total Comprehensive Income for the year	**(1.487.914)**	**(5.716.681)**	**(7.204.597)**	**(2.355.086)**	**(4.512.153)**	**(6.867.239)**

As a result, operating results after finance and tax for the year closed at - €1m as compared to - €1,1m in 2019.

2.2 Property Holdings

The Company's portfolio at year-end consists of commercial income producing and residential properties in Romania, as well as land plots in Ukraine and Romania.

Commercial Property	Location	Key Features	
EOS Business Park			
	Bucharest, Romania	Gross Leaseable Area:	3.386 sqm
		Anchor Tenant:	Danone Romania
		Occupancy Rate:	100%
Delenco (SPDI has a 24,35% interest)			
	Bucharest, Romania	Gross Leaseable Area:	10.280 sqm
		Anchor Tenant:	ANCOM (Romanian telecoms regulator)
		Occupancy Rate:	99%
Innovations Logistics Park			
	Bucharest, Romania	Gross Leaseable Area:	16.570 sqm
		Anchor Tenant:	Favorit Business Srl
		Occupancy Rate:	77%
Kindergarten			
	Bucharest, Romania	Gross Leaseable Area:	1.400 sqm
		Anchor Tenant:	International School for Primary Education
		Occupancy Rate:	100%

Land & Residential Assets	**Location**	**Key Features**	
Kiyanovskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	6
Tsymlyanskiy Residence	Kiev, Ukraine	Plot of land (~ th. sqm):	4
Rozny Lane	Kiev, Ukraine	Plot of land (~ th. sqm):	420
GreenLake Land (SPDI has a ~44% interest)	Bucharest, Romania	Plot of land (~ th. sqm):	40
Romfelt, Monaco, Blooming, GreenLake	Romania	Sold units during 2019:	35
Monaco, Blooming, GreenLake	Romania	Available units (end 2019):	33

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

Table 2

		2020		
Property	**Country**	**GAV***	**€m Debt ***	**NAV**
Innovations Logistics Park	Rom	10,1	6,7	3,4
Eos Business Park	Rom	6,7	2,95	3,7
Delenco (associate)	Rom	5,06	0,2	4,9
Kindergarten	Rom	0,7	0,34	0,4
Residential units	Rom	1,4	0,86	0,5
Land banking	Rom & Ukr	8,0	3,5	4,5

Total Value		**32,0**	**14,6**	**17,4**
Other balance sheet items, net **				+6,3
Net Asset Value total				**23,7**
Market Cap in EUR as at 31/12/2020 (Share price at £0,065)				**9,3**
Market Cap in EUR as at 21/06/2021 (Share price at £0,0635)				**9,5**
Discount of Market Cap in EUR at 21/06/2021 vs NAV at 31/12/2020				**-60%**
* Reflects the Company's participation at each asset				
**Refer to balance sheet and related notes of the financial statements				

The Net Equity attributable to the shareholders as at 31 December 2020 stood at ~€23,7m vs ~€29,3m in 2019. The table below depicts the discount of Market Share Price over NAV since 2012.

The NAV per share as at 31 December 2020 stood at GBP 0,17 and the discount of the Market Value vis a vis the Company's NAV denominated in GBP stands at 61% at year-end.

1.1 Financial and Risk Management

The Group's overall bank debt exposure at the end of the reporting period was ~€14,5m (calculating relative to the Company's percentage shareholding in each), comprising the following:

a) €2,95m finance lease of EOS Business Park with Alpha Leasing Romania and €0,3m debt facility received by First Phase from Alpha Bank Romania.
b) €6,7m finance lease of Innovations Logistics Park with Piraeus Leasing Romania.
c) €0,34m being the Company's portion on debt financing of the Kindergarten with Eurobank Ergasias.
d) €0,86m being the Company's portion on the residential portfolio debt financing.
e) €3,5m being the Company's portion on land plot related debt financing in Romania.
f) €0,2m being the Company's portion on debt financing of Delenco asset.

Throughout 2020, the Company focused on managing and preserving liquidity through cash flow optimization. In this context, Management secured a) bridge financing for working capital purposes, b) continuous sale of residential assets and c) advancement of discussions related to transaction with Arcona Property Fund N.V.

1.2 2021 and beyond

During 2021 the Company is concentrated in closing Stage 2 of the transaction with Arcona. Following slow progress of the process during the first half of the year due to the COVID-19 effects, the signing of relevant SPA's in June 2021 took place, involving the transfer of two assets in Romania and two land plots in Ukraine. In particular, Stage 2 involves the two office buildings in Bucharest, EOS and Delenco, as well as Rozny and Kiyanovskiy land plots in Kiev. Currently, main target of the Company is the successful closing of the Stage 2 transactions within H2 2021, which will likely be dependent on SPDI shareholder approval.

The finalization of the transaction with Arcona Property Fund N.V. marks effectively the maximization of the Company's value from the current asset portfolio, providing Company's shareholders the opportunity to gain direct exposure to a listed property fund of significantly larger size, having a strong dividend distribution policy, and active in a faster-growing over the long-term area (Central and South Eastern Europe) of the European property market.

2. Regional Economic Developments [1]

The Romanian economy contracted by 3,9% in 2020 due to the impact of the COVID-19 pandemic. Trade and services decreased by 4,7%, while certain sectors, such as tourism and hospitality, remained heavily affected. Industry contracted by 9,3%, reflecting weakened external demand and supply chain disruptions. The biggest contraction was seen in agriculture, linked to persistent droughts affecting crops. The unemployment rate reached 5,5% during 2020 before edging down to 5,2% in December.

The Government provided a fiscal stimulus of 4,4% of GDP in 2020 in response to the COVID-19 crisis. In the first COVID wave, poor and vulnerable households were less supported by the fiscal response measures, which extended more directly to those in formal employment structures; subsequent programs for daily wage and seasonal workers extended protections to typically more vulnerable segments.

The economy is projected to grow at around 4,3% in 2021. The strength of the recovery will depend on the success of the COVID-19 vaccine rollout and the policy response to the health crisis, as well as on developments in the EU. In view of the limited fiscal space, the impact of the EU-level stimulus will play a crucial role in the economic recovery. Romania is expected to receive €79,9 billion from the EU by 2027 under the Multiannual Financial Framework 2021–2027 (€49,5 billion) and the economic recovery plan (€30,4 billion).

Macroeconomic data							
Romania	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020f**
GDP (EUR bn)	150,5	160,3	170,4	187,5	202,9	223,4	217,8
Population (mn)	20,0	19,9	19,8	19,6	19,5	19,5	19,3
Real GDP (y-o-y %)	3,4	3,9	4,8	7,0	4,1	4,1	-3,9
CPI (average, y-o-y %)	1,1	-0,6	-1,5	1,3	4,6	3,3	2,1
Unemployment rate (%)	6,8	6,8	5,9	4.3	3,6	3,1	5,2

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

With an estimated contraction of 4,5%, the economic impact of COVID-19 has been smaller than in most other countries, nevertheless the pandemic has caused a heavy toll on households and weakened the commitment by the government to undertake critical reforms. The COVID-19 outbreak redirected government policy from structural reforms towards ad-hoc reactive measures, and as a result, macro fiscal risks have increased. Public sector financial needs are expected to grow due to increases in minimum wages and social transfers, limiting space for public investment, and fueling inflationary presuures in a supply-constrained economy. Additionally, large government domestic borrowings are crowding out much needed private investment. Holdings of government securities already represent close to 30% of total assets of the state-owned banks while corporate lending continues to stagnate. Stronger fiscal discipline is needed to reduce risks for medium-term growth prospects.

On the supply side, retail and wholesale trade grew 7,9% yoy in 2020 and made a significant positive contribution to GDP. At the same time agriculture output fell almost 12%.

Ukraine's economic recovery in 2021 is expected to be mild given high uncertainty associated with the vaccine rollout and the direction of economic policies to address problems in investment and safeguard macroeconomic sustainability. GDP is projected to grow by 3,8% in 2021.

Macroeconomic data							
Ukraine	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020f**
GDP (USD bn)	98,4	87,5	92,3	113,0	130,9	154,7	142,2
Population (mn)	42,8	42,6	42,4	42,2	42,0	41,9	41,5
Real GDP (y-o-y %)	-6,6	-9,8	2,4	3,5	3,3	1,9	-4,5
CPI (average, y-o-y %)	12,1	43,3	12,4	13,7	9,8	4,1	5,0
Unemployment rate (%)	9,3	9,1	9,3	9,5	8,8	8,2	8,9

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

3. Real Estate Market Developments[2]

3.1 Romania

Total investment volume in Romania reached in 2020 826,5 million Euros, increased by 20% as compared to previous period. Although throughout the first six months of 2020 investor's activity was disrupted by the COVID-19 outbreak, the second half of the year their level of confidence widened and led to investment activity totalling 625 milion Euros. Investment volume was dominated by the

2 Sources : Eurobank, CBRE Research, Colliers International, Cushman & Wakefield, Crosspoint Real Estate, Knight Frank, Coldwell Banker Research, National Institute of Statistics- Romania, State Statistics Service-Ukraine, NAI Real Act

office segment (86%), with logistics/ industrial being the next most in demand type of properties (9%) mainly due to limited supply of product. Retail followed with 4%.

In 2020 there were no major variations regarding the evolution of prime yields which continued to be amongst the highest in Europe. Prime office properties achieve yields of around 7,25%, while for the prime industrial properties, the yield stands at 7,75% and is expected to compress as investors' appetite for logisti products is strong. Prime retail yields have slightly decompressed as compared to 2019 at 7%.

With c.630.000 sqm delivered in 2020, the prime industrial/ logistics stock in Romania exceeded 5,2 milion sqm which accounts for an impressive evolution of more than double during the last five years. Bucharest attracted 66% of total deliveries in 2020 and reached a total prime industrial stock of 2,4 milion sqm. For 2021, developers have planned the delivery of over 700.000 sqm of prime industrial/ logistics spaces, more than 50% in Bucharest. Other cities attracting new developments are Timisoara and Craiova. Total leasing activity volume in 2020 reached a record high figure of 876.000 sqm, comprised by renewal of existing contracts and new demand. It is expected that industrial/ logistics leasing activity and prime stock evolution will continue strong in the next 5-year period when country's stock is projected to reach 8 milion sqm.

During 2020 new office spaces were delivered to the market with a total gross leasable area of 155.000 considerably lower than previous years. Major office location is Bucharest, where at the end of 2020, modern office stock reached 2,9 milion sqm, 63% respectively being class A. Such new delivery forced the increase in vacancy rate, since aside from the pandemic and relevant economic factors, new supply was leased at 70% on average due to decreased relevant demand as a result of the COVID-19 pandemic impact. 243.000 sqm were transacted in Bucharest, out of which 58% take ups and the rest renewals/ renegotiations. IT and Consumer Services & Leisure sectors maintained their leading position as demand drivers, representing 37% and 23% of the total space transacted, while Central-West sub-market attracted the largest share of leasing activity.

Sales of residential units in Romania during 2020 increased by 8,2% yoy, meaning that approximately 123.000 units sold during the period. Almost a third were in Bucharest (37.000 units sold) and the rest in regional cities. Average price asked per sqm remained unchanged, c.1.350 Euros per sqm for older units and c.1450

Euros per sqm for new ones. Despite the devaluation of Ron in terms of Euro and the introduction of the Consumer Credit Referece Index (IRCC), replacing ROBOR for consumer loans in Romania, demand was witnessed robust and expected to continue to be so.

3.2 Ukraine

Real estate investment in Ukraine during 2020 is reported weak. The COVID-19 pandemic impact, tensions with Russia, and lack of financing are considered the main factors for lack of significant investment activity. However, a new law on the increase of support to large investors, passed in December 2020, backed by a most probable retreat of the pandemic, can sharpen investors' appetite for Ukrainian real estate during 2021. The new law exempts large investors from income tax, value-added tax, import duty on new equipment and its components, and provides financial support in the construction of infrastructure relevant to investment projects.

With regards to the Ukrainian land market, due to lack of finance, many potential investors are placing unfinished projects in the market. However, particularly in Kiev, there is scarcity of undeveloped land plots near the city centre with access to public transportation and especially to metro stations. On the supply side, the sellers pool consists of development companies, unable to develop due to the lack of finance, companies or individuals having speculatively acquired land plots prior to the crisis with the intention to sell on and banks possessing mortgaged land upon default of previous owners. The demand for land plots has started increasing since 2016, especially for ones suitable for commercial development, a trend which stopped in 2020 mainly due to the effects of COVID-19 pandemic. Under condition of economic recovery in 2021, gradual rebound in demand is anticipated by the end of the year.

5. Property Assets

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

5.2 Delenco office building, Romania

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

The Company acquired 24,35% of the property in May 2015. As at the year end 2019, the building is 99% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (81% of GLA). The asset is part of Stage 2 of the Arcona transaction and relevant SPA for its disposal has already been signed in June 2021 with closing to be expected within H2 2021.

5.3 Innovations Logistics Park, Romania Property description

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

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 year end, the terminal was 77% leased. The asset is planned to be part of Stage 3 of the Arcona transaction.

5.4 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.

a. Residential portfolio

• Monaco Towers, Bucharest, Romania

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

Following extended negotiations for two years with the company which acquired Monaco's loan, the SPV holding Monaco units entered in 2019 into insolvency status in order to protect itself from its creditors. During 2019, based on regulatory procedures for disposing of assets held by the debtor and upon agreement of all parties and the judicial administrator's approval, 5 units were sold. During 2020 another 12 units were sold and as a result the relevant loan has been fully re-paid. Currently, the SPV has exited insolvency status and the Company is in the process of re-gaining full control. At the end of 2020, 5 apartments were available, 2 of which were rented.

• 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).

At the end of 2020, 1 apartment was available. During 2020, 3 units and I commercial space were sold.

• GreenLake, Bucharest, Romania

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

During 2020, 19 apartments and villas were sold while at the end of the year 27 units remained unsold. The asset is planned to be part of Stage 3 of the Arcona transaction.

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

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

During 2020, the last unit of the complex was effectively sold.

b. 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.

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

• **Tsymlyanskiy Residence – Kiev, Ukraine**

The 0,36 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 Stage 3 of the Arcona transaction.

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

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

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

Independent Auditor's Report

To the Members of Secure Property Development & Investment Plc

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Secure Property Development & Investment Plc (the ''Company'') and its subsidiaries (the ''Group''), which are presented in pages 38 to 99 and comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

As at 31 December 2020, the Group had a loan receivable from a third party which appears on the Consolidated Statement of Financial Position within Prepayments and other current assets at the value of €5.597.015. We were not provided with appropriate and reliable audit evidence to determine the recoverable amount of the loan receivable. As a result, we were unable to determine whether any adjustment would be required on the value of the loan receivable from the third party.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ''Auditor's Responsibilities for the Audit of the Consolidated Financial Statements'' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2 and 9 to the consolidated financial statements which refer to Management's assessment of going concern and the transactions that the Group plans to complete in the foreseeable future. The Group's financial position and cash flows will be significantly affected in a manner which cannot be determined with certainty at this stage. These conditions indicate the existence of a material uncertainty which casts significant doubt as to the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Value of investment properties presented within assets classified as held for sale	
Refer to Note 4 - Significant accounting policies, Note 9 – Discontinued operations and Note 19 - Investment Property. The Group holds investment properties which are presented within assets classified as held for sale. As at 31 December 2020 these are carried at a value of €34.903.480. We focused in this area as significant judgment and assumptions are made to result in the fair value of each property. The valuation of the Group's properties is inherently subjective due to unique nature, location and expected future prospects of each property. The methodology applied in determining the fair values is set out in Note 19 of the consolidated financial statements. Valuations, as disclosed in Note 4, are carried out by third-party valuers. The Valuers performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards and is also compliant with the International Valuation Standards (IVS), taking into account property specific information.	Our audit procedures included assessment of the valuers' qualifications and expertise and considered their engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We obtained and read the valuation reports for every property, to confirm that the valuation approach for each property was appropriate and suitable for use in determining the fair value used in the consolidated financial statements. We have also evaluated the mathematical precision of the methodologies used and the relevance of the key assumptions used, comparing that with general economic expectations to assess whether the assumptions used were reasonable. We have engaged independent valuators where we considered this necessary to assess the fair values of specific properties.

Emphasis of matter

We draw attention to Note 41.3 to the consolidated financial statements, which describe the Contingent liabilities of the Group arising from the lawsuits for the Bluehouse accession case. The ultimate outcome of the matter cannot be reliably determined at present. The Group has recognized a liability of €2.521.211 in these consolidation financial statements. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, the Chairman's Statement and the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

• Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

• In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.

• In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Andreas Pittakas.

Andreas Pittakas

Certified Public Accountant and Registered Auditor

for and on behalf of

Baker Tilly Klitou

Certified Public Accountants and Registered Auditors

Corner C. Hatzopoulou and 30 Griva Digheni Avenue

1066 Nicosia, Cyprus

Nicosia, 28 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020 €	2019 €
Continued Operations			
Income	10	795.700	457.450
Net Operating Income		**795.700**	**457.450**
Administration expenses	12	(1.701.180)	(2.442.171)
Fair Value loss on Financial Assets at FV through P&L	27	(824.634)	(153.913)
Other operating income/ (expenses), net	15	191.222	(442.629)
Operating profit / (loss)		**(1.538.892)**	**(2.581.263)**
Finance income	16	503.527	474.584
Finance costs	16	(274.751)	(137.250)
Profit / (loss) before tax and foreign exchange differences		**(1.310.116)**	**(2.243.929)**
Foreign exchange loss, net	17a	(60.142)	(74.779)
Loss before tax		**(1.370.258)**	**(2.318.708)**
Income tax expense	18	(117.656)	(36.380)
Loss for the year from continuing operations		**(1.487.914)**	**(2.355.088)**
Loss from discontinued operations	9b	(4.262.592)	(4.801.843)
Loss for the year		**(5.750.506)**	**(7.156.931)**
Other comprehensive income			
Exchange difference on I/C loans to foreign holdings	17b	(61.936)	66.557

Exchange difference on translation of foreign operations	30	(1.392.155)	223.135
Total comprehensive income for the year		**(7.204.597)**	**(6.867.239)**
Loss for the year from continued operations attributable to:			
Owners of the parent		(1.487.914)	(2.355.088)
Non-controlling interests		-	-
		(1.487.914)	**(2.355.088)**
Loss for the year from discontinued operations attributable to:			
Owners of the parent		(2.851.952)	(4.846.634)
Non-controlling interests		(1.410.640)	44.791
		(4.262.592)	**(4.801.843)**
Loss for the year attributable to:			
Owners of the parent		(4.339.866)	(7.201.722)
Non-controlling interests		(1.410.640)	44.791
		(5.750.506)	**(7.156.931)**
Total comprehensive income attributable to:			
Owners of the parent		(7.115.161)	(6.777.803)
Non-controlling interests		(89.436)	(89.436)
		(7.204.597)	**(6.867.239)**
Earnings/(losses) per share (Euro per share):	39b,c		
Basic earnings/(losses) for the year attributable to ordinary equity owners of the parent	38b	(0,03)	(0,06)
Diluted earnings/(losses) for the year attributable to ordinary equity owners of the parent	38b	(0,03)	(0,06)
Basic earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	38c	(0,02)	(0,04)
Diluted earnings/(losses) for the year from discontinued operations attributable to ordinary equity owners of the parent	38c	(0,02)	(0,04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Tangible and intangible assets	23	2.859	566
Long-term receivables and prepayments	24	836	852
Financial Assets at FV through P&L	27	6.787.244	3.581.643
		6.790.939	**3.583.061**
Current assets			
Prepayments and other current assets	26	6.880.076	10.833.913
Cash and cash equivalents	28	129.859	207.251
		7.009.935	**11.041.164**
Assets classified as held for sale	9d	41.791.409	49.891.627
Total assets		**55.592.283**	**64.515.852**
EQUITY AND LIABILITIES			
Issued share capital	29	1.291.281	1.291.281
Share premium		72.107.265	72.107.265
Foreign currency translation reserve	30	8.954.426	10.232.119
Exchange difference on I/C loans to foreign holdings	40.3	(211.199)	(149.263)
Accumulated losses		(58.428.800)	(54.088.934)
Equity attributable to equity holders of the parent		**23.712.973**	**29.392.468**
Non-controlling interests	31	5.921.153	7.446.255
Total equity		**29.634.126**	**36.838.723**
Non-current liabilities			
Borrowings	32	95.977	7.249
Bonds issued	33	1.033.842	1.033.842
Tax payable and provisions	36	570.523	595.541
		1.700.342	**1.636.632**
Current liabilities			
Borrowings	32	2.054.400	420.751
Bonds issued	33	225.081	156.761
Trade and other payables	34	4.036.962	4.579.595
Tax payable and provisions	36	712.904	550.162
		7.029.347	**5.707.269**
Liabilities directly associated with assets classified as held for sale	9d	17.228.468	20.333.228
		24.257.815	**26.040.497**
Total liabilities		**25.958.157**	**27.677.129**
Total equity and liabilities		**55.592.283**	**64.515.852**
Net Asset Value (NAV) € per share:	38d		
Basic NAV attributable to equity holders of the parent		0,18	0,23
Diluted NAV attributable to equity holders of the parent		0,18	0,23

On 28 June 2021 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 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 - 31 December 2018	**1.272.072**	**71.564.479**	**(46.887.212)**	**(215.820)**	**9.874.757**	**35.608.276**	**7.535.691**	**43.143.967**
Loss for the year	-	-	(7.201.722)	-	-	(7.201.722)	44.791	(7.156.931)
Issue of share capital (Note 29)	19.209	542.786	-	-	-	561.995	-	561.995
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	66.557	-	66.557	-	66.557
Foreign currency translation reserve	-	-	-	-	357.362	357.362	(134.227)	223.135
Balance - 31 December 2019	**1.291.281**	**72.107.265**	**(54.088.934)**	**(149.263)**	**10.232.119**	**29.392.468**	**7.446.255**	**36.838.723**
Loss for the year	-	-	(4.339.866)	-	-	(4.339.866)	(1.410.640)	(5.750.506)
Exchange difference on I/C loans to foreign holdings (Note 17b)	-	-	-	(61.936)	-	(61.936)	-	(61.936)
Foreign currency translation reserve	-	-	-	-	(1.277.693)	(1.277.693)	(114.462)	(1.392.155)
Balance - 31 December 2020	**1.291.281**	**72.107.265**	**(58.428.800)**	**(211.199)**	**8.954.426**	**23.712.973**	**5.921.153**	**29.634.126**

[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 defence at 17% and GHS contribution at 1,7%-2,65% for deemed distributions after 1 March 2019 will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. 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 defence is payable by the Company for the 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020	2019
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax and non-controlling interests-continued operations		(1.370.258)	(2.318.706)
Loss before tax and non-controlling interests-discontinued operations	9b	(4.218.205)	(4.749.528)
Loss before tax and non-controlling interests		**(5.588.463)**	**(7.068.234)**
Adjustments for:			
(Gain)/Loss on revaluation of investment property	13	3.495.700	(417.852)
Net loss on disposal of investment property	14.1	(281.886)	7.404
Other non-cash movements		-	35
Fair Value loss on Financial Assets at FV through P&L	27	824.634	153.913
(Reversal) /Impairment of prepayments and other current assets	15	(16.035)	380.127
Impairment on Receivable from Arcona	15	-	211.310
Accounts payable written off	15	(253.957)	(462.198)
Depreciation/ Amortization charge	12	4.883	5.896
Interest income	16	(512.919)	(484.606)
Interest expense	16	1.071.822	1.525.526
Share of profit from associates	21	179.775	(297.985)
Loss on disposal of subsidiaries	20	-	4.992.763
Effect of foreign exchange differences	17a	379.067	511.659
Cash flows from/(used in) operations before working capital changes		**(697.379)**	**(942.242)**
Change in prepayments and other current assets	26	(104.272)	(456.878)
Change in trade and other payables	34	(687.428)	1.170.302
Change in VAT and other taxes receivable	26	(87.279)	(39.954)
Change in provisions	36	6.080	(665)
Change in other taxes payables	36	136.512	145.045
Change in deposits from tenants	35	(3.038)	(75)
Cash generated from operations		**(1.436.804)**	**(124.467)**
Income tax paid		(206.194)	(391.616)
Net cash flows provided in operating activities		**(1.642.998)**	**(516.083)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales proceeds from disposal of investment property	14.1	2.427.184	608.073
Dividend received from associates	21	242.403	121.772
Interest received		-	657
Increase/(Decrease) in long term receivables	24	(281)	(44.994)
Cash inflow on disposal of subsidiaries	20	-	2.030.624
Repayment of interest of loan receivable	26	240.000	229.576
Net cash flows from / (used in) investing activities		**2.909.306**	**2.945.708**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank and non-bank loans	32	1.729.400	503.871
Repayment of bank and non-bank loans	32	(2.083.700)	(1.795.665)
Interest and financial charges paid		(386.545)	(1.002.202)
Decrease in financial lease liabilities	37	(392.441)	(385.542)
Net cash flows from / (used in) financing activities		**(1.133.286)**	**(2.679.538)**
Net increase/(decrease) in cash at banks		**133.022**	**(249.913)**
Cash:			
At beginning of the year	28	737.625	987.538
At end of the year	28	**870.647**	**737.625**

Notes to the Consolidated Financial Statements

For the year ended 31 December 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 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 31 December 2020, the companies of the Group employed and/or used the services of 15 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, the Company has classified its assets in 2018 as discontinued operations (Note 4.3) .
Going concern basis

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

In particular, the Company is in a process of disposing of its portfolio of assets in an all share transaction with Arcona Property Fund N.V., meaning that as soon as this transaction consummates the Company will be left with its corporate receivables and liabilities.

These conditions raise substantial doubt about the Company's ability to continue as a going concern within the next twelve months from the date these financial statements are available to be issued. The ability to continue as a going concern is dependent upon positive future cash flows.

Management believes that the Company will be able to finance its needs given the fact that the additional corporate receivables, as well as the consideration received in the form of Arcona shares is estimated that it can effectively discharge all corporate liabilities. At the same time, the transaction with Arcona Property Fund N.V., which is a cash flow generating entity, will result in the Company being a ~45% shareholder, entitled to dividends according to the dividend policy of Arcona Property Fund N.V.

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 2020. 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.

<u>Changes in ownership interests in subsidiaries without change of control and Disposal of Subsidiaries</u>

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

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

4.2 Functional and presentation currency

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

4. Significant accounting policies (continued)

4.2 Functional and presentation currency (continued)

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

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

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

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

	Average		31 December		
Currency	**2020**	**2019**	**2020**	**2019**	**2018**
USD	1,1422	1,1195	1,2270	1,1234	1,1450
UAH	30,8013	28,9406	34,7396	26,422	31,7141
RON	4,8371	4,7453	4,8694	4,7793	4,6639
BGN	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.

4.4 Investment Property at fair value (continued)

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 in 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".

4. Significant accounting policies (continued)

4.4 Investment Property at fair value (continued)

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 being 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 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.

4.9 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.

4.10 Financial Instruments

4.10.1 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.

4.10.2 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.

4.11.2 Classification and subsequent measurement (continued)

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.

4.10.3 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.

4.10.4 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.

4.10.5 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.

4.11 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.

4.12 Borrowings

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

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

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

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

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

4.13 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.

4.14 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.

4.15 Share Capital

Ordinary shares are classified as equity.

4.16 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.

4.17 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.

4.18 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.

4.19 Non-current liabilities

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

4.20 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:

<u>4.20.1 Income from investing activities</u>

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.

<u>4.20.2 Dividend income</u>

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).

4.20.3 Interest income

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

4.20.4 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.

4.21 Service charges and expenses recoverable from tenants

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

4.22 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.

4.23 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.

4.24 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.

4.25 Taxation

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

4.25.1 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.

4.25.2 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.

4.25.3 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.

4.25.4 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.

4.25.5 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.

4.26 Value added tax

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

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

4.27 Operating segments analysis

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

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

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

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

4.28 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.

4.29 Comparative Period

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

5. New accounting pronouncement

Standards issued but not yet effective

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020) (effective for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 16 Leases - Covid 19-Related Rent Concessions (issued on 28 May 2020) (effective for annual periods beginning on or after 1 June 2020).

(ii) 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 2023).

Amendments

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning on or after 1 January 2022).
- The above are expected to have no significant impact on the Company's financial statements when they become effective.

6. Critical accounting estimates and judgments

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

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

- **Provision for impairment of receivables**

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

- **Fair value of financial assets**

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

- **Fair value of investment property**

The fair value of investment property is determined by using various valuation techniques. The Group selects accredited professional valuers with local presence to perform such valuations. Such valuers use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each financial reporting date. The fair value has been estimated as at 31 December 2020 (Note 19.2).

- **Income taxes**

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

- **Impairment of tangible assets**

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

- **Provision for deferred taxes**

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

- **Application of IFRS 10**

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

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

7. Risk Management

7.1 Financial risk factors

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

7.1.1 Operating Country Risks

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

7.1.1.1 Ukraine

Ukraine has continued to limit its economic ties with Russia, taking into account the annexation of Crimea, the autonomous republic of Ukraine, and armed conflict in certain parts of Luhansk and Donetsk regions. Amid these events, the Ukrainian economy has demonstrated further refocusing on the European Union ("EU") market, realizing the potential of established Deep and Comprehensive Free Trade Area ("DCFTA") with EU, thus effectively responding to mutual trade restrictions between Ukraine and Russia.

Starting from April 2019, the National Bank of Ukraine ("NBU") began to liberalize its monetary policy and for the first time in recent years significantly reduced its discount rate (from 18% on 15.03.2019 to 6% on 12.06.2020 and at the end of 2020), which is supported by stable inflation forecast.

On 12 June 2020, the international rating agency Moody's Investors Service upgraded Ukraine's long-term sovereign credit rating in national and foreign currencies to B3 level from Caa1 level and changed the positive forecast to the stable forecast. On 11 September 2020, the international agency Standard & Poor's confirmed the long-term and short-term sovereign credit rating of Ukraine in foreign and national currencies at the "B/B" level with a stable forecast. Also, Standard & Poor's reaffirmed Ukraine's national scale rating at the level "uaA".

At the same time, in the second half of 2019, in the Ukrainian economy, there were emerging trends that continued in 2020, namely: a slight decline in industrial output, certain reforms and new legislative initiatives due to changes in political power in Ukraine. All these factors affect business activity, and create certain risks unusual for markets with a stable economy, cause an unfavourable investment climate and lead to an economic slowdown. The inflation rate in Ukraine in 2020 was 5% (2019: 4.1%), and the national currency has significantly weakened (hryvnia exchange rate against US dollar as of 31 December 2019 – UAH/USD 23.6862; as of 31 December 2020 – UAH/USD 28.2746).

Significant public debt payments were planned for 2020 in Ukraine, which required the mobilization of significant financial resources both inside and outside the country, in an environment where the challenges for developing economies are -growing. In June 2020, the International Monetary Fund (IMF) approved an 18-month (stand-by) program equivalent to $5 billion to ensure a balance of payments and budget support to help the Ukrainian government address the challenges posed by the COVID-19 pandemic. The approval of the agreement allowed the immediate payment of the equivalent of $2.1 billion.

At the end of 2019, news about the COVID-19 coronavirus arrived from China for the first time. In early 2020, the coronavirus spread around the world and its negative impact gained momentum. The global spread of COVID-19 has caused significant instability, uncertainty, and economic downturn in Ukraine and the world throughout 2020. The coronavirus has spread to more than 200 countries and continues to have a negative impact on the economic situation and the healthcare sector. There is considerable uncertainty about the extent to which COVID-19 will continue to spread, as well as the extent and duration of governmental measures to slow the spread of the coronavirus, such as quarantine, remote work, suspension of business operations, and other restrictions.

7.1.1.2 Romania

The Romanian economy contracted by 3,9% in 2020 due to the impact of the COVID-19 pandemic. Trade and services decreased by 4,7%, while certain sectors, such as tourism and hospitality, remained heavily affected. Industry contracted by 9,3%, reflecting weakened external demand and supply chain disruptions. The biggest contraction was seen in agriculture, linked to persistent droughts affecting crops. The unemployment rate reached 5,5% during 2020 before edging down to 5,2% in December. National Bank of Romania cut the monetary policy rate to 1,50% in order to address the economic rebound and to maintain in the medium term the inflation rate in line with target. CPI estimated at 2,1%.

The Government provided a fiscal stimulus of 4,4% of GDP in 2020 in response to the COVID-19 crisis. In the first COVID wave, poor and vulnerable households were less supported by the fiscal response measures, which extended more directly to those in formal employment structures; subsequent programs for daily wage and seasonal workers extended protections to typically more vulnerable segments. As a result budget deficit widened from 4,5% in 2019 to an estimated 10,4% in 2020 making the impact of the agreed EU-stimulus of c.80 milion Euro, crucial for economic recovery.

7. Risk Management

7.1 Financial risk factors

7.1.2 Risks associated with property holding and development associated risks

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

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

7.1.3 Property Market price risk

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

7.1.4 Interest rate risk

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

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

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

7.1.5 Credit risk

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

7.1.6 Currency risk

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

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

7. Risk Management

7.1 Financial risk factors

7.1.7 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's core strategy is described in Note 43.1 of the consolidated financial statements.

7.1.8 Compliance risk

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

7.1.9 Litigation risk

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

7.1.10 Insolvency risk

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

7.2. Operational risk

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

7.3. Fair value estimation

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

8. Investment in subsidiaries

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

			Holding %	
Name	**Country of incorporation**	**Related Asset**	**as at 31 Dec 2020**	**as at 31 Dec 2019**
SC Secure Capital Limited	Cyprus		100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100
LLC Trade Center	Ukraine		100	100
LLC Almaz-Pres-Ukraine	Ukraine	Tsymlyanskiy Residence	55	55
LLC Retail Development Balabino	Ukraine		100	100
LLC Interterminal	Ukraine		100	100
LLC Aisi Ilvo	Ukraine		100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100
Best Day Real Estate Srl	Romania		100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100
N-E Real Estate Park First Phase Srl	Romania		100	100
Victini Holdings Limited	Cyprus		100	100
Zirimon Properties Limited	Cyprus	Delea Nuova (Delenco)	100	100
Bluehouse Accession Project IX Limited	Cyprus		100	100
Bluehouse Accession Project IV Limited	Cyprus		100	100
BlueBigBox 3 Srl	Romania		100	100
SPDI Real Estate Srl	Romania	Kindergarten	50	50
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus		100	100
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	100
Diforio Holdings Limited	Cyprus	Residential and Land portfolio	100	100
Demetiva Holdings Limited	Cyprus		100	100
Ketiza Holdings Limited	Cyprus		90	90
Frizomo Holdings Limited	Cyprus		100	100
Ketiza Real Estate Srl	Romania		90	90
Edetrio Holdings Limited	Cyprus		100	100
Emakei Holdings Limited	Cyprus		100	100
RAM Real Estate Management Limited	Cyprus		50	50
Iuliu Maniu Limited	Cyprus		45	45
Moselin Investments Srl	Romania		45	45
Rimasol Enterprises Limited	Cyprus		44,24	44,24
Rimasol Real Estate Srl	Romania		44,24	44,24
Ashor Ventures Limited	Cyprus		44,24	44,24
Ashor Development Srl	Romania		44,24	44,24
Jenby Ventures Limited	Cyprus		44,30	44,30

Jenby Investments Srl	Romania		44,30	44,30
Ebenem Limited	Cyprus		44,30	44,30
Ebenem Investments Srl	Romania		44,30	44,30
Sertland Properties Limited	Cyprus		100	100
Mofben Investments Limited	Cyprus		100	100
SPDI Management Srl	Romania		100	100

During 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.

Following extended but unsuccessful negotiations for more than 2 years with Tonescu Finance Srl, the company which had acquired Monaco Towers property's loan, SecMon Real Estate Srl entered voluntarily in January 2018 into insolvency process, in order to protect its interests against its creditor, given that the value of the assets was higher than the value of the relevant loan. The entering of SecMon Real Estate Srl in the insolvency process meant loss of control as per the definition of IFRS 10. As such SecMon Real Estate Srl is not consolidated in the present consolidated financial statements. However, currently SecMon Real Estate Srl has re-paid the relevant property loan and exited effectively the insolvency process. The Company is participating in the required procedures to re-gain full control of the subsidiary (Note 44.b).

9. Discontinued operations

9.(a) Description

The Company announced on 18 December 2018 that it has entered into a conditional implementation agreement for the sale of its property portfolio, excluding its Greek logistics properties ('the Non-Greek Portfolio'), in an all-share transaction to Arcona Property Fund N.V. The transaction is subject to, among other things, asset and tax due diligence (including third party asset valuations) and regulatory approvals (including the approval of a prospectus required in connection with the issuance and admission to listing of the new Arcona Property Fund N.V. shares), as well as successful negotiating and signature of transaction documents. During 2019 and as part of the Arcona transaction the Company sold the Boyana Residence asset in Bulgaria, as well as the Bela and Balabino land plots in Ukraine, while in June 2021 has signed SPAs related to Stage 2 of the transaction, namely for the EOS and Delenco assets in Romania, as well as the Kiyanovskiy and Rozny assets in Ukraine, which are expected to close in Q4 2021.

Additionally, the Company also sold during 2019 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 & 4.9).

9.(b) Results of discontinued operations

For the year ended 31 December 2020

	Note	2020	2019
		€	€
Income	10	1.041.346	1.891.708
Asset operating expenses	11	(470.548)	(591.811)
Net Operating Income		**570.798**	**1.299.897**
Administration expenses	12	(217.988)	(220.509)
Share of profits/(losses) from associates	21	(179.775)	297.985
Valuation gains/(losses) from Investment Property	13	(3.495.700)	417.852
Net gain/(loss) on disposal of investment property	14.1	281.886	(7.404)
Loss on disposal of subsidiaries	20	-	(4.992.763)
Other operating income/(expenses), net	15	3.058	312.801
Operating profit / (loss)		**(3.037.721)**	**(2.892.141)**
Finance income	16	9.392	10.022
Finance costs	16	(870.951)	(1.430.529)
Profit / (loss) before tax and foreign exchange differences		**(3.899.280)**	**(4.312.648)**
Foreign exchange (loss), net	17a	(318.925)	(436.880)
Loss before tax		**(4.218.205)**	**(4.749.528)**
Income tax expense	18	(44.387)	(52.315)
Loss for the year		**(4.262.592)**	**(4.801.843)**
Loss attributable to:			
Owners of the parent		(2.851.952)	(4.846.634)
Non-controlling interests		(1.410.640)	44.791
		(4.262.592)	**(4.801.843)**

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

	31 Dec 2020	31 Dec 2019
	€	€
Net cash flows provided in operating activities	961.997	1.897.780
Net cash flows from / (used in) financing activities	(3.880.653)	(2.770.679)
Net cash flows from / (used in) investing activities	2.670.120	2.677.920
Net increase/(decrease) from discontinued operations	**(248.536)**	**1.805.021**

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

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2020:

	Note	31 Dec 2020	31 Dec 2019
		€	€
Assets classified as held for sale			
Investment properties	19.4a	34.903.480	42.180.852
Tangible and intangible assets	23	12.357	14.342
Long-term receivables and prepayments	24	315.000	315.265
Investments in associates	21	5.071.656	5.380.021
Financial Asset at FV through OCI	22	1	1
Prepayments and other current assets	26	748.127	1.470.772
Cash and cash equivalents	28	740.788	530.374
Total assets of group held for sale		**41.791.409**	**49.891.627**
Liabilities directly related with assets classified as held for sale			
Borrowings	32	6.324.461	8.949.660
Finance lease liabilities	37	9.692.029	10.084.470
Trade and other payables	34	870.472	1.015.266
Taxation	36	277.275	216.563
Deposits from tenants	35	64.231	67.269
Total liabilities of group held for sale		**17.228.468**	**20.333.228**

10. Income

Income from ***continued operations*** for the year ended 31 December 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	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Rental income	583.683	364.034
Service charges and utilities income	192.017	93.416
Service and property management income	20.000	-
Total income	**795.700**	**457.450**

Income from ***discontinued operations*** for the year ended 31 December 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), EOS Business Park (Romania), and Victini Logistics (Greece) until the date of its disposal during 2019,

b) income from the sale of electricity by Victini Logistics to the Greek grid until the date of disposal during 2019,

b) rental income and service charges by tenants of the Residential Portfolio, and;

c) income from third parties and /or partners for consulting and managing real estate properties

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Rental income	1.008.294	1.726.978
Sale of electricity	-	128.623
Service charges and utilities income	31.064	33.982
Service and property management income	1.988	2.125
Total income	**1.041.346**	**1.891.708**

Occupancy rates in the various income producing assets of the Group as at 31 December 2020 were as follows:

Income producing assets			
%		**31 Dec 2020**	**31 Dec 2019**
EOS Business Park	Romania	100	100
Innovations Logistics Park	Romania	77	70
Kindergarten	Romania	100	100

11. Asset operating expenses

The Group incurs expenses related to the proper operation and maintenance of all properties in Kiev, Bucharest, Athens (2019), and Sofia (2019). Part of these expenses is recovered from the tenants through the service charges and utilities recharge (Note 10).

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

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

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Property related taxes	(99.949)	(199.725)
Property management fees	(9.054)	-
Repairs and technical maintenance	(101.757)	(195.428)
Utilities	(179.268)	(95.688)
Property security	(33.223)	(35.191)
Property insurance	(6.932)	(17.184)

Leasing expenses	(40.267)	(48.329)
Other operating expenses	(98)	(266)
Total	**(470.548)**	**(591.811)**

Property related taxes reflect local taxes of land and building properties (in the form of land taxes, building taxes, garbage fees, etc.). Relevant decrease in 2020 resulted from the sale of properties during 2019.

Repairs and technical maintenance decreased substantially during the period since in 2019 extensive works in Innovations Logistics Park in Bucharest took place, essential for hosting successfully the new tenant in the cold spaces of the property.

Utilities increased as a result of the use of the premises by the new tenant in Innovations Logistics Park in Bucharest, with the relevant income at Company's level increasing respectively through service charges.

Leasing expenses reflect expenses related to long term land leasing.

12. Administration Expenses

Continued operations	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Salaries and Wages	(368.684)	(459.789)
Incentives to Management	(120.000)	(280.000)
Advisory fees	(609.191)	(614.315)
Public group expenses	(134.153)	(100.084)
VAT expensed	(7.514)	(123.855)
Corporate registration and maintenance fees	(30.697)	(49.865)
Audit fees	(86.000)	(86.031)
Accounting and related fees	(40.311)	(23.879)
Legal fees	(77.688)	(442.051)
Depreciation/Amortization charge	(2.200)	(3.399)
Directors Renumeration	(129.000)	(73.108)
Corporate operating expenses	(95.742)	(185.795)
Total Administration Expenses	**(1.701.180)**	**(2.442.171)**

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Salaries and Wages	(46.177)	(44.753)
Advisory fees	(35.897)	(29.496)
Corporate registration and maintenance fees	(31.978)	(38.721)
Audit fees	(40.800)	(54.560)
Accounting and related fees	(31.823)	(15.505)
Legal fees	(6.821)	(11.406)
Depreciation/Amortization charge	(2.683)	(2.497)
Corporate operating expenses	(21.809)	(23.571)
Total Administration Expenses	**(217.988)**	**(220.509)**

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.

Incentives to Management provided in 2019 for the successful completion of Stage 1 of the transaction with Arcona, fully paid in Company's shares, while in 2020 provided for the sussessful disposal of Victini Logistics Park.

Advisory fees are mainly related to advisors, brokers, valuers and other professionals engaged in relevant transactions and capital raising campaigns, as well as outsourced human resources support on the basis of relevant contracts. In 2019, advisory fees include EUR 145k paid in Company's shares to advisors engaged with the successful completion of Stage 1 of the transaction with Arcona, as well as EUR 28k for due diligence expenses related to the Arcona transaction. In 2020, such fees include EUR 52k of services related to Arcona transaction and EUR 170k brokerage fees for past successful disposals.

Accounting and related fees include fees from external accounting services, as well as fees for transfer pricing and tax consulting services. In particular, certain Group entities proceeded during 2020 in preparation of Transfer Pricing file, essential in such cases under recent local tax legislation.

Public group expenses include among others fees paid to the AIM:LSE stock exchange and the Nominated Adviser of the Company, as well as other expenses related to the listing of the Company, such as public relations and registry expenses. Relevant increase in 2020 came as a result of the extra fees associated with the process of changing the custodian of the shares of the Company, which came as requirement following Brexit.

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. In 2019 an amount of EUR 350k was included, associated with legal advices and support related to the transaction with Arcona. In 2020 the amount related to Arcona transaction reached EUR 29k.

Directors fees for H12019 paid in Company's shares, while for H2 2019 and 2020 are payable in cash (Note 40.1.2).

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

13. Valuation gains / (losses) from investment properties

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

Discontinued operations (Note 9)		
Property Name (€)	**Valuation gains/(losses)**	
	31 Dec 2020	**31 Dec 2019**
	€	**€**
Kiyanovskiy Residence	390.469	(543.263)
Tsymlyanskiy Residence	94.811	(77.541)
Rozny Lane	(171.690)	20.152
Innovations Logistics Park	(305.894)	257.785
EOS Business Park	(863.251)	285.545
Residential Portfolio	(1.950)	27.366
GreenLake	(2.664.980)	381.385
Kindergarten	26.785	66.423
Total	**(3.495.700)**	**417.852**

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

14. Gain/ (Loss) from disposal of properties

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

14.1 Investment property

During 2020 the Group sold 5 villas in Greenlake Parcel K, 1 apartment and 3 parking spaces in Romfelt Plaza (Doamna Ghica) and 3 apartments, 3 parking spaces and 1 commercial space in Zizin. In 2019 the Group sold 3 apartments in Romfelt Plaza (Doamna Ghica) and 4 apartments and 2 parking spaces in Zizin.

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Income from sale of investment property	2.427.184	608.073
Cost of investment property	(2.145.298)	(615.477)
Profit/(Loss) from disposal of investment property	**281.886**	**(7.404)**

15. Other operating income/(expenses), net

Continued operations	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Other income	115.039	114.166
Accounts payable written off	124.007	-
Reversal of provisions and Impairment of prepayments and other current assets	16.035	-
Other income	**255.081**	**114.166**
Assets Written off	(55.128)	(2.007)
Impairment on Receivables from Arcona (Note 26)	-	(211.310)
Provisions and Impairment of prepayments and other current assets	-	(222.363)
Penalties	(2.184)	(7.213)
Other expenses	(6.547)	(113.902)
Other expenses	**(63.859)**	**(556.795)**
Other operating income/(expenses), net	**191.222**	**(442.629)**

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Accounts payable written off	129.950	462.198
Other income	23	9.910
Other income	**129.973**	**472.108**
Provisions and Impairment of prepayments and other current assets	-	(157.764)
Penalties	(1.201)	(1.458)
Other expenses	(125.714)	(85)
Other expenses	**(126.915)**	**(159.307)**
Other operating income/(expenses), net	**3.058**	**312.801**

Continued operations

Other income, represents income from services and sale price adjustment of the sale of Terminal Brovary pursuant to the relevant sale and purchase agreement.

The accounts payable write off in 2020 under continued operations are mainly related to writing off an old balance due to a vendor.

Impairment on receivables from Arcona in 2019 is related to the fair value adjustment of the receivable Arcona shares held in escrow from the disposal of the Boyana asset in Bulgaria. In particular, the 315.591 consideration Arcona shares valued at 2019 year end according to the NAV per share at that date and a loss of €211.310 was realized.

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

Discontinued operations

The accounts payable write off in 2020 under discontinued operations are mainly related to revesal of accrued expenses which after a long period of time were never realized.

The accounts payable write off in 2019 under discontinued operations of a total of €462.198 is related to Aisi Bela and Boyana payables for construction. The settlement for the former was reached in late 2011 on the basis of maintaining the construction contract in an inactive state (to be reactivated at the option of the Group), while upon reactivation of the contract or termination of it (due to a sale of the asset) the Group would have to pay an additional UAH 5.400.000 (~USD 160.000) payable upon such event occurring. Due to the uncertainness of the payment period the latter amount used to be discounted at current discount rates in Ukraine presented as a non-current liability. This amount was written off during 2019 as a result of the forthcoming disposal of the asset during the year. Payables for construction write off related to Boyana asset, refer to an amount of ~€245.000 payable to the constructor of the project as part of the withholding of a Good Performance Guarantee. The amount has been written off during 2019 as a result of statute of limitations.

Other expenses under discontinued operations of a total of €125.915 relate mostly to VAT imposed to Jenby Srl after relevant tax investigation by authorities, associated with past VAT activity of the company.

Provision and impairment of prepayments and other current assets (both continued and discontinued), include expected credit loss as per IFRS9.

16. Finance costs and income

Continued operations		
Finance income	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Interest received from non-bank loans	503.527	474.583
Interest income associated with banking accounts	-	1
Total finance income	**503.527**	**474.584**

Finance costs	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Interest expenses (bank)	-	(699)
Interest expenses (non-bank)	(140.489)	(50.693)
Finance charges and commissions	(6.645)	(17.725)
Bonds interest	(68.320)	(68.133)
Interest on taxes	(59.297)	-
Total finance costs	**(274.751)**	**(137.250)**
Net finance result	**228.776**	**332.442**

Discontinued operations (Note 9)		
Finance income	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Interest received from non-bank loans (Note 40.1.1)	9.392	9.366
Interest income from bank deposits	-	656
Total finance income	**9.392**	**10.022**

Finance costs	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Interest expenses (bank)	(378.793)	(901.896)
Interest expenses (non-bank)	(7.172)	(7.155)
Finance leasing interest expenses	(477.048)	(496.950)
Finance charges and commissions	(2.585)	(24.528)
Interest on taxes	(5.353)	-
Total finance costs	**(870.951)**	**(1.430.529)**
Net finance result	**(861.559)**	**(1.420.507)**

Interest income from non-bank loans reflects income from loans granted by the Group for financial assistance to 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 and is re-payable by 30 June 2021.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 the Company is in the process of getting agreed security in the form of pledge of shares following relevant provisions in the initial Loan Agreement.

Borrowing interest expense represents interest expense charged on Bank and non-Bank borrowings (Note 32).

Finance leasing interest expenses relate to the sale and lease back agreements of the Group (Note 37).

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

Bonds interest represent interest calculated for the bonds issued by the Company during 2018 (Note 33).

Interest on taxes posted in 2020 is related to interest charges on taxes associated with the tax audit of all Cypriot entities of the Group for all periods up to 2015, which follow a certain repayment schedule via the local Ariadne repayment program.

17. Foreign exchange profit / (losses)

a. Non realised foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and/or payables/receivables denominated in non EUR currencies when translated in EUR. The exchange loss for the year ended 31 December 2020 from continued operations amounted to €60.142 (2019: loss €74.779).

The exchange loss from discontinued operations for the year ended 31 December 2020 amounted to €318.925 (2019: loss €436.880) (Note 9).

b. Exchange difference on intercompany loans to foreign holdings

The Company has loans receivable from foreign group subsidiaries which are considered as part of the Group's net investments in those foreign operations (Note 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 2020, the Group recognized a foreign exchange loss of €61.936 (2019: profit €66.557).

18. Tax Expense

Continued operations	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Income and defence tax expense	(117.656)	(36.380)
Taxes	**(117.656)**	**(36.380)**

Discontinued operations (Note 9)	**31 Dec 2020**	**31 Dec 2019**
	€	**€**
Income and defence tax expense	(44.387)	(52.315)

Taxes	**(44.387)**	**(52.315)**

For the year ended 31 December 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%.

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

	31 Dec 2020	**31 Dec 2019**
	€	**€**
Profit / (loss) before tax	**(5.588.463)**	**(7.068.236)**
Tax calculated on applicable rates	(177.663)	(1.644.485)
Expenses not recognized for tax purposes	1.132.008	1.879.661
Tax effect of allowances and income not subject to tax	(844.478)	(413.424)
Tax effect on tax losses for the year	801.574	289.577
Tax effect on tax losses brought forward	(874.138)	(25.108)
10% additional tax	20.616	4.074
Overseas tax in excess of credit claim used during the year	636	20
Tax effect of Group tax relief	(1.322)	(1.620)
Defence contribution current year	13.860	-
Prior year tax	90.950	-
Total Tax	**162.043**	**88.695**

19. Investment Property

19.1 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 is 77% 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 10 apartments and villas across two separate complexes located in different residential areas of Bucharest (Residential portfolio: Blooming House, GreenLake Residential: GreenLake Parcel K, Green Lake Developments Srl owns 18 more units in the Green Lake Residential complex, classified under associates Note 21). Regarding Monaco Towers complex, 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 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 is not consolidated in the present financial statements. Currently, the SPV has re-paid the loan and exited effectively insolvency status and the Company is in the procees of re-gaining full control. At the end of 2020, 5 apartments were available in Monaco Towers (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 within 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 within 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 21). 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 within 2019.

19. Investment Property (continued)

19.2 Investment Property Movement during the reporting period

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

Discontinued Operations

2020 (€)			Fair Value movements			Asset Value at the Beginning of the period or at Acquisition/Transfer date		
Asset Name	Type	Carrying amount as at 31/12/2020	Foreign exchange translation difference (a)	Fair value gain/(loss) based on local currency valuations (b)	Disposals 2020	Transfer to Assets held for sale	Additions 2020	Carrying amount as at 31/12/2019
Kiyanovskiy Residence	Land	2.444.988	(704.961)	390.469	-	-	-	2.759.480
Tsymlyanskiy	Land	896.496	(266.501)	94.811	-	-	-	1.068.186

Residence								
Rozny Lane	Land	896.496	-	(171.690)	-	-	-	1.068.186
Total Ukraine		**4.237.980**	**(971.462)**	**313.590**	**-**	**-**	**-**	**4.895.852**
Innovations Logistics Park	Warehouse	10.100.000	(194.106)	(305.894)	-	-	-	10.600.000
EOS Business Park	Office	6.700.000	(136.749)	(863.251)	-	-	-	7.700.000
Residential portfolio	Residential	152.500	(13.835)	(1.950)	(564.715)	-	-	733.000
GreenLake	Land & Resi	12.275.000	(293.437)	(2.664.980)	(1.580.583)	-	-	16.814.000
Kindergarten	Retail	1.438.000	(26.785)	26.785	-	-	-	1.438.000
Total Romania		**30.665.500**	**(664.912)**	**(3.809.290)**	**(2.145.298)**	**-**	**-**	**37.285.000**
TOTAL		**34.903.480**	**(1.636.374)**	**(3.495.700)**	**(2.145.298)**	**-**	**-**	**42.180.852**

Discontinued Operations

2019 (€)			**Fair Value movements**			**Asset Value at the Beginning of the period or at Acquisition/Transfer date**		
Asset Name	**Type**	**Carrying amount as at 31/12/2019**	**Foreign exchange translation difference (a)**	**Fair value gain/(loss) based on local currency valuations (b)**	**Disposals 2019**	**Transfer to Assets held for sale**	**Additions 2019**	**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 & Resi	16.814.000	(409.385)	381.385	-	-	-	16.842.000
Kindergarten	Retail	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**

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

a. The translation loss due to the devaluation of local currencies of €1.636.374 (a) (2019: loss €227.016) is presented as part of the exchange difference on translation of foreign operations in other comprehensive income in the statement of comprehensive income and then carried forward in the Foreign currency translation reserve; and,

b. The fair value loss in terms of the local functional currencies amounting to €3.495.700 (b) (2019: gain €417.852), is presented as Valuation gains/(losses) from investment properties in the statement of comprehensive income and is carried forward in Accumulated losses.

19. Investment Property (continued)

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

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

Asset Name	**Location**	**Principal Operation**	**Related Companies**	**Carrying amount as at**			
				31 Dec 2020	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2019**
				Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
				€	**€**	**€**	**€**
Kiyanovskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Aisi Ukraine LLC Trade Center	-	2.444.988	-	2.759.480

Tsymlyanskiy Residence	Podil, Kiev City Center	Land for residential Development	LLC Almaz‑Pres‑Ukraine	-	896.496	-	1.068.186
Rozny Lane	Brovary district, Kiev	Land for residential Development	SC Secure Capital Limited	-	896.496	-	1.068.186
Total Ukraine				**-**	**4.237.980**	**-**	**4.895.852**
Innovations Logistics Park	Clinceni, Bucharest	Warehouse	Myrnes Innovations Park Limited Best Day Real Estate Srl	-	10.100.000	-	10.600.000
EOS Business Park	Bucharest	Office building	Yamano Ltd First Phase srl	-	6.700.000	-	7.700.000
Kindergarten	Bucharest	Retail	Yamano Ltd SPDI Real Estate Srl	-	1.438.000	-	1.438.000
Residential Portfolio	Bucharest	Residential apartments (1 aprtment)	Secure II Ketiza Ltd, Ketiza Srl	-	152.500	-	733.000
GreenLake	Bucharest	Residential villas (9 villas) & Land for Residential Development	Edetrio Holdings Limited Emakei Holdings Limited Iuliu Maniu Limited Moselin Investments srl Rimasol Limited Rimasol Real Estate Srl Ashor Ventures Limited Ashor Develpoment Srl Jenby Investments Srl Ebenem Investments Srl	-	12.275.000	-	16.814.000
Total Romania				-	**30.665.500**	-	**37.285.000**
TOTAL				**-**	**34.903.480**	**-**	**42.180.852**

19. Investment Property (continued)

19.4 Investment Property analysis

a. Investment Properties

The following assets are presented under Investment Property: Innovations Logistics park, EOS Business Park, Kindergarten in GreenLake, the Residential Portfolio (apartment in 1 complex - Blooming house) and GreenLake parcel K, as well as all the land assets namely Kiyanovskiy Residence, Tsymlyanskiy Residenceand Rozny Lane in Ukraine, and GreenLake in Romania

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations (Note 9)**	**Continued operations**	**Discontinued operations (Note 9)**
	€	**€**	**€**	**€**
At 1 January	**-**	**42.180.852**	**-**	**63.345.537**
Disposal of Investment Property	-	(2.145.298)	-	(21.355.521)
Revaluation (loss)/gain on investment property	-	(3.495.700)	-	417.852
Translation difference	-	(1.636.374)	-	(227.016)
At 31 December	**-**	**34.903.480**	**-**	**42.180.852**

Disposals of Investment Properties represent the sales of apartments and parking spaces in Residential Portfolio and villas in GreenLake parcel K.

b. Investment Properties Under Development

The 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.

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations (Note 9)**	**Continued operations**	**Discontinued operations (Note 9)**
	€	**€**	**€**	**€**
At 1 January	**-**	**-**	**-**	**4.716.157**

Disposal of IP	-	-	-	(4.716.157)
At 31 December	**-**	**-**	**-**	**-**

19.5 Investment Property valuation method presentation

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

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

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

Fair value measurements at 31 Dec 2020 (€)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
	-	**-**	**-**	**-**
Recurring fair value measurements				
Tsymlyanskiy Residence – Podil, Kiev City Center	-	896.496	**-**	**896.496**
Kiyanovskiy Residence – Podil, Kiev City Center	-	2.444.988	**-**	**2.444.988**
Rozny Lane – Brovary district, Kiev oblast	-	896.496	**-**	**896.496**
Innovations Logistics Park – Bucharest	**-**	**-**	10.100.000	**10.100.000**
EOS Business Park – Bucharest, City Center	**-**	**-**	6.700.000	**6.700.000**
Residential Portfolio (ex GreenLake) – Bucharest	-	152.500	-	**152.500**
GreenLake – Bucharest	-	12.275.000	-	**12.275.000**
Kindergarten - Bucharest	-	-	1.438.000	**1.438.000**
Totals	**-**	**16.665.480**	**18.238.000**	**34.903.480**

Fair value measurements at 31 Dec 2019 (€)	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Recurring fair value measurements	-	-	-	-
Tsymlyanskiy Residence – Podil, Kiev City Center	-	1.068.186	**-**	**1.068.186**
Kiyanovskiy Residence – Podil, Kiev City Center	-	2.759.480	**-**	**2.759.480**
Rozny Lane – Brovary district, Kiev oblast	-	1.068.186	**-**	**1.068.186**
Innovations Logistics Park – Bucharest	**-**	**-**	10.600.000	**10.600.000**
EOS Business Park – Bucharest, City Center	**-**	**-**	7.700.000	**7.700.000**
Residential Portfolio (ex GreenLake) – Bucharest	-	733.000	-	**733.000**
GreenLake – Bucharest	-	16.814.000	-	**16.814.000**
Kindergarten - Bucharest	-	-	1.438.000	**1.438.000**
Totals	**-**	**22.442.852**	**19.738.000**	**42.180.852**

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

Level 3 Fair value measurements at 31 Dec 2020 (€)	**Innovations Logistics Park**	**EOS Business Park**	**Kindergarten**	**Total**
Opening balance	**10.600.000**	**7.700.000**	**1.438.000**	**19.738.000**
Profit/(loss) on revaluation	(305.894)	(863.251)	26.785	**(1.142.360)**
Translation difference	(194.106)	(136.749)	(26.785)	**(357.640)**
Closing balance	**10.100.000**	**6.700.000**	**1.438.000**	**18.238.000**

Level 3 Fair value measurements at 31 Dec 2019 (€)	Bela Logistics Park	Innovations Logistics Park	EOS Business Park	Victini Logistics	Kindergarten	Total
Opening balance	**4.716.157**	**10.600.000**	**7.600.000**	**15.200.000**	**1.406.000**	**39.522.157**
Profit/(loss) on revaluation	-	257.785	285.545	**-**	66.423	**609.753**
Translation difference	-	(257.785)	(185.545)	**-**	(34.423)	**(20.393.910)**
Disposal of Investment property	(4.716.157)	**-**	**-**	(15.200.000)	**-**	**(15.200.000)**
Closing balance	**-**	**10.600.000**	**7.700.000**	**-**	**1.438.000**	**19.738.000**

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

	Fair value at 31 Dec 2020	Fair value at 31 Dec 2019	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	€	€	€	€	€
Innovations Logistics Park – Bucharest	10.100.000	10.600.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
EOS Business Park – Bucharest, City Center	6.700.000	7.700.000	Income approach	Future rental income and costs for 10 years, discount rate	The higher the rental income the higher the fair value. The higher the discount rate, the lower fair value
Kindergarten	1.438.000	1.438.000	Income approach	Future rental income and costs of discount rate, vacancy rate	The higher the rental income the higher the fair value. The higher the discount rate and the vacancy rate, the lower fair value
Total	**18.238.000**	**19.738.000**			

20. Investment Property Acquisitions, Goodwill Movement and Disposals

Disposal of subsidiaries in 2019

	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 transfer (Notes 26)	-	-	775.641	775.641
Net deferred consideration in the form of a loan receivable	-	-	639.000	639.000
Total result from disposal (Note 9)	**(2.315.342)**	**(2.250.613)**	**(426.808)**	**(4.992.763)**

On 8 August 2019 Victini Logistcs 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 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. The shares and warrants released successfully in February 2020.

21. Investments in associates

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinue d operations**
	€	**€**	**€**	**€**
Cost of investment in associates at the beginning of the period	-	5.380.021	-	5.313.235
Share of profits /(losses) from associates (Note 9)	-	(179.775)	-	297.985
Dividend Income	-	(242.403)	-	(121.772)
Foreign exchange difference	-	113.813	-	(109.427)
Total	**-**	**5.071.656**	**-**	**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 31 December 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	21.926.174	(1.101.439)	(738.176)	24,35	(179.775)	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	5.420.444	(9.455.683)	(2.344.699)	40,35	-	Romania	Residential assets
Total		**27.346.618**	**(10.557.122)**	**(3.082.875)**		**(179.775)**		

As at 31 December 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	24.263.233	(2.172.318)	1.223.558	24,35	297.985	Romania	Office building
GreenLake Project – Phase A	GreenLake Development Srl	8.403.831	(11.474.393)	(954.837)	40,35	-	Romania	Residential assets
Total		**32.667.064**	**(13.646.711)**	**268.721**		**297.985**		

22. Financial Assets at FV 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 (Note 8) 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) and maintained as such in 2019. Although, during 2021 the SPV has exited insolvency status and the Group is in process of re-gaining full control, for 2020, the Management maintained the fair value of the Financial asset at fair value through OCI the same as last year.

Discontinued operations (Note 9)		
	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**

23. Tangible and intangible assets

As at 31 December 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 (2019: €103.193) which is under continued operations. Accumulated amortization as at the reporting date amounts to €103.193 (2018: €103.193) and therefore net value amounts to €0 (2019: €0).

As at 31 December 2020 the tangible non-current assets under continued operations were comprised mainly by electronic equipment (mobiles, computers etc.) of a net value of €2.859 (2019: €566).

As at 31 December 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 and Romania (Greece and Bulgaria only for 2019), amount to €77.977 (2019:€60.741). Accumulated depreciation as at the reporting date amounts to €65.621 (2019: €46.399).

24. Long Term Receivables and prepayments

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Long Term Receivables	836	315.000	852	315.265
Total	836	315.000	852	315.265

Long term receivables mainly include the cash collateral existing in favor of Piraeus Leasing.

25. Inventory

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
At 1 January	**-**	**-**	**-**	**4.604.044**
Disposal of the asset (Note 20)	-	-	-	(4.604.044)
At 31 December	**-**	**-**	**-**	**-**

The residential portfolio in Boyana, Sofia, Bulgaria is classified as Inventory.

Boyana residential portfolio was sold within 2019.

26. Prepayments and other current assets

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Trade and other receivables	307.549	487.185	1.053.809	437.183
Bank Loan pending transfer (Note 20)	-	-	-	775.641
Receivable from Arcona (Note 20)	-	-	4.030.233	-
VAT and other tax receivables	239.191	105.348	145.910	111.350
Deferred expenses	-	1.095	14.533	15.245
Receivables due from related parties	45.077	10.783	71.147	6.927
Loan receivables from 3rd parties	6.365.654	124.958	5.575.555	124.958
Loan to associates (Note 40.4)	9.026	301.600	-8.700	292.208
Allowance for impairment of prepayments and other current assets	(86.421)	(282.842)	(65.974)	(292.740)
Total	**6.880.076**	**748.127**	**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 20).

Receivables from Arcona refer to the consideration shares and warrants in relation to the disposal of Boyana asset, which in 2019 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. The initial amount of the Receivable is €4.241.544 and the impairment charge at the year end was €211.310, resulting in a net amount €4.030.233 (Note 20). Within 2020 this receivable is converted into shares.

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 Romaniaplus associated interest of €1.071.271 (2019 €845.638) less accumulated expected credit loss of €54.256. The loan provided initially with a convertibility option which was not exercised. According to the last addendum the loan had certain one-off and monthly payments for a period until 30 June 2020 and is fully payable 12 months afterwards. 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 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 15/6/2021 in the form of a loan. The loan that currently has been re-paid, had a scaling structure of interest rates: 6% until 31/3/2020, 8% until 30/6/2020, 10% until 31/12/2020 and 11% until maturity. Final agreement provides also a reverse payable of the Company of €111k which is classified appropriately.

26. Prepayments and other current assets (continued)

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 22).

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

27. 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:

	31 Dec 2020	**31 Dec 2019**
	€	**€**
Arcona shares	3.549.453	3.735.555
Transfer from receivables	4.030.234	-
FV change in Arcona shares	(796.045)	(186.102)
Arcona shares at reporting date	**6.783.642**	**3.549.453**
Warrants over Arcona shares	32.190	1

Transfer from receivables	1	-
FV change in warrants	(28.589)	32.189
Arcona warrants at reporting date	**3.602**	**32.190**
Total Financial Assets at FV	**6.787.244**	**3.581.643**
FV change in Arcona shares	(796.045)	(186.102)
FV change in warrants	(28.589)	32.189
Fair Value loss on Financial Assets at FV through P&L	**(824.634)**	**(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 2020, 315.591 Arcona shares held previously in escrow, as part of the disposal of Boyana in Sofia, and therefore a relevant transfer from receivables account took place. At the end of the reporting period the shares revalued at their fair value based on the NAV per share of Arcona at the same date, and as a result a relevant fair value loss of EUR 796.045 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 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 28.589 is recognized. The terms and assumptions used for such warrant re-valuation are:

- Current stock price (as retrieved from Amsterdam Stock Exchange): EUR 3,93 per share
- Strike price of the warrants: EUR 8,10 per share
- Expiration date: 1 November 2024
- Standard deviation of stock price: 19,69%
- Annualized dividend yield on shares: 0%
- 5 year Government Bond rate (weighted average rate of Government Bonds of countries that Arcona is exposed): 1,104%

28. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Cash with banks in USD	15.755	-	15.700	-
Cash with banks in EUR	33.234	216.224	151.349	51.539
Cash with banks in UAH	6	418	59	95
Cash with banks in RON	79.577	524.146	40.143	478.740
Cash with banks in GBP	1.287	-	-	-
Total	**129.859**	**740.788**	**207.251**	**530.374**

29. Share capital

Number of Shares during 2020 and 2019

	31 December 2018	24 December 2019	31 December 2019	31 December 2020
		Increase of share capital		
Authorised				
Ordinary shares of €0,01	**989.869.935**	**-**	**989.869.935**	**989.869.935**
Total ordinary shares	**989.869.935**	**-**	**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**	**8.618.997**
Total redeemable shares	**8.618.997**	**-**	**8.618.997**	**8.618.997**
Issued and fully paid				
Ordinary shares of €0,01	**127.270.481**	**1.920.961**	**129.191.442**	**129.191.442**
Total ordinary shares	**127.270.481**	**1.920.961**	**129.191.442**	**129.191.442**
Total	**127.270.481**	**1.920.961**	**129.191.442**	**129.191.442**

Nominal value (€) for 2020 and 2019

€	**31 December 2018**	**24 December 2019**	**31 December 2019**	**31 December 2020**
		Increase of share capital		
Authorised				
Ordinary shares of €0,01	**9.898.699**	**-**	**9.898.699**	**9.898.699**
Total ordinary shares	**9.898.699**	**-**	**9.898.699**	**9.898.699**
RCP Class A Shares of €0,01	-	-	-	-
RCP Class B Shares of €0,01	**86.190**	**-**	**86.190**	**86.190**
Total redeemable shares	**86.190**	**-**	**86.190**	**86.190**
Issued and fully paid				
Ordinary shares of €0,01	**1.272.072**	**19.209**	**1.291.281**	**1.291.281**
Total ordinary shares	**1.272.072**	**19.209**	**1.291.281**	**1.291.281**
Total	**1.272.072**	**19.209**	**1.291.281**	**1.291.281**

The comparative figures in these financial statements have been restated to correct an identified error, which necessitated restatement of values between the Company's equity captions. More specifically, as at 31 December 2019 and as at 1 January 2019, the share capital has been decreased by €630, the share premium has been increased by €183.220 and the retained earnings have been decreased by €182.590. Total equity has remained unaffected.

29.1 Authorised share capital

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

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

b) 8.618.997 Redeemable Preference Class B Shares of €0,01 nominal value each, (Note 29.3).

29.2 Issued Share Capital

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

a) 127.270.481 Ordinary Shares of €0,01 nominal value each,

b) 392.500 Redeemable Preference Class A Shares of €0,01 nominal value each, cancelled during 2018 as per the Annual General Meeting decision of 29 December 2017 (Note 29.3),

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

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

- for the Redeemable Preference Class B Shares, in lieu of redemption the Company gave its 20% holding in Autounion (Note 29.3) in October 2016, to the Craiova Praktiker seller BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. and final settlement for any resulting difference is expected to be provided by Cypriot Courts (Note 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 29.3).

29.3 Capital Structure as at the end of the reporting period

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

Number of		(as at) 31 December 2020	(as at) 31 December 2019
Ordinary shares of €0,01	**Issued and Listed on AIM**	**129.191.442**	**129.191.442**
Total number of Shares	Non-Dilutive Basis	129.191.442	129.191.442
Total number of Shares	**Full Dilutive Basis**	**129.191.442**	**129.191.442**
Options	-	-	-

Redeemable Preference Class B Shares

The Redeemable Preference Class B Shares, issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L. as part of the Praktiker Craiova asset acquisition do not have voting rights but have economic rights at par with ordinary shares. As at the reporting date all of the Redeemable Preference Class B Shares have been redeemed but the Company is in legal proceedings with the vendor in respect of a final settlement (Notes 34, 41.3).

29.4 Other share capital related matters

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.

30. Foreign Currency Translation Reserve

Exchange differences relate to the translation from the functional currency to EUR of Group's subsidiaries' accounts and are recognized 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 Company's subsidiaries' functional currencies are not EUR. The Company had foreign exchange losses on translation due to presentation currency of €1.392.155 for 2020, in comparison to €223.135 relevant gains in 2019. Current period's loss resulted from the devaluation of UAH against EUR by 31% and RON against EUR by ~2%.

31. Non-Controlling Interests

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

%	Non-controlling interest portion	
Group Company	**31 Dec 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

32. Borrowings

	Project	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
		Continued operations	Discontinued operations	Continued operations	Discontinued operations
		€	€	€	€
Principal of bank Loans					
Bancpost SA	Blooming House	-	-	-	277.802
Alpha Bank Romania	Romfelt Plaza	-	-	-	51.594
Alpha Bank Romania	EOS Business Park	-	-	-	293.466
Bancpost SA	GreenLake – Parcel K	-	1.901.094	-	3.249.926
Alpha Bank Bulgaria	Boyana Residence (Sertland Loan)	-	-	-	666.468
Piraeus Bank SA	GreenLake-Phase 2	-	2.525.938	-	2.525.938
Bancpost SA	Kindergarten – SPDI RE	-	670.293	-	732.107
Loans from other 3rd parties and related parties (Note 40.5)		2.061.514	235.191	382.455	177.686
Overdrafts		-	853	459	2.546
Total principal of bank and non-bank Loans		**2.061.514**	**5.333.369**	**382.914**	**7.977.533**
Interest accrued on bank loans		-	952.321	-	922.073
Interests accrued on non-bank		88.863		45.086	

loans			38.771		50.054
Total		**2.150.377**	**6.324.461**	**428.000**	**8.949.660**

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Current portion	2.054.400	3.510.366	420.751	3.451.833
Non-current portion	95.977	2.814.095	7.249	5.497.827
Total	**2.150.377**	**6.324.461**	**428.000**	**8.949.660**

Continued Operations

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

A) Loans from 3 Directors of €375k provided as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable on 31 August 2021 (Note 40.5).

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

Discontinued Operations

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

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 the loan was fully repaid. The loan had borne interest of EURIBOR 1M+4.25% and was repayable on the basis of investment property sales.

Moselin Investments Srl entered in 2010 into a construction loan agreement with Bancpost SA covering the construction works of Parcel K GreenLake project. As at the end of the reporting period the balance of the loan was €1.901.094 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 Boyana Residence ood. As at the end of 2019, the balance of the loan was €666.468 bearing interest of EURIBOR 3M plus 5,75%. On 29 July 2020 the loan was transferred to Arcona as part of the transaction for the sale of Boyana Residence ood in Bulgaria.

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank for the acquisition of the GreenLake land in Bucharest Romania. As at the end of the reporting period the balance of the loan was €2.525.938 plus accrued interest €948.700 and bears interest of EURIBOR 3M plus 5% plus the Greek law 128/75 0,6% contribution. During September 2019, the company received a termination notice from Piraeus Bank and a payment order from court in relation to this loan, and currently relevant discussions with the Bank are taking place for a mutual agreed solution.

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

SPDI Real Estate Srl (Kindergarten) has a loan agreement with Bancpost SA Romania. As at the end of the reporting period the balance of the loan was €670.293 and bears interest of Euribor 3m plus 4,6% per annum. The loan is repayable by 2027.

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

33. Bonds

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

34. Trade and other payables

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

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Payables to third parties	3.243.465	841.122	3.729.592	854.974
Payables to related parties (Note 40.2)	582.829	-	606.214	177
Deferred income from tenants	-	7.965	-	8.216
Accruals	101.112	21.385	99.744	151.899
Pre-sale advances (Advances received for sale of properties)	109.556	-	144.045	-
Total	**4.036.962**	**870.472**	**4.579.595**	**1.015.266**

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Current portion	4.036.962	862.507	4.579.595	1.007.050
Non-current portion	-	7.965	-	8.216
Total	**4.036.962**	**870.472**	**4.579.595**	**1.015.266**

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 29.3) 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-contolling intetest shareholders.

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

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

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

35. Deposits from Tenants

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinue d operations
	€	€	€	€
Deposits from tenants non-current	-	64.231	-	67.269
Total	**-**	**64.231**	**-**	**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.

36. Taxation

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Corporate income tax – non current	144.982	30.374	167.961	43.535
Defence tax – non current	32.801	15	28.130	15
Tax provision – non current	399.450	-	399.450	-
Corporate income tax - current	535.673	58.960	450.450	56.865
Other taxes including VAT payable - current	163.972	165.521	99.669	93.322
Provisions – current	6.549	22.405	43	22.826
Total Provisions and Taxes Payables	**1.283.427**	**227.275**	**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 Romania.

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

37. Finance Lease Liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €9.235.266 and the current portion of €456.763 (31 December 2019: €9.699.050 and 385.420, accordingly).

Discontinued operations

31 Dec 2020	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	43.2 & 43.6	917.759	455.241	462.518
Between two and five years		5.265.225	1.414.550	3.850.675
More than five years		5.506.778	209.027	5.297.751
		11.689.762	**2.078.818**	**9.610.944**
Accrued Interest				81.085
Total Finance Lease Liabilities (Note 9d)				**9.692.029**

31 Dec 2019	Note	Minimum lease payments	Interest	Principal
		€	€	€
Less than one year	43.2 & 43.6	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 (Note 9d)				**10.084.470**

37.1 Land Plots Financial Leasing

The Group holds land plots in Ukraine under leasehold agreements which in terms of the accounts are classified as finance leases. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as included above. Following the appropriate discounting, finance lease liabilities are carried at €31.180 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

37.2 Sale and Lease Back Agreements

A. <u>Innovations Logistics Park</u>

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 €6.707.475, bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026 with a balloon payment of €5.244.926. At the maturity of the lease agreement and upon payment of the balloon Best Day Real Estate Srl will become owner of the asset.

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

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

B. <u>EOS Business Park</u>

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 €2.953.273 bearing interest rate at 3M Euribor plus 5,25% margin, being repayable in monthly tranches until 2024 with a balloon payment of €2.546.600. At the maturity of the lease agreement and upon payment of the balloon, N-E Real Estate Park First Phase Srl will become owner of the asset.

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

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

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

a. Weighted average number of ordinary shares

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

b. Basic diluted and adjusted earnings per share

Earnings per share	31 Dec 2020	31 Dec 2019
	€	€
Loss after tax attributable to owners of the parent	(4.339.866)	(7.201.720)
Basic	(0,03)	(0,06)
Diluted	(0,03)	(0,06)

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

Earnings per share	31 Dec 2020	31 Dec 2019
	€	€
Loss after tax from discontinued operations attributable to owners of the parent	(2.851.952)	(4.846.634)
Basic	(0,02)	(0,04)
Diluted	(0,02)	(0,04)

d. Net assets per share

Net assets per share	31 Dec 2020	31 Dec 2019
	€	€
Net assets attributable to equity holders of the parent	23.712.973	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	0,18	0,23
Diluted	0,18	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 (sold within 2019), Innovations Logistics Park
- Office segment - Eos Business Park – Delea Nuova (Associate)
- Retail segment - Kindergarten of 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 year 2020

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 10)	-	-	-	-	-	583.683	583.683
Service charges and utilities income (Note 10)	-	-	-	-	-	192.017	192.017
Property Management income (Note 10)	-	-	-	-	-	20.000	20.000
Impairment of financial investments (Note 27)	-	-	-	-	(796.045)	(28.589)	(824.634)
Profit from discontinued operation (Note 9b)	(158.082)	(419.148)	145.586	30.200	(2.243.899)	(177.448)	(2.822.791)
Segment profit	**(158.082)**	**(419.148)**	**145.586**	**30.200**	**(3.039.944)**	**589.663**	**(2.851.725)**
Administration expenses (Note 12)	-	-	-	-	-	-	(1.701.181)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	191.222
Finance income (Note 16)	-	-	-	-	-	-	503.527
Interest expenses (Note 16)	-	-	-	-	-	-	(208.809)
Other finance costs (Note 16)	-	-	-	-	-	-	(65.942)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(1.439.801)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(60.142)
Income tax expense (Note 18)	-	-	-	-	-	-	(117.656)
Exchange difference on I/C loan to foreign holdings (Note 17b)	-	-	-	-	-	-	(61.936)
Exchange difference on translation foreign holdings (Note 30)	-	-	-	-	-	-	(1.392.155)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**7.204.597**

Continued Operations

Profit and Loss for the year 2019

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Rental income (Note 10)	-	-	-	-	-	364.034	364.034
Service charges and utilities income (Note 10)	-	-	-	-	-	93.416	93.416
Impairment of financial investments (Note 27)					(153.913)		(153.913)
Profit from discontinued operation (Note 9b)	(1.233.371)	1.307.445	171.395	(88.634)	(3.049.171)	(92.097)	(2.984.433)
Segment profit	**(1.233.371)**	**1.307.445**	**171.395**	**(88.634)**	**(3.203.084)**	**365.353**	**(2.680.896)**
Administration expenses (Note 12)	-	-	-	-	-	-	(2.442.171)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	(442.629)
Finance income (Note 16)	-	-	-	-	-	-	474.584
Interest expenses (Note 16)	-	-	-	-	-	-	(119.525)
Other finance costs (Note 16)	-	-	-	-		-	(17.725)
Profit from discontinued operations (Note 9b)	-	-	-	-	-	-	(1.817.410)

Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(74.779)
Income tax expense (Note 18)	-	-	-	-		-	(36.380)
Exchange difference on I/C loan to foreign holdings (Note 17b)	-	-	-	-	-	-	66.557
Exchange difference on translation foreign holdings (Note 30)	-	-	-	-	-	-	223.135
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**(6.867.239)**

* 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.

Discontinued Operations

Profit and Loss for the year 2020

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14)	-	-	-	594.991	1.832.193	-	2.427.184
Cost of Property sold (Note 14)	-	-	-	(564.715)	(1.580.583)	-	(2.145.298)
Rental income (Note 10)	228.820	648.499	122.928	8.047	-	-	1.008.294
Service charges and utilities income (Note 10)	27.812	942	-	2.310	-	-	31.064
Service and Property Management income (Note 10)	-	-	1.988	-	-	-	1.988
Valuation gains/(losses) from investment property (Note 13)	(305.894)	(862.021)	26.785	(3.179)	(2.351.391)	-	(3.495.700)
Share of profits/(losses) from associates (Note 21)	-	(179.775)	-	-	-	-	(179.775)
Asset operating expenses (Note 11)	(108.820)	(26.793)	(4.127)	(9.242)	(144.118)	(177.448)	(470.548)
Segment profit	**(158.082)**	**(419.148)**	**147.574**	**28.212**	**(2.243.899)**	**(177.448)**	**(2.822.791)**
Administration expenses (Note 12)	-	-	-	-	-	-	(217.988)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	3.058
Finance income (Note 16)	-	-	-	-	-	-	9.392
Interest expenses (Note 16)	-	-	-	-	-	-	(863.013)
Other finance costs (Note 16)	-	-	-	-	-	-	(7.938)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(318.925)
Income tax expense (Note 18)	-	-	-	-	-	-	(44.387)
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(4.262592)**

Discontinued Operations

Profit and Loss for the year 2019

	Warehouse	Office	Retail	Residential	Land Plots	Corporate	Total
	€	€	€	€	€	€	€
Segment profit							
Property Sales income (Note 14)	-	244.212	-	363.861	-	-	608.073
Cost of Property sold (Note 14)	-	(135.242)	-	(480.235)	-	-	(615.477)
Rental income (Note 10)	952.902	640.651	114.320	18.688	417	-	1.726.978
Service charges and utilities income (Note 10)	28.574	4.698	-	710	-	-	33.982
Sale of electricity (Note 10)	128.623	-	-	-	-	-	128.623
Service and Property Management income (Note 10)	-	-	-	2.125	-	-	2.125
Valuation gains/(losses) from investment property (Note 13)	257.785	293.711	66.423	19.200	(219.267)	-	417.852
Loss on disposal of subsidiary (Note 20)	(2.315.343)	-	-	-	(2.677.420)	-	(4.992.763)
Share of profits/(losses) from associates (Note 21)	-	297.985	-	-	-	-	297.985
Asset operating expenses (Note 11)	(285.912)	(38.570)	(9.348)	(12.983)	(152.901)	(92.097)	(591.811)
Segment profit	**(1.233.371)**	**1.307.445**	**171.395**	**(88.634)**	**(3.049.171)**	**(92.097)**	**(2.984.433)**
Administration expenses (Note 12)	-	-	-	-	-	-	(220.509)
Other (expenses)/income, net (Note 15)	-	-	-	-	-	-	312.801
Finance income (Note 16)	-	-	-	-	-	-	10.022
Interest expenses (Note 16)	-	-	-	-	-	-	(1.406.001)
Other finance costs (Note 16)	-	-	-	-	-	-	(24.528)
Foreign exchange losses, net (Note 17a)	-	-	-	-	-	-	(436.880)
Income Tax (Note 18)	-	-	-	-	-	-	(52.315)

Loss for the year	-	-	-	-	-	-	(4.801.843)

Total Operations

Balance Sheet as at 31 December 2020

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€		€
Assets							
Long-term receivables and prepayments	-	-	-	-	-	836	836
Financial Assets at FV through P&L	-	-	-	-	-	6.787.244	6.787.244
Assets held for sale	10.415.000	11.771.656	1.438.000	152.501	15.444.794	2.569.458	41.791.409
Segment assets	**10.415000**	**11.771.656**	**1.438.000**	**152.501**	**15.444.794**	**9.357.538**	**48.579.489**
Tangible and intangible assets							2.859
Prepayments and other current assets							6.880.076
Cash and cash equivalents							129.859
Total assets							**55.592.283**
Liabilities associated with assets classified as held for disposal	-	-	-	-	-	2.150.377	2.150.377
Borrowings	6.771.706	2.953.643	873.108	-	5.482.264	1.147.747	17.228.468
Segment liabilities	**6.771.706**	**2.953.643**	**873.108**	**-**	**5.482.264**	**3.299.016**	**19.378.845**
Trade and other payables							4.036.962
Taxation							1.283.427
Bonds							1.258.923
Total liabilities							**25.958.157**

Total Operations

Balance Sheet as at 31 December 2019

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Long-term receivables and prepayments	852	-	-	-	-	-	852
Financial Assets at FV through P&L	-	-	-	-	-	3.581.643	3.581.643
Assets held for sale	10.915.000	13.146.286	1.438.000	667.001	21.709.852	2.015.488	49.891.627
Segment assets	**10.915.852**	**13.146.286**	**1.438.000**	**667.001**	**21.709.852**	**5.597.131**	**53.474.122**
Tangible and intangible assets	-	-	-	-	-	-	566
Prepayments and other current assets	-	-	-	-	-	-	10.833.913
Cash and cash equivalents	-	-	-	-	-	-	207.251
Total assets	**-**	**-**	**-**	**-**	**-**	**-**	**64.515.852**
Liabilities associated with assets classified as held for disposal	6.921.741	3.518.711	930.730	281.399	7.448.818	1.231.829	20.333.228
Borrowings	7.248	-	-	-	459	420.293	428.000
Segment liabilities	**6.928.989**	**3.518.711**	**930.730**	**281.399**	**7.449.277**	**1.652.122**	**20.761.228**
Trade and other payables	**-**	**-**	**-**	**-**	-	-	4.579.595
Taxes payable and provisions	**-**	**-**	**-**	**-**	-	-	1.145.703
Bonds	-	-	-	-	-	-	1.190.603
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**27.677.129**

Discontinued operations

Assets and Liabilities held for sale 2020

	Warehouse	Office	Retail	Residential	Land plots	Corporate	Total
	€	€	€	€	€	€	€
Assets							
Investment properties	10.100.000	6.700.000	1.438.000	152.500	15.444.794	1.068.186	34.903.480
Long-term receivables and prepayments	315.000	-	-	-	-	-	315.000
Investments in associates	-	5.071.656	-	-	-	-	5.071.656
Financial Asset at FV through OCI	-	-	-	1	-	-	1
Segment assets	**10.415.000**	**11.771.656**	**1.438.000**	**152.501**	**15.444.794**	**1.068.186**	**40.290.137**
Tangible and intangible							12.357

assets							
Prepayments and other current assets							748.127
Cash and cash equivalents							740.788
Total assets							**41.791.409**
Borrowings	-	270	873.108	-	5.451.083	-	6.324.461
Finance lease liabilities	6.707.475	2.953.373	-	-	31.181	-	9.692.029
Deposits from tenants	64.231	-	-	-	-	-	64.231
Segment liabilities	**6.771.706**	**2.953.643**	**873.108**	**-**	**5.482.264**	**-**	**16.080.721**
Trade and other payables							870.472
Taxation							277.275
Total liabilities							**17.228.468**

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
Long-term receivables and prepayments	315.000	265	-	-	-	-	315.265
Investments in associates	-	5.380.021	-	-	-	-	5.380.021
Financial Asset at FV through OCI	-	-	-	1	-	-	1
Segment assets	**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

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
Income (Note 10)	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Ukraine	-	-	-	-
Romania	-	1.041.346	-	1.038.158
Greece	-	-	-	853.133
Bulgaria	-	-	-	417
Cyprus *	795.700	-	457.450	-
Total	**795.700**	**1.041.346**	**457.450**	**1.891.708**

* 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.

Gain/(loss) from disposal of investment properties (Note 14)	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	Discontinued operations	Continued operations	Discontinued operations
	€	€	€	€
Romania	-	281.886	-	(7.404)
Total	**-**	**281.886**	**-**	**(7.404)**

	31 Dec 2020	31 Dec 2020	31 Dec 2019	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	-	4.237.980	-	4.895.852
Romania	-	35.737.157	-	42.665.022
Total	**-**	**39.975.137**	**-**	**47.560.874**

40. Related Party Transactions

The following transactions were carried out with related parties:

41.1 Income/ Expense

41.1.1 Income

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Interest Income on loan to related parties	2.294	-	4.600	-
Interest Income from loan to associates	326	9.392	2.372	9.366
Total	**2.620**	**9.392**	**6.972**	**9.366**

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

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Management Remuneration and incentives (Note 12)	388.925	-	646.309	-
Directors fees (Note 12)	129.000	-	73.108	-
Interest expenses on Narrowpeak loan (Note 16)	12	-	232	-
Interest expenses on Director and Management Loans (note 16)	36.265	-	30.417	-
Total	**554.202**	**-**	**750.066**	**-**

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 34)

	31 Dec 2020	31 Dec 2020	31 Dec 2019	31 Dec 2019
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Board of Directors & Committees remuneration	129.364	-	364	-
Secure Management SRL	-	-	-	177
Secure Management Services LTD	1.146	-	-	-
SecMon SRL	6.285		-	-
Sec South East Continet Unique Real Esate Management Limited	7.899		-	
Management Remuneration	438.135	-	605.850	-
Total	**582.829**	**-**	**606.214**	**177**

40.2.1 Board of Directors & Committees

The amount payable represents remuneration and expenses payable to Non-Executive Directors until the end of the reporting period. The members of the Board of Directors pursuant to a recommendation by the remuneration committee and in order to facilitate the Company's cash flow receive their payment in shares of the Company. During 2018 the directors received 344.371 ordinary shares in lieu of their 2016 H1 remuneration amounting to GBP 120.530. During 2019, Non-Executive Directors received 261.000 ordinary shares amounting to EUR 73.108 in lieu of their H1 2019 fees, and 176.576 ordinary shares amounting to EUR 74.162,04 in lieu of their before H2 2016 fees. Any H2 2019 fees and 2020 fees has been decided that will be paid in cash.

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 –as at 31 Dec 2020**	**Principal as at 31 Dec 2020**	**Limit –as at 31 Dec 2019**	**Principal as at 31 Dec 2019**
	€	**€**	**€**	**€**
LLC " Trade Center''	5.800	5.266	5.800	5.649
LLC "Aisi Ukraine"	23.062.351	137.966	23.062.351	57.865
LLC "Almaz-Press-Ukraine"	8.236.554	239.079	8.236.554	263.330
LLC "Aisi Ilvo"	150.537	21.750	150.537	28.597
Total	**31.449.424**	**404.061**	**31.455.242**	**355.441**

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 €40.406, estimated on balances held at 31 December 2020.

40.4 Loans to associates (Note 26)

	31 Dec 2020	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2019**
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Loans to GreenLake Development Srl	9.026	301.600	8.700	292.208
Total	**9.026**	**301.600**	**8.700**	**292.208**

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

40.5 Loans from related parties (Note 32)

	31 Dec 2020	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2019**
	Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
	€	**€**	**€**	**€**
Loan from Narrowpeak Consultants	-	-	206	-
Loan from Directors and Management	604.400	-	375.000	-
Interest accrued on loans from related parties	77.394	-	45.086	-
Total	**681.794**	**-**	**420.292**	**-**

Loans from directors of the order of € 375.000 reflect loans provided from 3 directors as bridge financing for future property acquisitions. The loans bear interest 8% annually and are repayable by 31 August 2021. In case needed, the Company will discuss with the directors relevant extension of the loans.

Rest amount of the order of € 229.400 reflect payables of € 68.900 to 2 executives and of € 160.500 to one director, converted to loans for facilitating Company's cash flow.

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 sales of Terminal Brovary, Balabino and Bela, the exposure of the Group in Ukraine has been significantly reduced.

The Group performed during the reporting and comparative periods part of its operations in Romania, Greece and Bulgaria. In respect of Romanian, Bulgarian and Greek tax systems, everything is subject to varying interpretations and frequent changes, which in many cases have retroactive effects. In certain circumstances it is also possible that tax authorities may act arbitrary.

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

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 34). 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. Hearing for both cases has been set from Cypriot courts in September 2021.

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 31 December 2020.

42. Commitments

The Group had no other commitments as at 31 December 2020.

43. Financial Risk Management

43.1 Capital Risk Management

The Group manages its capital to ensure adequate liquidity will be able to implement its stated growth strategy in order to maximize the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (Note 32), bonds (Note 33), trade and other payables (Note 34) deposits from tenants (Note 35), financial leases (Note 37), taxes payable (Note 36) 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 shareholder's Return on Equity (ROE) while adhering to the operational requirements of the property assets and exercising prudent judgment as to the extent of gearing.

43. Financial Risk Management (continued)

43.2 Categories of Financial Instruments

	Note	**31 Dec 2020**	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2019**
		Continued operations	**Discontinued operations**	**Continued operations**	**Discontinued operations**
		€	**€**	**€**	**€**
Financial Assets					
Cash at Bank	28	129.859	740.788	207.251	530.374
Long-term Receivables and prepayments	24	836	315.000	852	315.265
Financial Assets at FV through P&L	27	6.787.244	-	3.581.643	-
Prepayments and other receivables	26	6.880.076	748.127	10.833.913	1.470.772
Financial Asset at FV through OCI	22	-	1	-	1
Total		**13.798.015**	**1.803.916**	**14.623.659**	**2.316.412**
Financial Liabilities					

Borrowings	32	2.150.377	6.324.461	428.000	8.949.660
Trade and other payables	34	4.036.962	870.472	4.579.595	1.015.266
Deposits from tenants	35	-	64.231	-	67.269
Finance lease liabilities	37	-	9.692.029	-	10.084.470
Taxation	36	1.283.427	277.275	1.145.703	216.563
Bonds	33	1.258.923	-	1.190.603	-
Total		**8.729.689**	**17.228.468**	**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 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 floating interest-bearing assets. On December 31st, 2020, cash and cash equivalent (including continued and discontinued operations) financial assets amounted to €870.647 (2019: €737.625) of which approx. €424 in UAH and €603.723 in RON (Note 28) 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 €8.475.729 (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 31 December 2020 the weighted average interest rate for all the interest bearing borrowing and financial leases of the Group stands at 4% (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 31 December 2020 is presented below:

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

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 7.

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. 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.

Continued Operations

31 December 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	129.859	**129.859**	129.859	-	-
Prepayments and other receivables	836	**836**	-	-	836
Financial Assets at FV through P&L	6.787.244	**6.787.244**	6.787.244	-	-
Long-term Receivables and prepayments	6.880.076	**6.880.076**	6.880.076	-	-
Total Financial assets	**13.798.015**	**13.798.015**	**13.797.179**	**-**	**836**
Financial liabilities					
Borrowings	2.150.377	**2.356.528**	566.938	1.789.590	-
Trade and other payables	4.036.962	**4.036.962**	4.036.962	-	-

Bonds issued	1.258.923	**1.594.922**	292.281	67.200	1.235.441
Taxes payable and provisions	1.283.426	**1.283.426**	712.903	570.523	-
Total Financial liabilities	**8.729.688**	**9.271.838**	**5.609.084**	**2.427.313**	**1.235.441**
Total net assets/(liabilities)	**5.068.327**	**4.526.177**	**8.188.095**	**(2.427.313)**	**(1.234.605)**

Discontinued Operations

31 December 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	740.788	**740.788**	740.788	-	-
Long-term receivables	315.000	**315.000**	-	-	315.000
Financial Asset at FV through OCI	1	**1**	1	-	-
Prepayments and other receivables	748.127	**748.127**	748.127	-	-
Total Financial assets	**1.803.916**	**1.803.916**	**1.488.916**	**-**	**315.000**
Financial liabilities					
Borrowings	6.324.461	**4.019.940**	2.933.480	272.757	813.702
Trade and other payables	870.472	**870.472**	862.507	-	7.965
Deposits from tenants	64.231	**64.231**	-	-	64.231
Finance lease liabilities	9.692.029	**11.689.763**	917.759	953.700	9.818.303
Taxation	277.275	**277.275**	246.885	30.390	-
Total Financial liabilities	**17.228.468**	**16.921.681**	**4.960.631**	**1.256.847**	**10.704.201**
Total net assets/(liabilities)	**(15.424.552)**	**(15.117.764)**	**(3.471.715)**	**(1.256.847)**	**(10.389.201)**

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) 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 signed in June 2021 SPAs related to Stage 2 of the transaction which involves EOS and Delenco assets in Romania, and Kiyanovskiy and Rozny land plots in Ukraine. The total value of the transaction is expected to reach c.€8,2 million, payable in Arcona shares and warrants valued at NAV plus ~€1 million in cash.

Despite the problems and the slow progression of the discussions during the pandemic which affects all related participants in all jurisdictions of the two parties (Holland, Czech Republic, Ukraine, Romania, Cyprus, UK), closing of Stage 2 is expected in Q4 2021 subject to COVID-19 effects, when SPDI will receive approximately 605.000 new ordinary shares in Arcona and approximately 145.000 warrants over ordinary shares in Arcona plus ~€1 million in cash, while closing will likely be dependent on SPDI shareholder approval. Final figures are subject to, inter alia, standard form adjustment and finalization in accordance with the agreements.

b) Monaco Towers SPV exits insolvency status

During 2021 following full re-payment of its loan, SecMon Real Estate srl, the entity that owns Monaco Towers asset and was into insolvency status since 2019, has initiated the process of exiting insolvency and re-gaining full control over the remaining five apartment units of the asset. The exiting process is expected to be completed in the following period and upon completion the remaining units can be effectively sold by the Group.

c) Strike off process for Cypriot entities of the Group

Following recent disposals, the Group initiated in 2021 a strike off process for six holdings companies in Cyprus which have been left without any direct participation or other asset. The process is expected to be finalised during Q3 2021 and will lead to substantial reduction of Group's administration costs. At the same time Group's business plan provides for four additional entities to follow shortly when certain conditions related to their activities are met.

d) **Pre-agreement for the sale of Kindergarten asset**

On 31 March 2021, SPDI, honoring certain commitment made in the past with one of its partners in GreenLake project, proceeded to signing a pre-agreement for the sale of its 50% stake in SPDI Real Estate srl, the company which owns the Kindergarten asset in GreenLake, Bucharest. The consideration of the transaction has been set at €175.000 and the agreement is conditional on effective payment of the price by the buyer until 31/12/2021.

e) **Purchase of additional stake in Plt R, Greenlake**

During Q1 2021 the Group proceeded to the purchase of an additional 26,32% stake in Rimasol Ltd, which through Rimasol srl owns Plot R in GreenLake, part of Second Phase of the overall project. With this purchase the total stake of the Group in this particular plot increased to 70,56%. The asset is a plot of 3 777 sq m situated in the perimeter of GreenLake residential development, and currently there are ongoing discussions with an interesting party for its co-development. The value of the transaction reached €200.000 and settled through the elimination of equal dues of the seller to the Group.