SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2015

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Corporate Information

Board of Directors

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

Registered Address

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

Principal Places of Business

Prytys'ko-Mykilska 5
Kiev 04070,
Ukraine

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

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

Company Secretary

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

Nominated Adviser and Broker

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

Registrars

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

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

Collaborating Banks

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

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

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

ALPHA BANK Bulgaria
99, Tsarigradsko Shosse Blvd.
1113 Sofia, Bulgaria

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

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

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

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

Eurobank Ergasias SA
20 Amalias Av. 105 57
Athens, Greece

Piraeus Bank S.A.
4, Amerikis Str.,10564 ,
Athens, Greece

SC Bancpost SA
Bd. Dimitrie Pompeiu nr. 6A, Sector 2, 020337 Bucharest,
Romania

Solicitors

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

Reed Smith LLP
The Broadgate Tower 20 Primrose Street
London EC2A 2RS, United Kingdom

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

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

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

Auditors

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

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

We, the Members of the Board of Directors and the person responsible for the preparation of the condensed consolidated interim financial statements of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC (the "Company") and its subsidiaries (the "Group") for the 6 months ended on 30 June 2015, based on our opinion, which is a result of diligent and scrupulous work, declare that the elements written in the interim consolidated financial statements are true and complete.

Board of Directors members:

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

Person responsible for the preparation of the condensed consolidated interim financial statements for the 6 months ended on 30 June 2015:

Constantinos Bitros	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Note	Six month ended 30 June 2015	Six month ended 30 June 2014 Restated*
		€	€
Operational income	8	2.935.910	1.406.129
Investment Property related gains	15 d	4.737.805	13.225.535
Administration expenses	9	(1.599.125)	(1.543.497)
Investment property operating expenses	10	(287.584)	(254.857)
Other operating income/(expenses), net	11	42.270	(16.624)
Gain realized on acquisition	16	5.237.790	391.205
Share of profits from associates	17	354.949	-
Operating profit		**11.422.015**	**13.207.891**
Finance income	12	13.199	52.915
Finance costs	12	(1.657.081)	(618.047)
Foreign exchange loss	13 a	(4.976.537)	(3.966.512)
Income/(loss) before tax		**4.801.596**	**8.676.247**
Income tax expense	14	(2.894)	(12.931)
Profit/(loss) for the period		**4.798.702**	**8.663.316**
Other comprehensive (loss)/income			
Exchange difference on intercompany loans to foreign holdings	13 b, 28.3	(7.323.715)	(10.623.876)
Exchange difference on translation of foreign operations	21	5.022.908	1.358.894
Total comprehensive Profit/ (loss) for the period		**2.497.895**	**(601.666)**
Profit/(loss) attributable to:			
Owners of the parent		4.706.590	8.690.773
Non-controlling interests		92.112	(27.457)
		4.798.702	**8.663.316**
Total comprehensive Profit/(loss) attributable to:			
Owners of the parent		2.496.590	(574.209)
Non-controlling interests		1.305	(27.457)
		2.497.895	**(601.666)**
Profit/(loss) per share (EUR per share):	6		
Basic Profit/(loss) for the period attributable to ordinary equity owners of the parent		0,09	0,31
Diluted Profit/(loss) for the period attributable to ordinary equity owners of the parent		0,07	0,27

*Note 13

The notes on pages 9 to 37 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	30 June 2015 €	31 December 2014 €	30 June 2014 €
ASSETS				
Non-current assets				
Investment properties	15b	105.779.543	53.533.187	42.296.658
Investment property under construction	15a	5.541.156	5.083.216	6.634.330
Prepayments made for investments	15c	2.334.337	2.674.219	3.685.739
Tangible and intangible assets		201.318	200.203	64.684
Goodwill		43.269	43.269	-
Long-term receivables		253.027	125.909	126.437
Investments in associates	17	12.007.807	-	-
		126.160.457	**61.660.003**	**52.807.848**
Current assets				
Prepayments and other current assets	18	5.325.967	4.251.489	3.082.991
Cash and cash equivalents	19	2.832.054	891.938	3.100.367
		8.158.021	**5.143.427**	**6.183.358**
Total assets		**134.318.478**	**66.803.430**	**58.991.206**
EQUITY AND LIABILITIES				
Issued share capital	20	756.899	338.839	4.389.185
Share premium		121.227.562	97.444.044	92.815.992
Translation difference reserve	21	3.701.890	(1.411.825)	(8.957.084)
Exchange difference on intercompany loans to foreign holdings		(27.069.826)	(19.746.111)	(10.623.876)
Accumulated losses		(39.357.885)	(44.064.475)	(40.402.340)
Equity attributable to equity holders of the parent		59.258.640	32.560.472	37.221.877
Non-controlling interests	22	1.349.250	651.882	921.174
Total equity		**60.607.890**	**33.212.354**	**38.143.051**
Non-current liabilities				
Interest bearing borrowings	23	44.750.322	12.255.716	-
Finance lease liabilities	27	11.340.099	11.463.253	7.362.229
Redeemable preference shares	20	-	349.325	-
Trade and other payables	24	428.553	214.685	326.626
Deposits from tenants	25	638.519	499.831	434.067
		57.157.493	**24.782.810**	**8.122.922**
Current liabilities				
Interest bearing borrowings	23	10.343.906	5.960.706	10.930.710
Trade and other payables	24	4.702.110	1.654.852	933.863
Taxes payable	26	862.229	431.828	206.361
Redeemable preference shares	20	349.325	349.325	-
Provisions	26	-	68.253	81.800
Deposits from tenants	25	117.387	161.579	119.781
Finance lease liabilities	27	178.138	181.723	452.718
		16.553.095	**8.808.266**	**12.725.233**
Total liabilities		**73.710.588**	**33.591.076**	**20.848.155**
Total equity and liabilities		**134.318.478**	**66.803.430**	**58.991.206**
EUR € Net Asset Value (NAV) per share:	6			
Basic NAV attributable to equity holders of the parent		0,78	0,96	1,30
Diluted NAV attributable to equity holders of the parent		0,48	0,84	1,14

On 25th September 2015 the Board of Directors of SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC authorised these financial statements for issue.

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

The notes on pages 9 to 37 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company							
	Share capital	Share premium, net[1]	Accumulated losses, net of non-controlling interest[2]	Exchange difference on intercompany loans to foreign holdings[3]	Foreign currency translation reserve[4]	**Total**	Non-controlling interests	**Total**
	€	€	€	€	€	€	€	€
Balance - 31 December 2013	**4.383.018**	**92.704.841**	**(49.093.113)**	**-**	**(10.315.978)**	**37.678.768**	**948.631**	**38.627.399**
Profit/(loss) for the period	-	-	8.690.773	-	-	**8.690.773**	(27.457)	**8.663.316**
Issue of share capital	6.167	111.151	-	-	-	**117.318**	-	**117.318**
Exchange difference on intercompany loans to foreign holdings	-	-	-	(10.623.876)	-	**(10.623.876)**	-	**(10.623.876)**
Foreign currency translation reserve	-	-	-	-	1.358.894	**1.358.894**	-	**1.358.894**
Balance - 30 June 2014	**4.389.185**	**92.815.992**	**(40.402.340)**	**(10.623.876)**	**(8.957.084)**	**37.221.877**	**921.174**	**38.143.051**
Profit/(loss) for the period	-	-	(7.763.436)	-	-	**(7.763.436)**	68.209	**(7.695.227)**
Issue of share capital	**50.955**	**4.628.052**	-	-	-	**4.679.007**	-	**4.679.007**
Reduction of share capital	(4.101.301)	-	4.101.301	-	-	**-**	-	**-**
Exchange difference on intercompany loans to foreign holdings	-	-	-	(9.122.235)	-	**(9.122.235)**	-	**(9.122.235)**
Foreign currency translation reserve	-	-	-	-	7.545.259	**7.545.259**	(337.501)	**7.207.758**
Balance - 31 December 2014	**338.839**	**97.444.044**	**(44.064.475)**	**(19.746.111)**	**(1.411.825)**	**32.560.472**	**651.882**	**33.212.354**
Profit/(loss) for the period	-	-	4.706.590	-	-	**4.706.590**	92.112	**4.798.702**
Issue of share capital, net (note 20)	418.060	23.783.518	-	-	-	**24.201.578**	-	**24.201.578**
Exchange difference on intercompany loans to foreign holdings	-	-	-	(7.323.715)	-	**(7.323.715)**	-	**(7.323.715)**
Foreign currency translation reserve	-	-	-	-	5.113.715	**5.113.715**	(90.807)	**5.022.908**
Acquisition of subsidiary including Non-Controlling Interest	-	-	-	-	-	**-**	696.063	**696.063**
Balance - 30 June 2015	**756.899**	**121.227.562**	**(39.357.885)**	**(27.069.826)**	**3.701.890**	**59.258.640**	**1.349.250**	**60.607.890**

[1]Share premium is not available for distribution

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

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

[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 € in the countries where the Company's subsidiaries own property assets.

The notes on pages 9 to 37 form an integral part of these condensed consolidated interim financial statements.

CONDENSEDCONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Note	30 June 2015	30 June 2014
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax and non-controlling interest		**4.801.596**	**8.676.247**
Adjustments for:			
Depreciation of property, plant and equipment	9	6.979	5.940
Other expenses/(income)		(108.550)	(5.926)
Interest expense	12	1.435.894	579.501
Interest income	12	(13.199)	(52.915)
Change in tax provisions		(68.253)	(38.806)
Foreign exchange loss/(gain)	13	4.976.537	3.966.512
Investment property related loss/ (gain)	15 d	(4.737.805)	(13.225.535)
Loss/ (Gain) realized on acquisition	16	(5.237.790)	(391.205)
Share of loss / (profit) from associates	17	(354.949)	-
Cash flows used in operations before working capital changes		**700.460**	**(486.187)**
Decrease/(increase) in prepayments and other current assets	18	1.718.119	(560.644)
Increase in VAT recoverable	18	(6.059)	121.773
Decrease in trade and other payables	24	(267.057)	(345.682)
Change in other taxes and duties		338.734	27.233
Decrease in deposit from tenants		(112.731)	151.984
Increase in long-term receivables		(127.118)	-
Income tax paid		(198.353)	(262.128)
Net Working Capital Changes		**1.345.535**	**(867.464)**
Net cash flows used in operating activities		**2.045.995**	**(1.353.651)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment in associates	17	(4.059.839)	-
Capital expenditures on investment property and prepayment on acquisition		(110.539)	(422)
Interest received		13.199	52.915
Payment for the acquisition of subsidiary		(1.786.934)	(4.332.624)
Net cash flows used in investing activities		**(5.944.113)**	**(4.280.131)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	20	8.001.212	-
Repayment of preference shares		(349.325)	-
Repayment of borrowings		(313.676)	(218.948)
Repayment of finance leases		(126.739)	(8.169)
Interest and financial charges paid		(1.373.238)	(695.146)
Net cash flow from financing activities		**5.838.234**	**(922.263)**
Effect of foreign exchange rates on cash		(34.130)	(11.848)
Net increase/(decrease) in cash at banks		**1.905.986**	**(6.556.045)**
Cash:			
At beginning of the period	19	891.938	9.668.260
At end of the period		**2.832.054**	**3.100.367**

The notes on pages 9 to 37 form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. General Information

Country of incorporation

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

Principal activities

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

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

As at the reporting date, the Group had 24 Full Time Equivalent (FTEs: 9 in Ukraine and 10 in Romania, 5 in Cyprus) employed persons, including the CEO and the CFO (December 2014 → 19).

2. Adoption of new and revised Standards and Interpretations

The accounting policies adopted for the preparation of these condensed consolidated interim financial statements for the six months ended 30 June 2015 are consistent with those followed for the preparation of the annual financial statements for the year ended 31 December 2014.

3. Significant accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") have been condensed or omitted. However, such information reflects all adjustments (consisting of normal recurring adjustments), which are, in the opinion of the Group's Management, necessary to fairly state the results of interim periods.

Interim results are not necessarily indicative of the results to be expected for the full year.

The 31 December 2014 statement of financial position was derived from the audited consolidated financial statements.

Basis of consolidation

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

The Group's condensed consolidated interim financial statements comprise the financial statements of the parent company, SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC and the financial statements of the following subsidiaries:

3. Significant accounting policies (continued)

Basis of consolidation (continued)

			Holding %		
Name	**Country of incorporation**	**Related Asset**	**as at 30.06.2015**	**as at 31.12.2014**	**as at 30.06.2014**
SC SECURE Capital Limited	Cyprus		100	100	100
SL SECURE Logistics Limited	Cyprus	Brovary Logistics Park	100	100	100
LLC Aisi Brovary	Ukraine		100	100	100
LLC Terminal Brovary	Ukraine		100	100	100
LLC Aisi Ukraine	Ukraine	Kiyanovskiy Residence	100	100	100
LLC Retail Development Balabyno	Ukraine		100	100	100
LLC Trade Center	Ukraine		100	100	100
LLC Almaz-press-Ukrayina	Ukraine	Tsymlianskiy Residence	55	55	55
LLC Aisi Bela	Ukraine	Bela Logistic Park	100	100	100
LLC Merelium Investments	Ukraine	Merged	-	100	100
LLC Interterminal	Ukraine	Zaporizhia Retail Center	100	100	100
LLC Aisi Outdoor	Ukraine	Merged	-	100	100
LLC Aisi Vida	Ukraine	Merged	-	-	100
LLC Aisi Val	Ukraine	Merged	-	-	100
LLC Aisi Ilvo	Ukraine		100	100	100
LLC Aisi Consta	Ukraine	Merged	-	-	100
LLC Aisi Roslav	Ukraine	Merged	-	-	100
LLC Aisi Donetsk	Ukraine	Merged	-	100	100
Myrnes Innovations Park Limited	Cyprus	Innovations Logistics Park	100	100	100
Best Day Real Estate SRL	Romania		100	100	100
Yamano Holdings Limited	Cyprus	EOS Business Park	100	100	-
Secure Property Development and Investment Srl	Romania		100	100	-
N-E Real Estate Park First Phase Srl	Romania		100	100	-
SEC South East Continent Unique Real Estate Investments II Limited	Cyprus	Residential Portfolio	100	100	-
Diforio Holdings Limited	Cyprus		100	100	-
Demetiva Holdings Limited	Cyprus		100	100	-
Ketiza Holdings Limited	Cyprus		45	45	-
Frizomo Holdings Limited	Cyprus		100	100	-
SecMon Real Estate SRL	Romania		100	100	-
SecVista Real Estate SRL	Romania		100	100	-
SecRom Real Estate SRL	Romania		100	100	-
Ketiza Real Estate SRL	Romania		90	45	-
Victini Holdings Limited	Cyprus	GED Warehouse	100	-	-
GED Logistics S.A.	Greece		100	-	-
SEC South East Continent Unique Real Estate (Secured) Investments Limited	Cyprus		100	-	-
Edetrio Holdings Limited	Cyprus	Residential Portfolio and Land	100	-	-
Emakei Holdings Limited	Cyprus		100	-	-
RAM Real Estate Management Limited	Cyprus		50	-	-
Iuliu Maniu Limited	Cyprus		45	-	-
Moselin Investments srl	Romania		45	-	-
Rimasol Enterprises Limited	Cyprus		44,24	-	-
Rimasol Real Estate Srl	Romania		44,24	-	-
Ashor Ventures Limited	Cyprus		44,24	-	-
Ashor Development Srl	Romania		44,24	-	-
Jenby Ventures Limited	Cyprus		44,24	-	-
Jenby Investments Srl	Romania		44,24	-	-
Ebenem Limited	Cyprus		44,24	-	-
Ebenem Investments Srl	Romania		44,24	-	-
Sertland Properties Limited	Cyprus		100	-	-
Boyana Residence ood	Bulgaria		100	-	-
Mofben Investments Limited	Cyprus	Pantelimon Lake	100	-	-
Delia Lebada Invest srl	Romania		65	-	-
Zirimon Properties Limited	Cyprus	Delea Nuova	100	-	-

3. Significant accounting policies (continued)

Basis of consolidation (continued)

Within the reporting period the subsidiaries LLC Aisi Outdoor, LLC Merelium Investments and LLC Aisi Donetsk were under merged to LLC Aisi Ilvo. The reorganization (merger) process was finished in June 2015.

During the reporting period the Company realized a number of acquisitions namely of GED Warehouse and a mixed portfolio including commercial, residential properties and land (notes 15 & 16).

Functional and presentation currencies

Items included in the Group's financial statements are measured applying the currency of the primary economic environment in which the entities operate ("the functional currency"). The national currency of Ukraine, the Ukrainian Hryvnia, is the functional currency for all the Group's entities located in Ukraine, the Euro for all the Romanian, Bulgarian and Greek subsidiaries, while the parent company and its Cyprus based subsidiaries use either the Euro or the US dollar as the functional currency.

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

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

- All assets and liabilities are translated at closing rate;
- 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.

The relevant exchange rates for the entities domiciled in countries where the Group operates into Euro are as follows:

	Average			**As at**		
Currency	**01/01/2015 -30/06/2015**	**2014**	**01/01/2014 -30/06/2014**	**30/06/2015**	**31/12/2014**	**30/06/2014**
USD	1,1115	1,3285	1,3703	1,1189	1,2141	1,3566
UAH	23,8303	15,6833	14,0973	23,5414	19,2329	16,0868
RON	4,4479	4,4446	4,4643	4,4725	4,4821	4,3830
BGN	1,9558	-	1,9558	1,9558	-	1,9558

4. Financial risk Management

4.1 Financial risk factors

The Group is exposed to operating country risk, real estate holding and development associated risks, market price risk, interest rate risk, credit risk, liquidity risk, currency risk, other market price risk, operational risk, compliance risk, litigation risk, reputation risk, capital risk management and other risks arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below. Financial Risk Management is also described in note 31 of the condensed consolidated interim financial statements.

4.1.1 Operating Country Risks

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

4.1.1.1 Cyprus

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

Thus, the indebtedness of the Cypriot Republic and its two main banks Bank of Cyprus and Cyprus Popular Bank (Laiki) created the basis for the country to be part of a financial rescue plan under the supervision of the IMF, the ECB and the European Union in early 2013, a moment when the Cypriot State stopped being able to borrow from the international debt markets.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.1 Operating Country Risks (continued)

4.1.1.1 Cyprus

At the same time, the recent discovery of potentially significant natural gas and oil deposits within the boundaries of the Cypriot exclusive economic zone perplexes the geographic and political relationships and developments as Cyprus is in the crossroad of 3 continents.

Any failure to effect and implement an economic restructuring plan, may have a significant negative effect on the financials of the Cypriot economy that could lead to a default and the abandonment of the Euro currency. Such result would have a destabilizing effect on the operations of the Company at the corporate level. Cyprus has achieved within the first half of 2015 to return to the international debt markets which signifies a return to normality.

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

4.1.1.2 Ukraine

Nearly two years after the clashes that resulted in the fall of the incumbent government in November 2013, the deterioration and finally breaking off of Russia-Ukraine relations and the loss of part of Ukraine’s geographic area, the situation remains particularly volatile. The social and geopolitical instability continues to affect not only Ukraine’s economic and political well-being, but also relations between Russia and the rest of the world, as the international financial markets remain volatile.

Although Ukraine had made significant progress in increasing its gross domestic product, decreasing inflation, stabilizing its currency, increasing real wages and improving its trade balance between 2011 and 2013 these gains have already being reversed as a result of the current tough relations with Russia which has plunged the country into a state of war and separatism.

The implementation of reforms has been impeded by lack of political consensus, controversies over privatization, the restructuring of the energy sector, the removal of exemptions and privileges for certain state-owned enterprises or for certain industry sectors, the limited extent of cooperation with international financial institutions and non-stable taxing environment. Ukraine has engaged in broad discussion with its lender including IMF, for a restructuring of its foreign debt. Such discussions are crucial for the future economic development of the country. Overall, the future remains uncertain for the country, even though steps have been made towards European integration Should the IMF reforms are implemented and the foreign debt is restructured as well as political stability reemerges the country’s economy has the potential to boom. As Ukraine's government relies to a significant extent on official or multilateral borrowings to avoid bankruptcy, finance its budget deficit, fund its payment obligations under domestic and international borrowings and support foreign exchange reserves on the current debt discussions are critical for Ukraine’s ability to achieve a stable political environment to implement strategic, institutional and structural reforms but seems to be mainly depending on how long and how severe the current geopolitical conflict will last.

In the first quarter of 2015, real GDP decreased by (-17,2%) year-on-year. In January-June 2015, consumer price inflation reached 48,1% year-on-year, compared to 5,8% inflation in the first half of 2014. Major sources of price inflation during the first six months of 2015 were sharp depreciation of the hryvnya and the resultant increase in prices for imported goods, growth of the state-regulated tariffs and high inflation expectations. The basic consumer price index, which reflects demand pressure, increased by 40,6% in January-June 2015, compared to the 4% growth in the first half of 2014.

Apart from the international and internal political turmoil, Ukraine’s legal system continuous to be in transition and is, therefore, subject to greater risks and uncertainties than a more mature legal system. In particular, risks associated with the Ukrainian legal system include, but are not limited to:
(i) inconsistencies between and among the Constitution of Ukraine and various laws, presidential decrees, governmental, ministerial and local orders, decisions, resolutions and other acts;
(ii) provisions in the laws and regulations that are ambiguously worded or lack specificity and thereby raise difficulties when implemented or interpreted;
(iii) difficulty in predicting the outcome of judicial application of Ukrainian legislation; and
(iv) the fact that not all Ukrainian resolutions, orders and decrees and other similar acts are readily available to the public or available in understandably organized form.

Furthermore, several fundamental Ukrainian laws either have only relatively recently become effective or are still pending hearing or adoption by the Parliament. The recent origin of much of Ukrainian legislation, the lack of consensus about the scope, content and pace of economic and political reform and the rapid evolution of the Ukrainian legal system in ways that may not always coincide with market developments, place the enforceability and underlying constitutionality of laws in doubt, and result in ambiguities, inconsistencies and anomalies.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.1 Operating Country Risks (continued)

4.1.1.2 Ukraine (continued)

In addition, Ukrainian legislation often contemplates implementing regulations. Often such implementing regulations have either not yet been promulgated, leaving substantial gaps in the regulatory infrastructure, or have been promulgated with substantial deviation from the principal rules and conditions imposed by the respective legislation, which results in a lack of clarity and growing conflicts between companies and regulatory authorities.

Tax laws are changing and compared to more developed market economies are in a non-mature level thus creating often an unclear tax environment of unusual complexity. This particularly may affect negatively the ability of the Group to recuperate VAT paid and/or to utilize operating losses as a carry forward tax shield.

During the year from the first quarter of 2014, the Ukrainian hryvnya was subject to significant devaluation. Starting from 7,99 UAH / USD in February 2014, the official exchange rate depreciated to 15,78 UAH / USD at the end of 2014 and reached its record low of 30 UAH/USD in February 2015. By the end of the first quarter of 2015 the official exchange rate stabilized at around 23 UAH/USD. As a result the National Bank of Ukraine, among other measures, imposed certain temporary restrictions to the Banks on processing client payments and on purchasing foreign currencies on the inter-banking market as well as certain capital controls towards foreign payments.

The final resolution and impact of the political crisis are difficult to predict and the ongoing crisis may further adversely affect Ukrainian economy. Subsequent to 30th of June 2015 the Group has been operating in the normal course of business and the Management of the Group believes that it has undertaken all necessary measures to maintain the economic stability of the Group under these circumstances.

4.1.1.3 Greece

During the period the Hellenic Republic continued discussions with the creditor institutions (EU/ECB/IMF/ESM) resulting in retaining the risk of political and economic instability of the country. Failure to reach agreement at the end of June led to the implementation of capital controls in the banking sector, a 3-week bank holiday on 27 June, as well as the lapse of the existing economic support program for the country which led to the failure of the Hellenic Republic to repay an instalment to the IMF on 30 June.

Following a referendum on a deal proposed by international institutions and further negotiations, a preliminary agreement was reached on 12 July for a 3-year €86 billion support package, which was followed in August by the signing of a related agreement and the ratifications by Greek and a number of EU member country parliaments of this agreement in August, signaling the commitment of Greece to remain in the Eurozone and effect any necessary reforms requested by the creditor institutions as a prerequisite to capital deployment. As such and following elections in September which secured another tenure for the government that reached this agreement, political and economic instability seems to be withdrawing.

Overall, the program has an aim to reduce the risk of economic instability in Greece; however there is still risk around implementation of the program. The implementation of the program and its effects on the economy are beyond the Group's control.

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

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

4.1.2 Risks associated with property holding

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

- risks associated with construction activity at the properties, including delays, the imposition of liens and defects in workmanship;
- the ability to collect rent from tenants , on a timely basis or at all, taking also into account the UAH rapid devaluation;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favorable than current leases;
- cyclical fluctuations in the property market generally;
- local conditions such as an oversupply of similar properties or a reduction in demand for the properties;
- the attractiveness of the property to tenants or residential purchasers;

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.2 Risks associated with property holding (continued)

- 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.

4.1.3 Property Market price risk

Market price risk is the risk that the value of the Company'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 Company commissioned internationally acclaimed valuers.

Valuations reported as at 31 December 2014 take into account recent political developments in Ukraine. Given the nature of the Group's assets the most immediate effect would be the prolongation of the period needed to market and effectively sell an asset under such duress conditions.

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

4.1.4 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.

4.1.5 Credit risk

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

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

4.1.6 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. Most of the Group's transactions, including the rental proceeds are denominated in € or pegged to € or USD (the latter being the case of Ukraine). For the rest of the foreign exchange exposure Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly, by limiting net exposures to a few days to 2 months.

4. Financial risk Management (continued)

4.1 Financial risk factors (continued)

4.1.6 Currency risk (continued)

Apart from liquidity maintained in local currency for operating reasons the Group's liquid assets are held in EUR denominated deposit accounts while most of the inflows of the company are pegged to the €/USD It should be noted that the current political uncertainty in Ukraine, and the currency devaluation may affect the Group's income streams indirectly through affecting the financial condition of the tenants of the Group's properties their solvency and their income generating capacity. Management is monitoring the situation closely and acts accordingly.

4.1.7 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 31 of the condensed consolidated interim financial statements.

4.1.8 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 the state. 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.

4.1.9 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 and is discussed in note 29.

4.2. 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.

4.3. Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the end of the reporting period. Valuations reported as at 31 December 2014 take into account past political developments in Ukraine which given the nature of the Group's assets the most immediate effect would be the prolongation of the period needed to market and effectively sell an asset under such duress conditions.

5. Critical accounting estimates and judgments

The accounting estimates and judgments used in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

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

a. Weighted average number of ordinary shares

	30 June 2015		30 June 2014
Issued ordinary shares	75.690.096		28.788.559
Weighted average number of ordinary shares (Basic)	51.191.365		28.192.277
Diluted weighted average number of ordinary shares	64.480.647		32.304.928

b. Basic diluted and adjusted earnings per share

	30 June 2015		30 June 2014
	€		€
Profit/(loss) after tax attributable to owners of the parent	4.706.590		8.690.773
Basic	0,09		0,31
Diluted	0,07		0,27

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

c. Net assets per share

	30 June 2015		31 December 2014
	€		€
Net assets attributable to equity holders of the parent	59.258.640		32.560.472
Number of ordinary shares	75.690.096		33.884.054
Diluted number of ordinary shares	122.559.555		38.866.775
Basic	0,78		0,96
Diluted	0,48		0,84

7. 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:

Industrial

- Warehouse segment – the Group acquires, develops, operates and disposes warehouses

Commercial

- Office segment – the Group acquires, develops, operates and disposes offices

Residential

- Residential segment – the Group is in the process of disposing residential properties

Land Assets

- Land assets – the Group owns a number of land assets which are either available for sale or for potential development

There are no sales between the segments.

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

For the six months 30 June 2015 (€)	Warehouse	Office	Residential	Land Assets	Total
Segment profit					
Sales income	-	-	671.368	-	671.368
Cost of sales	-	-	(469.850)	-	(469.850)
Rental income	1.976.449	233.594	109.308	-	2.319.351
Service charges and utilities income	241.788	38.113	-	-	279.901
Income from electricity production	135.140	-	-	-	135.140
Investment properties operating expenses	(237.698)	(33.480)	(16.406)		(287.584)
Investment property related gains FX related	4.711.511	-	-	3.340.085	8.051.596
Gain realized on acquisition of subsidiaries (note 16)	1.552.134	-	-	-	1.552.134
Share of profits from associates (note 17)	-	43.390	-	311.559	354.949
Segment profit	**8.379.324**	**281.617**	**294.420**	**3.651.644**	**12.607.005**
Management provision on Investment Property acquired (note 15 d)					(3.313.791)
Gain realized on acquisition of subsidiaries					3.685.656
Administration expenses					(1.599.125)
Other income/(expenses), net					42.270
Finance income					13.199
Finance costs					(1.657.081)
Foreign exchange losses, net					(4.976.537)
Profit before tax					**4.801.596**

For the period 1 January 2014 to 30 June 2014, the Group had income only from the warehouse segment.

7. Segment information (continued)

30 June 2015 (€)	Warehouse	Office	Residential	Land Assets	Provision on Acquired Assets (note 15 d)	Total
Assets						
Investment properties	49.447.093	6.400.000	20.889.348	32.356.893	(3.313.791)	105.779.543
Investment property under construction	-	-	-	5.541.156		5.541.156
Prepayments made for investments	100.000	-	-	2.234.337		2.334.337
Goodwill	-	43.269	-	-		43.269
Long-term receivables	250.104	-	1.193	1.730		253.027
Investments in associates	-	7.033.963	-	4.973.844		12.007.807
Segment assets	**49.797.197**	**13.477.232**	**20.890.541**	**45.107.960**	**(3.313.791)**	**125.959.139**
Tangible and intangible assets						201.318
Prepayments and other current assets						5.325.967
Cash and cash equivalents						2.832.054
Total assets						**134.318.478**
Liabilities						
Interest bearing borrowings	25.114.894	-	11.506.239	18.473.095		55.094.228
Finance lease liabilities	7.528.668	3.934.972	-	54.597		11.518.237
Deposits from tenants	717.898	-	38.008	-		755.906
Redeemable preference shares	349.325	-	-	-		349.325
Segment liabilities	**33.710.785**	**3.934.972**	**11.544.247**	**18.527.692**		**67.717.696**
Trade and other payables						5.130.663
Taxes payable						862.229
Total liabilities						**73.710.588**

31 December 2014 (€)	Warehouse	Office	Residential	Land Assets	Total
Assets					
Investment properties	31.463.310	6.400.000	8.373.000	7.296.877	53.533.187
Investment property under construction		-	-	5.083.216	5.083.216
Prepayments made for investments	624.841	-	-	2.049.378	2.674.219
Goodwill		43.269			43.269
Long-term receivables	125.909				125.909
Segment assets	**32.214.060**	**6.443.269**	**8.373.000**	**14.429.471**	**61.459.800**
Tangible and intangible assets					200.203
Prepayments and other current assets					4.251.489
Cash and cash equivalents					891.938
Total assets					**66.803.430**
Liabilities					
Interest bearing borrowings	11.756.612	-	6.459.810	-	18.216.422
Finance lease liabilities	7.594.863	3.981.252	-	68.861	11.644.976
Deposits from tenants	621.129	-	40.281	-	661.410
Redeemable preference shares	698.650	-	-	-	698.650
Provision	-	-	-	68.253	68.253
Segment liabilities	**20.671.254**	**3.981.252**	**6.500.091**	**137.114**	**31.289.711**
Trade and other payables					1.869.537
Taxes payable					431.828
Total liabilities					**33.591.076**

7. Segment information (continued)

Geographical information

Revenue (€)	**30 June 2015**	**30 June 2014**
Ukraine	1.191.853	1.241.528
Romania	1.310.316	164.601
Greece	432.185	-
Bulgaria	1.556	-
Total	**2.935.910**	**1.406.129**

	30 June 2015	**31 December 2014**
Carrying amount of investment property, including under construction and prepayments made for investments (€)		
Ukraine	34.766.288	31.892.781
Romania	53.392.000	28.773.000
Greece	16.510.539	624.841
Bulgaria	12.300.000	-
Provision on Acquired Assets (note 15 d)	(3.313.791)	
Total	**113.655.036**	**61.290.622**

The increase in value of investment properties, including under construction in Ukraine is due to the foreign currency exchange rates fluctuations. While for the purpose of these condensed consolidated interim financial statements the valuation results are expressed in USD (and are the same as of 31/12/2014) the resulting increase presented in the above table is derived from the devaluation of the EUR against the USD.

8. Operational income

Operational income in the amount of €2.935.910 for the period ended 30 June 2015 represents rental income as well as service charges and utilities income collected from tenants generated during the reporting periods as a result of the rental agreements concluded with tenants of the Terminal Brovary Logistic Park, Innovations Logistics Park, EOS Business Park, GED Logistics and sales or rental agreements for Residential Portfolio while for the period ended 30 June 2014 it was only generated by Terminal Brovary and Innovations Logistics Park.

	30 June 2015	**30 June 2014**
	€	**€**
Income from sales of assets	671.368	-
Cost of assets sold	(469.850)	-
Rental income	2.319.351	1.272.609
Service charges and utilities income	279.901	133.520
Sales of electricity	135.140	-
Total Revenues	**2.935.910**	**1.406.129**

Income and Cost from sales of assets reflects figures associated with the sales of residential units.

Rental income and service charges and utilities income represent inflows for the rental agreements that the Company has with various tenants that rent space in its properties (mainly commercial and industrial). Vacancy rates in the various income producing assets of the company as at 30 June 2015 are as follows:

Income producing assets			
%		**30 June 2015**	**30 June 2014**
EOS Business Park	Romania	0	n/a
Innovations Logistics Park	Romania	13	0
GED Logistics	Greece	0	n/a
Terminal Brovary	Ukraine	28	0

Income from sales of assets represents several apartments and parking spaces sold in Residential Portfolio while Cost of assets sold represents the acquisition value of the apartment and parking space reduced by the related depreciation amount until the finalisation of the sale.

The income from electricity is generated at GED Logistics using the alternative energy sources and sold to the Greek Electric Grid.

9. Administration Expenses

	30 June 2015	30 June 2014
	€	€
Salaries and Wages	573.350	365.513
Advisory fees	243.398	636.877
Legal fees	201.548	133.271
Travelling and other office expenses	129.606	142.219
Property Taxes and duties	125.505	12.380
Directors' remuneration	119.628	84.395
Public group expenses	71.970	52.450
Audit and accounting fees	62.159	54.375
Depreciation	6.979	5.940
Sundry expenses	64.982	56.077
Total Administration Expenses	**1.599.125**	**1.543.497**

Salaries and wages include the remuneration:

a) of the CEO, the CFO, the Group Commercial Director and the Managing Directors Ukraine and Romania
b) of personnel employed in Ukraine, Romania and Cyprus

Legal and advisory fees mainly represent expenses of the Company regarding the various legal and tax cases it has in Ukraine as well as fees for the normal operation of the Group.

Property taxes and duties reflect mainly property taxes and fees paid for Ukrainian and Romanian land plots and residential assets.

Directors' remuneration represents the remuneration of all non-executive Directors and committee members (note 28).

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

10. Investment property operating expenses

	30 June 2015	30 June 2014
	€	€
Property management, utility expenses and other property costs	**287.584**	**254.857**

The Group has Maintenance and Property Management Agreements in respect of the servicing of Terminal Brovary Logistics Park, Innovation Logistics Park and GED Logistics Park. The Group is also incurring property operating expenses including utility expenses, insurance premiums, land and building taxes as well as various other expenses needed for the proper operation of the income generating properties in Kiev and in Bucharest. Part of these expenses are recovered from the tenants through the rental agreements.

11. Other operating income/ (expenses), net

	30 June 2015	30 June 2014
	€	€
Income from enforcement of guarantees	122.867	-
Penalties	(1.559)	(8.241)
Other expenses, net	(79.038)	(8.383)
Total	**42.270**	**(16.624)**

Income from enforcement of guarantees relates to the income from the tenants of Terminal Brovary LLC for the early termination of the lease agreements.

Penalties recognized in the period ended 30 June 2015 and 30 June 2014 relate to Terminal Brovary LLC which were accrued by the tax authority on the land leased in Brovary.

Other expenses for the period ended 30 June 2015 mainly consist of maintenance and repair expenses at the operating companies of the Group representing residential, warehouse and office segments, as well as other operating expenses concerning the functioning of the Group.

12. Finance costs and income

Finance income	**30 June 2015**	**30 June 2014**
	€	**€**
Bank interest income	13.199	52.915
Net finance result	**13.199**	**52.915**

Finance costs	**30 June 2015**	**30 June 2014**
	€	**€**
Borrowing interest expenses (note 23)	1.104.169	529.384
Finance leasing interest expenses (note 27)	331.725	50.117
Finance charges and commissions	221.187	38.546
Net finance result	**1.657.081**	**618.047**

Borrowing interest represents interest expense charged on bank borrowings (note 23) as well as on loans granted to associate companies (note 17).

Finance leasing interest expenses relate to the sales and lease back agreements of the Group with Piraeus Leasing Romania for Innovations Logistics Park and with Alpha Bank for EOS Business Park as well as to the land lease agreements of Ukrainian entities of the Group signed with the municipal authorities in Kiev (note 27).

Finance charges and commissions include fees paid to the banks, including a fee payable to EBRD for the restructuring of the Terminal Brovary loan.

13. Foreign exchange profit/ (losses)

a. Foreign exchange loss

Foreign exchange losses (non-realised) resulted from the loans and /or payables denominated in non EUR currencies when translated in EUR, mainly the EBRD loan (note 23) The exchange loss for the period end 30 June 2015 amounted to €4.976.537.

b. Exchange difference on intercompany loans to foreign holdings

The intercompany loans provided by SC Secure Capital Limited to Ukrainian subsidiaries (note 28.3) incurred an exchange loss (non-realised) of €7.323.715, due to the UAH devaluation which took place during the reporting period.

The foreign exchange loss for the period as reported in the financial statements of June 2014 amounting to €14.590.388 have been restated in order to reflect the split between the foreign exchange loss and the exchange difference on intercompany loans to foreign holdings. As a result the foreign exchange loss for the reporting period ending 30th June 2016 are presented as €3.966.512 and the remaining €10.623.876 are presented under exchange difference on intercompany loans to foreign holdings. The restatement was made in order to better reflect the devaluation of UAH during 2014 which is took place at 31 December 2014 on and had an effective date 1 January 2014 (note 28.3).

14. Income Tax expense

The corporate income tax rate for the Company's Ukrainian subsidiaries is 19%, for the Romanian subsidiaries is 16% , for the Greek subsidiary 26% and for the Bulgarian subsidiaries 20% for the six months ended 30 June 2015. The corporate tax that is applied to the qualifying income of the Company and its Cypriot subsidiaries is 12.5% for the six months ended 30 June 2015.

15. Investment Property (all)

Investment Property consists of the following assets:

- **Terminal Brovary Logistic Park** consists of a 49.180 sqm Class A warehouse and associated office space, situated on the junction of the main Kiev – Moscow highway and the Borispil road. The facility is in operation since Q1 2010 and as at the end of the reporting period is 72% leased.
- **Innovations Logistic Park** is a 16.570 sqm gross leasable area logistics park located in Clinceni in Bucharest, which benefits from being on the Bucharest ring road. Its construction was tenant specific, was completed in 2008 and is separated in four warehouses, two of which offer cold storage, the total area of which being 6.395 sqm. Innovations was acquired by the Company in May 2014 and as of the end of the reporting period is 87% leased.
- **EOS Business Park** is a 3.386 sqm gross leasable area and includes a Class A office Building in Bucharest, which is currently fully let to Danone Romania, the French multinational food company. EOS Business Park was acquired by the Group in October 2014.
- **GED Logistics** is a logistics park comprising 17.756 leasable sq m and has a net operating income ("NOI") of approximately €1.5 million. It is fully let 70% to the German multinational transportation and logistics company, Kuehne + Nagel and 30% to a Greek commercial company trading electrical appliances GE Dimitriou SA. The NOI also includes income from selling electric energy produced by the 1MW photovoltaic park installed on the roof of the warehouse property to the Greek Electric Grid.
- **Residential portfolio** is an income producing residential portfolio in Bucharest, Romania consisting as of end of June of 184 apartments and villas across six separate complexes (Romfelt, Linda, Monaco, Blooming House, Moselin – Green Lake Parcel K and Boyana) located in different residential areas of Bucharest and Sofia. The Group acquired it partly in August 2014 and partly May 2015. The aggregate residential portfolio is ~30% let at the end of June.
- **Bela Logistic Center** 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 sq m GBA logistic center commenced. Construction was put on hold in 2009 following adverse macro-economic developments at the time.
- **Kiyanovsky Lane** consists of four adjacent plots of land, totaling 0,55 Ha earmarked for a residential development, overlooking the scenic Dnipro River, St. Michael's Spires and historic Podil neighbourhood.
- **Tsymlianskiy Lane,** 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.
- **Balabino project** is a 26,38 ha plot of land situated on the south entrance of Zaporizhia, a city in the south of Ukraine with a population of 800.000 people. Balabino is zoned for retail and entertainment development.
- **Pantelimon Lake** consists of a ~40.000 sq m plot of land in east Bucharest situated on the shore of Pantelimon Lake, opposite to a very famous Romanian hotel, the Lebada Hotel. The construction permit, which allows for ~54.000 sqm residential space to be built, was renewed in April 2014.
- **Boyana Land** The complex of Boyana Residence includes adjacent land plots with surface of 17.000 sqm with building permits to develop GBA of 21.851 sqm.
- **Green Lake land** Green Lake land plot includes a 48.360m^2 land area with a Gross Buildable Area of ~82.250 sqm (63.400 sqm above ground). The Green Lake project is situated in the northern part of Bucharest on the bank of Grivita Lake in Bucharest. SPDI owns 44,24% of these plots.

15. Investment Property (all) (continued)

Asset Name	Description/ Location	Principal Operation	Related Companies	Carrying amount (€) as at	
				30 June 2015	31 December 2014
Terminal Brovary Logistics Park	Brovary, Kiev oblast	Warehouse	LLC TERMINAL BROVARY LLC AISI BROVARY SL LOGISTICS LIMITED	19.036.554	17.463.310
Bela Logistic Center	Odesa	Land and Development Works for Warehouse	LLC AISI BELA	5.541.156	5.083.216
Kiyanovskiy Lane	Podil, Kiev City Center	Land for residential development	LLC AISI UKRAINE LLC TORGOVIY CENTR RETAIL DEVELOPMENT BALABYNO	4.379.301	4.017.381
Tsymlianskiy Lane	Podil, Kiev City Center	Land for residential development	LLC ALMAZ PRES UKRAINE	1.251.229	1.147.823
Balabino	Zaporizhia	Land for retail development	LLC INTERTERMINAL	2.323.711	2.131.673
Total Ukraine				**32.531.951**	**29.843.403**
Innovations Logistic Park	Clinceni, Bucharest	Warehouse	MYRNES INNOVATIONS PARK LIMITED BEST DAY REAL ESTATE SRL	14.000.000	14.000.000
EOS Business Park	Bucharest	Office building	YAMANO LIMITED SPDI SRL, N-E Real Estate Park First Phase Srl	6.400.000	6.400.000
Residential Portfolio	Bucharest	Residential apartments	Secure Investment II Demetiva Ltd Diforio Limited Frizomo Limited Ketiza Limited Sec Rom Srl Sec Vista Srl Sec Mon Srl Ketiza Srl	8.373.000	8.373.000
Green Lake	Bucharest	Residential apartments 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 Ventures Limited Jenby Investments Srl Ebenem Limited Ebenem Investments Srl	18.797.000	-
Pantelimon Lake	Bucharest	Land for residential development	Mofben Investments Limited Delia Lebada Invest srl	5.822.000	-
Total Romania				**53.392.000**	**28.773.000**
Boyana Project	Sofia	Residential apartments and land for residential development	Sertland Properties Limited Boyana Residence ood	12.300.000	-
Total Bulgaria				**12.300.000**	-
GED Logistics	Athens	Warehouse	Victini Holdings Limited. GED Logistics S.A.	16.410.539	-
Total Greece				**16.410.539**	-
Provision on acquired Investment Properties				**(3.313.791)**	
TOTAL				**111.320.699**	**58.616.403**

Carrying amounts of the properties owned as of 30 June 2015 stated in these condensed consolidated interim financial statements remain the same as were presented in the Group's audited consolidated financial statements as of 31 December 2014 for the assets the Company owned at the time and at the fair value at acquisition for assets acquired during the period; the carrying amounts of Ukrainian properties remain the same in terms of their value in US$ as provided by CBRE an external valuer. The exchange gains related to the Ukrainian assets of €8.051.596 presented in these condensed consolidated interim financial statements arose from UAH devaluation as well as the translation from the valuation currency (US$) to the reporting currency (€) which took place during the reporting period.

15. Investment Property (all) (continued)

c. Investment Property Under Construction

As at 30 June 2015 investment property under construction represents the carrying value of Bela Logistic Center project, which has reached the +10% construction in late 2008 but it is stopped since then. The Company's external valuer has appraised the property's value at US$6.200.000 as at 31 December 2014.

d. Investment Property

	30 June 2015
	€
At 1 January	**53.533.187**
Capital expenditure on investment property	10.539
Revaluation gain/(loss) on investment property	3.366.380
Acquisition of investment property	53.329.539
Translation difference	(4.460.102)
At 30 June	**105.779.543**

Terminal Brovary, Kiyanovskiy Lane, Tsymlyanskiy Lane, Balabino, Innovations, EOS Business Park, Residential Portfolio, (note 15 above), Pantelimon Lake land, Green Lake land, Boyana land and GED Logistics S.A. are included in the Investment Property category.

e. Prepayment made for Investments

The Group has made an advance payment of ~US$12mil. (representing principal plus interest) for the acquisition of a project in Podil (Kiev) in 2007. As of the end of the reporting period the Management does not expect such acquisition to proceed while the seller has already defaulted on his credit to the Group.

As a consequence, the Group has progressed the legal proceedings initiated in 2013, for the transfer of the collateral (land plot of 42 ha in Kiev Oblast) in the Group's name as well as legal proceeding against the company which collected the original US$12mil. payment. As the collateral's value, as valued by CBRE, has been reduced the Group has reduced the amount of the receivable to the value of the collateral having a carrying value of € 2.049.378.

f. Investment property related gains

	30 June 2015	30 June 2014
	€	€
Gain as a result of functional currency devaluation	8.051.596	13.225.535
Provision on acquired Investment Properties	(3.313.791)	-
Investment Property related gains	**4.737.805**	**13.225.535**

Gain as a result of functional currency devaluation is the revaluation of Ukrainian assets attributable to the foreign exchange difference between the US$ and the EUR (to a great extent negated by the devaluation of the UAH).

Management has taken a provision of €3.313.791 in relation to the non-core (residential and adjacent land plots) property assets included in the portfolio acquired during the period, so as to reflect the consideration paid rather than the Fair Value of the assets acquired. Such provision is to be reviewed at year end by taking into account the valuations then as well as the operational performance of the assets under the SPDI management.

16. Investment Property Acquisitions

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

During the reporting period the Group acquired a number of prime property assets in Romania and Bulgaria. The acquisition is in line with the Company's strategy to build a diversified portfolio of prime commercial real estate in East and Southeast Europe, which generates cash flow from blue chip tenants and offers substantial potential for capital growth. The acquired investment properties include Green Lake (residential and land), Pantelimon Lake (land) and Boyana (residential and land) projects.

16. Investment Property Acquisitions (continued)

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

€	GED Logistics	SEC South East	Total
ASSETS			
Non-current assets			
Investment property	16.400.000	36.919.000	53.319.000
Investments in associates	-	7.958.336	7.958.336
Other non-current assets	29.911	69.536	99.447
Current assets			
Prepayments and other current assets	353.366	2.433.172	2.786.538
Cash and cash equivalents	160	777.247	777.407
Total assets	**16.783.437**	**48.157.291**	**64.940.728**
Non-current liabilities			
Interest bearing borrowings	12.549.180	23.865.253	36.414.433
Deposits from tenants	211.243	-	211.243
Current liabilities			
Interest bearing borrowings	135.110	1.431.464	1.566.574
Trade and other payables	492.060	3.074.332	3.566.392
Taxes payable	56.776	252.033	308.809
Total liabilities	**13.444.369**	**28.623.082**	**42.067.451**
Net assets acquired (net of non-controlling interest)	**3.339.068**	**18.838.146**	**22.177.214**
Non-controlling interest	**-**	**696.063**	**696.063**
Gain realized on acquisition (Net Assets – Total consideration)	**1.552.134**	**3.685.656**	**5.237.790**
Financed by			
Cash consideration paid	1.786.934	-	1.786.934
Issue of shares	-	15.152.490	15.152.490
Total consideration	**1.786.934**	**15.152.490**	**16.939.424**

During the reporting period the Company acquired the mixed Portfolio of Sec South, which includes investment properties and investment in associates, (notes 15, 16, 17) via in kind contribution to the vendors by issuing 18.028.294 ordinary shares of €0,01 and 2 equivalent set of warrants as described below (note 20).The shares were issued at a price of 0.65 GBP per share while the first set of warrants had an exercise price of £0,10 and the second £0,45. In parallel the Company in exchange of these shares wrote off a past liability of the portfolio of €0,2m and took over via assignment a loan that had been contributed by a partner of a project amounting to €838.561.

17. Investments in associates

In April 2015 the Company completed the acquisition of an interest in a fully let and income generating office building in Sofia. The Company has acquired 20% of the corporate entity owning the building for a cash consideration of €4.059.839. Autounion is a Class A BREEAM certified office building, located to close to Sofia Airport. The building has a Gross Lettable Area of 19.476 square sqm over ten floors, includes underground parking and is fully let to a leading Bulgarian insurance company on a long lease extending to 2027.

In May 2015 the Group acquired a number of prime property assets in Romania and Bulgaria (in exchange of shares – note 20) some of them being investment properties (notes 15, 16) and some of them being associates. The associates acquired are as follows:

a) Green Lake Development is residential compound which consists as of end of June of 44 apartments plus 24 villas as well as 4 commercial designated buildings, situated on the banks of Grivita Lake, in the northern part of the Romanian capital. The compound includes also facilities such as private kindergarten, nautical club, outdoor sport courts, and restaurants. The Company has a 40,35% participation in this asset. The project as of the end of June was 50% let.

b) The Company acquired a 24,35% participation in the Delea Nuova Project in Bucharest. The project is a 10.280 sqm office building, which consists of two underground levels, a ground floor and ten above-ground floors. As of the end of June, the building is 100% let, with ANCOM (the Romanian Telecommunications Regulator) being the anchor tenant (70% of GLA).

17. Investments in associates (continued)

The table below summarizes the movements in the carrying amount of the Group's investment in associates.

€	30 June 2015
At 1 January	**-**
Acquisition of participation interest	12.018.175
Share of profits from associates	354.949
Dividend Received	(365.317)
At 30 June	**12.007.807**

Share of profits from associates reflects the post aquisition after tax proifts of each associate derived from rental income minus operational and financial expenses for the period ended 30 June 2015.

As at 30 June 2015, the Group's interests in its associates and their summarised financial information, including total assets, 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
		€	€	€	%	€		
Autounion Project	Bluehouse Accession Project V	24.090.574	23.401.587	197.241	20,00	39.448	Bulgaria	Office building
Delea Nuova Project	Lelar Holdings Limited	8.628.492	3.637.013	16.186	24,35	3.942	Romania	Office building
Green Lake Project – Phase A	GreenLake Development Srl	14.414.863	16.503.089	772.140	40,35	311.559	Romania	Residential assets and land for development
Total		**47.133.929**	**43.541.689**	**985.567**		**354.949**		

18. Prepayments and other current assets

	30 June 2015	31 December 2014
	€	€
Prepayments and other receivables	3.060.078	922.115
VAT and other tax receivable	1.235.116	1.229.057
Deferred expenses	1.024.490	2.100.317
Receivables from related parties	6.283	-
Total	**5.325.967**	**4.251.489**

Prepayments and other receivables reflect prepayments of clients (~€743.000),receivables from associate companies (~€1.458.000) and pre-payments made for the acquisition of assets and/or share capital increases (~€458.000).

VAT and other tax receivable mainly represents the current portion of the Terminal Brovary VAT receivable (€ 745.944), to be offset from VAT charged over rental income during the next years. The remaining is VAT income to be collected from tenant and residential unit buyers.

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

19. Cash and cash equivalents

Cash and cash equivalents represent liquidity held at banks.

	30 June 2015	31 December 2014
	€	€
Cash at banks in USD	84.812	43.612
Cash at banks in EUR	1.867.993	495.052
Cash at banks in UAH	81.095	150.029
Cash at banks in RON	497.716	201.984
Cash at banks in BGN	201.562	-
Cash equivalents	98.876	1.261
Total	**2.832.054**	**891.938**

20. Share capital

Number of Shares (as at)	31 December 2014	13 March 2015	31 May 2015	29 June 2015	30 June 2015
		Increase of Share Capital	Increase of Share Capital	Repayment of redeemable preference shares	
Authorised					
Ordinary shares of €0,01	989.869.935	-	-	-	989.869.935
Total equity	**989.869.935**	**-**	**-**	**-**	**989.869.935**
Redeemable preference shares of €0,01	785.000	-	-	-	785.500
Total	**990.654.935**	-	-	**-**	**990.654.935**
Issued and fully paid					
Ordinary shares of €0,01 each	33.884.054	23.777.748	18.028.294	-	75.690.096
Total equity	**33.884.054**	**23.777.748**	**18.028.294**	-	**75.690.096**
Redeemable preference shares of €0,01	785.000	-	-	(392.500)	392.500
Total	**34.669.054**	**23.777.748**	**18.028.294**	**(392.500)**	**76.082.596**

Value (as at) (€)	31 December 2014	13 March 2015	31 May 2015	29 June 2015	30 June 2015
		Increase of Share Capital	Increase of Share Capital	Repayment of redeemable preference shares	
Authorised					
Ordinary shares of €0,01	9.898.699	-	-	-	9.898.699
Total equity	**9.898.699**	**-**	**-**	**-**	**9.898.699**
Redeemable preference shares of €0,01	7.850	-	-	-	7.850
Total	**9.906.549**	**-**	**-**	**-**	**9.906.549**
Issued and fully paid					
Ordinary shares of €0,01	338.839	237.777	180.283	-	756.899
Total equity	**338.839**	**237.777**	**180.283**	**-**	**756.899**
Redeemable preference shares of €0,01	7.850	-	-	(3.925)	3.925
Total	**346.689**	**237.777**	**180.283**	**(3.925)**	**760.824**

20.1 Authorised Share Capital

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

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

During the EGM dated 24 June 2015, it was approved by the shareholders of the Company that the authorized share capital of the Company will be increased to €9.992.739,35 divided into: (a) 989.869.935 ordinary shares of € 0,01 each; (b) 785.000 Redeemable Preference Shares Class A of €0,01 each; and (c) 8.618.997 Redeemable Preference Shares Class B of €0,01 each by the creation of 8.618.997 Redeemable Preference Shares Class B of €0,01 each. The above approval has effective date 1 July 2015. The reorganization of the capital was mandated by the acquisition growth plan of the Company since the creation of the Redeemable Preference Shares Class B was necessary to be issued to BLUEHOUSE ACCESSION PROPERTY HOLDINGS III S.A.R.L which was the seller of the income producing real estate asset in Craiova, Romania, which the Company acquired in July 2015 (note 32).

20. Share capital (continued)

20.2 Issued Share Capital

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

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

1. On 13/3/2015, the allotment of 23.777.748 ordinary shares of €0,01 each for the purpose of capital raising of €8.000.000 in the Company by its existing shareholders.
2. On 31/5/2015, the allotment of 18.028.294 ordinary shares of €0,01 each for the purpose of an in kind contribution of mixed Portfolio acquisition and (notes 15,16,17).

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

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

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

b) 392.500 Convertible Shares of €0, 01 nominal value each, following the above described redemption which shall be officially finalized in second semester of 2015.

20.3 Director's Option scheme

Under the said scheme each of the directors serving at the time, which is remain a Director of the Company is entitled to subscribe for 2.631 Ordinary Shares exercisable as set out below:

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

The Company considers the said options well out of the money (as the share price at the reporting date is USD 0,46), thus the possibility of exercising them is remote and therefore no provision has been made in respect of this.

Director Franz M. Hoerhager Option scheme, 12 October 2007

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

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

The Company considers the said options well out of the money (as the share price at the reporting date is GBP 0, 30), thus the possibility of exercising them is remote and therefore no provision has been made in respect of this.

20.4 Class A Warrants issued

During the period ended 30 June 2015 the Company acquired the Sec South portfolio (notes 16,17) in exchange of Ordinary shares (issued at GBP0.65 each) and of Class A Warrants giving the right to the Warrant holders to subscribe in cash at the Exercise Amount for the Ordinary Shares. The Company issued two sets of Warrants as follows:

1) 18.028.294 warrants corresponding to 18.028.294 ordinary shares, exercisable within 45 days from signing at an exercise amount of £0.10 per ordinary share. These warrants were exercised (in part) by August 2015 (14.324.627 out of a total of 18.028.294 warrants) (note 32), indicating an effective share issuing price for the sellers of 41p. Following their exercise these have lapsed. Out of these exercised warrants Ionian Equity Participations Limited, a substantial shareholder in the Company, exercised 2.995.360 warrants; an entity in which Lambros Anagnostopoulos (the CEO and a director of the Company) has a majority stake exercised 716.014 warrants; and, Constantinos Bitros (the CFO of the Company) exercised 98.010 warrants. (note 32)

2) warrants corresponding to 18.028.294 ordinary shares, exercisable by 31 December 2016 at an exercise amount of £0.45 per ordinary share.

The shares that will be received under the above warrants bear a lock-in period of 12 months.

20. Share capital (continued)

20.5 Class B Warrants issued

On 8 August 2011 the Company issued an amount of Class B Warrants for an aggregate equivalent to 12,5% of the issued share capital of the Company at the exercise date. Each Class B Warrant entitles the holder to receive one Ordinary Share. The Class B Warrants may be exercised at any time until 31st December 2016, pursuant to a decision by the AGM of 30/12/2013. The exercise price of the Class B Warrants will be the nominal value per Ordinary Share as at the date of exercise. The Class B Warrant Instruments have anti-dilution protection so that, in the event of further share issuances by the Company, the number of Ordinary Shares to which the holder of a Class B Warrant is entitled will be adjusted so that he receives the same percentage of the issued share capital of the Company (as nearly as practicable), as would have been the case had the issuances not occurred. This anti-dilution protection will lapse on the earlier of (i) the expiration of the Class B Warrants; and (ii) capital increase(s) undertaken by the Company generating cumulative gross proceeds in excess of US$100.000.000. As of the reporting date, the aggregate amount of class B warrant is 10.812.871.

20.6 Capital Structure as at the end of the reporting period

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

Number of		(as at) 30 June 2015	(as at) 31 December 2014
Ordinary shares of €0,01	Issued and Listed in AIM	75.690.096	33.884.054
Class A Warrants		36.056.588	-
Class B Warrants		10.812.871	4.840.579
Total number of Shares	Non-Dilutive Basis	75.690.096	33.884.054
Total number of Shares	Full Dilutive Basis	122.559.555	38.724.633
Options		4.460	4.460

20.7 Redeemable Preference Shares

During the reporting period the Company repaid half of 785.000 preference SPDI shares of nominal value €0, 01 each, pending finalization of the process in the second semester of 2015. The Preference Shares have no voting powers or rights to dividend. The remaining 392.500 of the Preference Shares may be redeemed by 31 January 2016 (the "Redemption Date 2") at the price of €0, 89. At any time prior to the Redemption Dates the holders shall have the option to unilaterally reconvert the Preference Shares into ordinary shares of €0, 01 each.

During the EGM dated 24 June 2015,the shareholders approved the reorganization of the Capital of the company (note 20.1) via the reclassification of the old Redeemable shares as Redeemable Preference Shares Class A and via the issuance of 8.618.997 Redeemable Preference Shares Class B of €0.01 for the purpose of acquiring Craiova asset in Romania (note 32). The above approval has effective date 1 July 2015.

Redeemable Preference Shares Class A

The Redeemable Preference Shares Class A do not have voting or dividend rights. The 392.500 of the Redeemable Preference Shares Class A were redeemed on 31 January 2015 ("Redemption Date 1") at a price of €0,89 each and the remaining 392.500 of the Redeemable Shares Class A may be redeemed by the Company on 31 January 2016 at a price of €0,89 each or the holders of the Redeemable Preference Shares Class A shall have the option to immediately convert the Redeemable Preference Shares Class A into ordinary Shares of €0,01 each.

Redeemable Preference Shares Class B

The Redeemable Preference Shares Class B shall not have voting rights and shall have economic rights at par with ordinary shares. The Redeemable Preference Shares Class B, if not converted into ordinary Shares, may be redeemed at the sole discretion of the holder of the Redeemable Preference Shares Class B on the expiration of the 12th month following the date of issue of the Redeemable Preference Shares Class B (the "Redemption Date"); the redemption price shall be €0,7056 per Redeemable Preference Share Class B. The Redeemable Preference Shares Class B shall have priority on the winding-up of the Company, over any other shares or class of shares issued by the Company from time to time including without limitation the Redeemable Preference Shares Class A but otherwise rank pari passu with the ordinary shares in all respects.

21. Foreign Currency Translation Reserve

Exchange differences related to the translation from the functional currency of the Group's subsidiaries are accounted by entries made directly to the foreign currency translation reserve. The foreign exchange translation reserve represents unrealized profits or losses related to the appreciation or depreciation of the local currencies against the EUR in the countries where the Company's subsidiaries' functional currencies are not EUR.

22. Non-Controlling Interests

Non-controlling interests represent the equity value of shareholdings not owned by the Group:

%	Non-controlling interest portion	
Group Company	**30 June 2015**	**31 December 2014**
LLC Almaz-Press-Ukraine	45,00	45,00
Ketiza Limited	10,00	55,00
Ketiza srl	10,00	55,00
Ram Real Estate Management Limited	50,00	-
Iuliu Maniu Limited	55,00	-
Moselin Investments Srl	55,00	-
Rimasol Enterprises Limited	55,76	-
Rimasol Real Estate Srl	55,76	-
Ashor Ventures Limited	55,76	-
Ashor Development Srl	55,76	-
Jenby Ventures Limited	55,76	-
Jenby Investments Srl	55,76	-
Ebenem Limited	55,76	-
Ebenem Investments Srl	55,76	-

23. Interest bearing borrowings

	30 June 2015	31 December 2014
	€	€
Principal of bank Loans		
Principal EBRD loan	12.559.955	11.808.915
Banca Comerciala Romana	1.615.529	1.783.826
Bancpost SA	2.088.583	2.157.501
Alpha Bank Romania	1.103.753	1.184.688
Raiffeisen Bank Romania	1.004.819	1.093.176
Bancpost SA	3.091.754	-
Alpha Bank Bulgaria	1.781.266	-
Alpha Bank Bulgaria	3.720.418	
Bank of Cyprus	4.569.725	-
Eurobank Ergasias SA	12.522.728	-
Piraeus Bank SA	2.800.000	-
Loans by non-controlling shareholders	6.063.693	-
Total Principal of Bank Loans	**52.922.223**	***18.028.106***
Restructuring fees and interest payable to EBRD	32.211	29.685
Interest accrued on bank loans	1.482.011	240.619
Interests accrued on non-bank loans	657.783	-
Prepaid fees to EBRD	-	(81.988)
Total	**55.094.228**	**18.216.422**

	30 June 2015	31 December 2014
	€	€
Current portion	10.343.906	5.960.706
Non-current portion	44.750.322	12.255.716
Total	**55.094.228**	**18.216.422**

<u>EBRD loan related to Terminal Brovary</u>

In February 2015 the restructuring of the Brovary construction loan with the EBRD which was signed in December 2014 was effected. According to the agreement the loan repayment is being extended to 2022, with a balloon payment of US$3.633.333. The loan has an interest of 3 M LIBOR + 6.75% and the capital repayments are scheduled as follows: 2015-$900.000 2016-$1.000.000 2017-$1.220.000 2018-$1.350.000 2019-$1.500.000 2020-$1.650.000 2021-$1.800.000 2022-$4.983.333, 32.

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

1. LLC Terminal Brovary pledged all movable property with the carrying value more than US$25.000.
2. LLC Terminal Brovary pledged its Investment property, Brovary Logistics Centre the construction of which was finished in 2010 (note 15), and all property rights on the center.
3. SPDI PLC pledged 100% corporate rights in SL SECURE Logistics Ltd, a Cyprus Holding Company which is the Shareholder of LLC Terminal Brovary, LLC Aisi Brovary.
4. SL SECURE Logistics Ltd pledged 99% corporate rights in LLC Aisi Brovary.

23. Interest bearing borrowings (continued)

5. LLC Aisi Brovary pledged 100% corporate rights in LLC Terminal Brovary.
6. LLC Terminal Brovary pledged all current and reserved accounts opened by LLC Terminal Brovary in Unicreditbank Ukraine.
7. LLC Aisi Brovary entered into a call and put option agreement with EBRD, pursuant to which following an Event of Default (as described in the Agreement) EBRD has the right (Call option) to purchase at the Call Price from LLC Aisi Brovary, 20% of the Participatory Interest of LLC Terminal Brovary on the relevant Settlement Date.
8. LLC Terminal Brovary has granted EBRD a second ranking mortgage in relation to its own and LLC Aisi Brovary's obligations under the call and put option agreement.
9. LLC Terminal Brovary has pledged its rights arising in connection with the existing Lease agreements with Tenants.
10. LLC Aisi Brovary has entered with EBRD into a conditional assignment agreement of 20% and 80% corporate rights in LLC Terminal Brovary.
11. SL Secure Logistics Limited has entered with EBRD into a conditional assignment agreement of 99% corporate rights in LLC Aisi Brovary.

The issued corporate guarantee dated 12 January 2009 guaranteeing all liabilities and fulfilment of conditions under the existing loan agreement remains in force. The maturity of the guarantee is equal to the maturity of the loan.

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

1. At all times LLC Brovary Logistics shall maintain a balance in the Debt Service Reserve Amount (DSRA) account equal to not less than the sum of all payments of principal and interest on the Loan which will be due and payable during the next six months.
2. LLC Terminal Brovary shall achieve a "CNRI"(Contract Net Rental Income is the aggregate of monthly lease payments, net of value added tax, contracted by the Borrower pursuant to the Lease Agreements as of the relevant testing date and converted into Dollars at the official exchange rate established by the National Bank of Ukraine as of such testing date) according to the following schedule:
   (1) on 31 December 2014, CNRI of USD 200,000 or more;
   (2) on 30 June 2015, CNRI of USD 220,000 or more;
   (3) on 31 December 2015, CNRI of USD 230,000 or more; and
   (4) on 30 June and 31 December in each year commencing on the date of 30 June 2016, CNRI of USD 250,000 or more, in respect of the six month period commencing on any such date.
3. LLC Terminal Brovary shall achieve a "DSCR"(Debt Service Coverage Ratio is the sum of net income minus operating expenses plus amortization, divided with the sum of paid principal & interest) according to the following schedule:
   i. in respect of the 6 months period ending on 31 December 2014, the DSCR of more than 1,10x.
   ii. in respect of the 6 months period ending on 30 June 2015 and 31 December 2015, the DSCR of more than 1,15x.
   iii. in respect of the 6 months period ending on 30 June or 31 December in any year commencing on the date of 30 June 2016, the DSCR of more than 1,2x.

<u>Other bank Borrowings (related to residential projects)</u>

SecRom Real Estate Srl entered (2009) into a loan agreement with Alpha Bank- Romania for a credit facility for financing part of the acquisition of the Doamna Ghica Project apartments. As of the end of the reporting period, the balance of the loan is €1.103.753, bears interest of EURIBOR 3M+5,25% and is repaid on the basis of investment property sales. The loan matures in October 2016 and is secured by all assets of SecRom Real Estate Srl as well as its shares.

Ketiza Real Estate Srl entered (2012) into a loan agreement with Bancpost S.A. for a credit facility for financing the acquisition of the Blooming House Project and 100% of the remaining (without VAT) construction works Blooming House project. As of the end of the reporting period the balance of the loan is €2.088.583. The loan bears interest of EURIBOR 3M plus 3,5% and matures in May 2017. The bank loan is secured by all assets of Ketiza Real Estate Srl as well as its shares.

SecVista Real Estate Srl entered (2011) into a loan agreement with Raiffeisen Bank- Romania for a credit facility for financing part of the acquisition of the Linda Residence Project apartments. As of the end of the reporting period the balance of the loan is €1.004.819. The loan bears interest of EURIBOR 1M+5,2% and is currently under restructuring negotiation. The loan is secured by all assets of SecVista Real Estate Srl as well as its shares.

SecMon Real Estate Srl (2011) entered into a loan agreement with Banca Comerciala Romana for a credit facility for financing part of the acquisition of the Monaco Towers Project apartments. As of the end of the reporting period the balance of the loan is €1.615.529 and bears interest of EURIBOR 3M plus 5%. The loan is repayable in October 2015 and is secured by all assets of SecMon Real Estate Srl as well as its shares.

GED Logistics SA entered (April 2015) into a loan agreement with EUROBANK SA to refinance the existing debt facility. As of the end of the reporting period the balance of the loan is €12.522.728 and bears interest of EURIBOR 6M plus 3,2%. The loan is repayable by 2022, has a balloon payment of €8.660.000 and is secured by all assets of GED Logistics SA as well as its shares.

SEC South East Continent Unique Real Estate (Secured) Investments Limited has a debt facility with Piraeus Bank (since 2007) for the acquisition of the Green Lake project land in Bucharest Romania._As of the end of the reporting period the balance of the loan is €2.800.000 and bears interest of EURIBOR 3M plus 4% plus the Greek law 128/78 0, 6% contribution. The term of the loan facility has expired but the Company has agreed with the Bank a prolongation of the maturity until 2017 to be implemented in Q3-2015.

23. Interest bearing borrowings (continued)

Moselin Investments Srl (2010) entered into a construction loan agreement with Bancpost SA covering the construction works of Parcel K –Green Lake project. As of the end of the reporting period the balance of the loan is €3.091.754 and bears interest of EURIBOR 3M plus 5%. The loan is repayable from the sales proceeds while it matures in 2017. The loan is secured as follows with the property itself and the shares of Moselin Investments Srl.

Other Borrowings from acquisitions

Delia Lebada Invest Srl, a subsidiary, entered into a loan agreement with the Bank of Cyprus Limited to effectively finance a leveraged buy-out of the subsidiary by the Company. The bank loan amounting to €4.830.000 is secured with a mortgage at 120% of the loan value and with a corporate guarantee. The loan bears 7% fixed interest while interest is payable quarterly. The balance of the loan as of end of the period ended 30 June 2015 is €4.569.725. The Company is currently in discussion with its partner to sell the asset and with the bank for the loan restructuring at the same time. In the meantime Delia Lebada Invest Srl has entered into protection from creditor's procedure.

Sertland Properties Limited entered (2008) into a loan agreement with Alpha Bank- Bulgaria for an acquisition loan related to the acquisition of 70% of Boyana Residence ood. As of the end of the reporting period the balance of the loan is €1.781.266 and bears interest of EURIBOR 3M plus 5,75%. The loan matures in 2017 and discussions have been initiated with the bank for a prolongation. The loan is secured with a pledge on company's shares, and a corporate guarantee by SEC South East Continent Unique Real Estate (Secured) Investments Limited.

Boyana Residence ood entered (2011) into a loan agreement with Alpha Bank- Bulgaria for a construction loan related to the constructions of the Boyana Residence projects (finished in 2014). As of the end of the reporting period the balance of the loan is €3.720.418 and bears interest of EURIBOR 3M plus 5,75%. The loan matures in 2017 and discussions have been initiated with the bank for a prolongation. The loan currently is being repaid through sales proceeds. The facility is secured through a mortgage over the property and a pledge over the company shares as well as those of Sertland Properties Limited.

Other bank borrowing include as well borrowing from non-controlling interests. During the last five years and in order to support of Parcel K of Green Lake project and Boyana project the shareholders of Moselin and Boyana (other than the Company) have contributed their share by means of shareholder loans. The loans bear interest at 7% annually and are repayable in 2016.

24. Trade and other payables

	30 June 2015	31 December 2014
	€	€
Payables to related parties (note 28.2)	1.789.720	335.004
Payables for construction, non-current	406.150	202.200
Other payables	2.829.685	916.827
Deferred income from tenants, non-current	22.403	12.485
Deferred income from tenants, current	34.402	132.782
Accruals	48.303	270.239
Total	**5.130.663**	**1.869.537**

	30 June 2015	31 December 2014
	€	€
Current portion	4.702.110	1.654.852
Non - current portion	428.553	214.685
Total	**5.130.663**	**1.869.537**

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

Payables to related parties represent the balances with Secure Management Ltd and Grafton Properties as well as amounts due to board of directors and committee members and accrued management remuneration (note 28.2).

Payables for construction represent amounts payable to the contractor of Bela Logistic Center in Odessa. The settlement was reached in late 2011 on the basis of maintaining the construction contract in an inactive state (to be reactivated at the option of the Group), while upon reactivation of the contract or termination of it (because of the sale of the asset) the Group would have to pay an additional UAH5.400.000 (~US$ 450.000) payable upon such event occurring. Since it is uncertain when the latter amount is to be paid it has been discounted at the current discount rates in Ukraine and is presented as a non-current liability. Payables for construction includes as well €~245.000 amount payable to Boyana's constructor which has been withheld as Good Performance Guarantee.

Other payables mainly represent shareholder loan balances owned to minority partners of the property assets acquired within the period.

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

Payables for services include payables to non-controlling shareholders in the amount of €1.003.168. The rest of payables and accruals for services represent amounts payable to various service providers including auditors, legal advisors, consultants and third party accountants related to the current operations of the Group as well as with due diligence related expenses incurred in preparation of new acquisitions.

25. Deposits from Tenants

Deposits from tenants appearing under current and non-current liabilities include the amounts received from the tenants of LLC Terminal Brovary, Best Day SRL, GED Logistics S.A. and companies representing residential segment as advances/guarantees and are to be reimbursed to these clients at the expiration of the leases agreements.

26. Taxes payable & Provisions for taxes

	30 June 2015	31 December 2014
	€	€
Corporate income and defense tax	379.568	356.929
Other taxes including VAT payable	482.661	74.899
Provisions for taxes in Ukraine	-	68.253
Total Tax Liability	**862.229**	**500.081**

Corporate income tax represents taxes payable in Cyprus and Romania.

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

27. Finance lease liabilities

As at the reporting date the finance lease liabilities consist of the non-current portion of €11.340.099 and the current portion of € 178.138 (31 December 2014: € 11.463.253 and € 181.723, accordingly).

30 June 2015 (€)	**Minimum lease payments**	**Interest**	**Principal**
Less than one year	760.565	592.214	168.351
Between two and five years	3.461.289	2.155.663	1.305.626
More than five years	12.709.921	2.723.358	9.986.563
	16.931.775	**5.471.235**	**11.460.540**
Accrued Interest			57.697
			11.518.237

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

27.1 Land Plot Financial Leasing

The Group rents land plots classified as finance lease. Lease obligations are denominated in UAH. The fair value of lease obligations approximate to their carrying amounts as presented above. Following the appropriate discounting finance lease liabilities are carried at € 152.479 under current and non-current portion. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

27.2 Sale and Lease Back Agreement

A. Innovations Logistic Park

In May 2014 the Group concluded the acquisition of Innovations Logistics Park in Bucharest, owned by Best Day Srl, through a lease back agreement with Piraeus Leasing Romania SA. As of the end of the reporting period the balance is €7.400.470 bearing interest rate at 3M Euribor plus 4,45% margin, being repayable in monthly tranches until 2026. At the maturity of the lease agreement Best Day will become owner of the asset.

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

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

27. Finance lease liabilities (continued)

27.2 Sale and Lease Back Agreement (continued)

B. EOS Business Park

In October 2014 the Group concluded the acquisition of EOS Business Park in Bucharest, owned by First Phase Srl, through receiving debt from Alpha Bank Romania SA in the form of a sale and lease back agreement. As of the end of the reporting period the balance is €3.934.972 bearing interest rate at 3M Euribor plus 5,25% margin, being repayable in monthly tranches until 2024. At the maturity of the lease agreement First Phase will become owner of the asset.

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

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

28. Related Party Transactions

The following represent transactions with related parties:

28.1 Expenses

The below expenses were recognized during the reporting period:

	30 June 2015	30 June 2014
	€	€
Management Remuneration	467.030	174.714
Board of Directors & Committees	119.628	84.395
SECURE Management Ltd	-	35.176
Total	**586.658**	**294.285**

Management remuneration includes the remuneration of the CEO, CFO the Commercial Director and that of the country directors of Ukraine and Romania pursuant the decisions of the remuneration committee.

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

28.2 Payables to related parties

The amounts below were payables as at the end of the reporting period:

	30 June 2015	31 December 2014
	€	€
Grafton Properties	123.548	123.548
Secure Management Ltd	1.189.966	18.244
Board of Directors & Committees	316.204	193.212
Management Remuneration	160.002	-
Total	**1.789.720**	**335.004**

28.2.1 Board of Directors & Committees
The amount payable represents remuneration payable to non-Executive Directors and members of Committees covering the period ended 30 June 2015 remuneration. The members of the Board of Directors have agreed in order to facilitate the Company's cash flow, to exchange part of their fees related to prior years for shares in the Company's capital. This was approved by the Annual General Meeting of the Company's shareholders.

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

28.2.3 Payable to Secure Management
Payable to Secure Management represents a liability existing at the time of acquisition of the mixed portfolio of Sec South related to accrued management fee, which is under negotiation for eventual write down or off.

28. Related Party Transactions (continued)

28.2 Payables to related parties (continued)

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

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

SC Secure Capital Ltd, the finance subsidiary of the Company has proceeded to provide capital in the form of loans to the Ukrainian subsidiaries of the Company so as to support the acquisition of assets, development expenses of the projects, as well as various operational costs.

Borrower (€)	**Limit**	**Principal as of 30 June 2015**	**Principal as of 31 December 2014**
LLC "TERMINAL BROVARY"	28.827.932	26.882.801	27.578.265
LLC "AISI UKRAINE"	23.062.351	12.275	12.275
LLC "ALMAZ PRES UKRAINE"	8.236.554	140.021	140.021
Total		**27.035.097**	**27.730.561**

All loans from SC Secure Capital Limited to the Company's subsidiaries are USD denominated and in 2014 they generated a forex loss totaling €19.746.111 as a result of devaluation of the Ukrainian Hryvnia during the reporting period.

29. Contingent liabilities

The Group is involved in various legal proceedings in the ordinary course of its business.

29.1 Tax litigation

The Group performed during the reporting period a part of its operations in the Ukraine and therefore 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 interpretation and in some cases, conflicting. Instances of inconsistent opinions between local, regional, and national tax authorities and between the National Bank of Ukraine and the Ministry of Finance are not unusual. Tax declarations are subject to review and investigation by a number of authorities, which are authorised by law to impose severe fines and penalties and interest charges.

Any tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open for longer. These facts create tax risks which are substantially more significant than those typically found in countries with more developed tax systems. Management believes that it has adequately provided for tax liabilities, based on its interpretation of tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

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

29.2 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.

29.3 Other Litigation

The Company has a number of legal cases pending. Management does not believe that the result of these will have a substantial overall effect (in excess of €0,5m) on the Group's financial position. Consequently no such provision is included in the current financial statements.

29.4 Other Contingent Liabilities

The Group had no other contingent liabilities as at 30 June 2015.

30. Commitments

The Group had no commitments as at 30 June 2015.

31. Financial Risk Management

31.1 Capital Risk Management

The Group manages its capital to ensure that it will be able to implement its stated growth strategy in order to maximize the return to stakeholders through the optimization of the debt-equity structure and value enhancing actions in respect of its portfolio of investments. The capital structure of the Group consists of borrowings (note 23), trade and other payables (note 24) deposits from tenants (note 25), taxes payable (note 26) and equity attributable to ordinary shareholders (note 20, issued capital, reserves and retained earnings) as well as to preferred shareholders (note 20.7).

The Group is not subject to any externally imposed capital requirements.

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

31.2 Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liabilities and equity instruments are disclosed in note 3 of the condensed consolidated interim financial statements.

31.3 Categories of Financial Instruments

	Note	**30 June 2015**	**31 December 2014**
		€	**€**
Financial Assets			
Cash at Bank	19	2.832.054	891.938
Total		**2.832.054**	**891.938**
Financial Liabilities			
Interest bearing borrowings	23	55.094.228	18.216.422
Trade and other payables	24	5.130.663	1.869.537
Deposits from tenants	25	755.906	661.410
Finance lease liabilities	27	11.518.237	11.644.976
Taxes payable	26	862.229	431.828
Redeemable preference shares	20	349.325	698.650
Total		**73.710.588**	**33.522.823**

31.4 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 30 June 2015, the Group had not entered into any derivative contracts.

31.5 Economic Market Risk Management

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

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

Interest Rate Risk
The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. On June 30th, 2015, cash and cash equivalent financial assets amounted to €2.832.054 (31 December 2014: € 891.938).

31. Financial Risk Management (continued)

31.5 Economic Market Risk Management (continued)

The Group is exposed to interest rate risk in relation to its borrowings amounting to €55.094.228 (31 December 2014: €18.216.422) as they are issued at variable rates tied to the Libor or Euribor. Management monitors the interest rate fluctuations on a continuous basis and evaluates hedging options to align the Group's strategy with the interest rate view and the defined risk appetite. Although no hedging has been applied for the reporting period, such may take place in the future if deemed necessary in order to protect the cash flow of a property asset through different interest rate cycles.

The Group's exposures to financial risk are discussed also in note 4.

31.6 Credit Risk Management

The Group has no significant credit risk exposure. The credit risk emanating from the liquid funds is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Credit risk of receivables is reduced as the majority of the receivables represent VAT to be offset through VAT income in the future.

31.7 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.

30 June 2015 **€**	Carrying amount	**Total**	Less than one year	From one to two years	More than two years
Financial assets					
Cash at Bank	2.832.054	**2.832.054**	2.832.054	-	-
Financial liabilities					
Interest bearing borrowings	55.094.228	**62.870.420**	14.873.728	16.671.853	31.324.839
Trade and other payables	5.130.663	**5.130.663**	4.702.110	188.759	239.794
Deposits from tenants	755.906	**755.906**	117.387	80.346	558.173
Finance lease liabilities	11.518.237	**16.931.775**	760.565	768.414	15.402.796
Redeemable preference shares	349.325	**349.325**	349.325	-	-
Taxes payable	862.229	**862.229**	862.229	-	-
Total	**73.710.588**	**86.900.318**	**21.665.344**	**17.709.372**	**47.525.602**
Total net liabilities	**70.878.534**	**84.068.264**	**18.833.290**	**17.709.372**	**47.525.602**

31 December 2014 **€**	Carrying amount	**Total**	Less than one year	From one to two years	More than two years
Financial assets					
Cash at Bank	891.938	**891.938**	891.938	-	-
Financial liabilities					
Interest bearing borrowings	18.216.422	**22.319.389**	6.665.533	2.743.797	12.910.059
Trade and other payables	1.869.537	**1.869.537**	1.654.852	73.841	140.844
Deposits from tenants	661.410	**661.410**	161.579	68.973	430.858
Finance lease liabilities	11.644.976	**17.476.135**	766.289	769.922	15.939.924
Redeemable preference shares	698.650	**698.650**	349.325	349.325	-
Taxes payable	431.828	**431.828**	431.828	-	-
Total	**33.522.823**	**43.456.949**	**10.029.406**	**4.005.858**	**29.421.685**
Total net liabilities	**32.630.885**	**42.565.011**	**9.137.468**	**4.005.858**	**29.421.685**

31.8 Net Current Liabilities

The current liabilities amounting to €16.553.095 exceed current assets amounting to €8.158.021 by €8.395.074. As this difference is primarily result of certain of the bank borrowings being repayable with the next 12 months, the Company has entered into discussions with the lenders to restructure such borrowings. In the event that these discussions do not lead to debt restructuring, the Company may need to seek alternative funding solutions.

32. Events after the reporting period

A. Romanian DIY Retail Property Acquisition

Subsequent to the reporting the Group completed the acquisition of 100% interest in BLUEBIGBOX 3 S.R.L ('BLUEBIGBOX'), a DIY retail property in a prime location in Craiova, Romania wholly let to Praktiker, a leading European DIY retailer. The building produces an annualised net operating income ('NOI') of ~€1 million and has a Gross Lettable Area ('GLA') of 9.385 square metres.

The acquisition has been affected through the issuance of 8.618.997 Redeemable Convertible Preference shares ('RCPS') to the vendors which will be either converted to an equal number of ordinary shares or redeemed for €0,7056 per RCPS on 13 July 2016.

B. Change of Authorised Share Capital

In the EGM dated 24 June 2015,the shareholders approved that the authorized share capital of the Company which is currently € 9.906.549.35 divided into: (a) 989.869.935 ordinary shares of € 0,01 each; and (b) 785.000 Redeemable Preference Shares class A of €0,01 each, be increased to €9.992.739,35 divided into: (a) 989.869.935 ordinary shares of € 0,01 each; (b) 785.000 Redeemable Preference Shares Class A of €0,01 each; and (c) 8.618.997 Redeemable Preference Shares Class B of €0,01 each by the creation of 8.618.997 Redeemable Preference Shares Class B of €0,01 each. The above approval has effective date 1 July 2015.

C. Board of directors changes

On 22 July the Company announced the appointment to the Board of Ms. Calypso Nomikos and Mr. Vagharshak Barseghyan as Non-Executive Directors with immediate effect and further announced that Mr. Antonios Achilleoudis and Mr. Robert Sinclair have resigned as non-executive Directors to pursue other business interests.