

**ARCELA INVESTMENTS LTD**  
**REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2021

# ARCELA INVESTMENTS LTD

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## REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2021

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# ARCELA INVESTMENTS LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Nicolaos Sofianos  
Nikolaos Ioannis Dimtsas  
Georgios Engomitis  
Maria Ioannidou  
Andrea Adradjioti  
Nikolaos Argiris Stampoulas Stampoulis

**Company Secretary:**

BSM Secretarial Ltd

**Independent Auditors:**

BDO Ltd  
Certified Public Accountants (CY) and Registered Auditors  
261, 28th October Street (Seafront Road)  
View Point Tower Floors 6, 7 and 8  
P. O. Box 51681  
3507 Limassol, Cyprus

**Registered office:**

44, Ioanni Xakket Street  
Merika House  
Office 5, 6045  
Larnaca, Cyprus

**Bankers:**

Alpha Bank Cyprus Ltd  
National Bank of Greece (Cyprus) Ltd  
Piraeus Bank S.A.  
Credit Suisse AG  
Eurobank Ergasias S.A.  
Alpha Bank S.A.

# ARCELA INVESTMENTS LTD

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2021

### Principal activity and nature of operations of the Company

The Company's primary activity is that of identification, holding and exploitation, in strategic alliance with and/or on behalf of long-term institutional investors, of sustainable greenfield and/or brownfield commercial real estate investment opportunities in growing markets, with emphasis on high ESG impact and local stakeholders engagement.

### Basis for preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These financial statements are the separate (stand-alone) financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used. The Company's ultimate parent Dimand S.A., a company incorporated in Greece prepares consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB. These consolidated financial statements can be obtained from [www.dimand.gr](http://www.dimand.gr). The financial statements have been prepared under the historical cost convention as modified by the remeasurement of financial assets and financial liabilities at fair value through profit or loss.

### Investments in subsidiaries and Joint Ventures

During the year 2021 the following changes were made in the Company's investments portfolio in relation to the previous year.

On February 2, 2021, the Company established the company IQ Karela S.M.S.A and the subsidiary company Severdor Ltd established Filma Estate S.M.S.A. On February 4, 2021, Severdor Ltd transferred Filma Estate S.M.S.A to Company for a consideration of € 25,000.

On April 13, 2021, the Company sold 100% of the shares of the subsidiary Senseco Ltd and indirectly its participation in the Joint Venture of Value Touristiki SA for a consideration of € 6,653,888. The Company recognized a profit of € 1,342,043 in Statement of Profit or Loss and Other Comprehensive Income and specifically in line "Other gains/(losses)". On July 23, 2021, Stivaleous Holdings Ltd, a subsidiary of Cante Holdings Ltd Joint Venture, sold 51% of its shares in Panterra SA. for the initial consideration of € 15,324,367. The price will be finalized at the completion and the start of the project's operation, which is expected within July 2022.

On September 28, 2021, the subsidiary Alabana Ltd acquired 18.33% of the company 3V S.A for a consideration of € 2,946,395, which is a Joint Venture, and at the same time agreed to acquire an additional participation of 36.67% for a consideration of € 5,892,790 until 28.09.2022. The company 3V S.A has in its possession a property (plot) of approximately 18,730 sqm. in Neo Faliro, where the development of a mixed-use complex is planned.

On October 6, 2021, the subsidiary Rodomondas Investments Ltd in execution of the contract dated 06.08.2021, proceed to the sale of 35% of its participation in IQ Hub SA. for the consideration of € 2,605,750, and the subsidiary, recognized a profit of € 542,297. At the same time, the sale of the remaining 65% was pre-agreed upon the completion and start-up of the project.

On October 6, 2021, the subsidiary Gravitousia Holdings Ltd in execution of the contract dated 06.08.2021, proceed to the sale of 35% of its participation in Ourania SA. for the consideration of € 1,373,750 and the subsidiary recognized a profit of € 226,106. At the same time, the sale of the remaining 65% was pre-agreed upon the completion and start-up of the project.

On October 27, 2021, the subsidiary Afflade Ltd acquired the newly established company Mandalinar Ltd for a price of € 1,500.

On November 30, 2021, the subsidiary Oblinarium Holdings Ltd sold 100% of its shares in Top Realty Piraeus S.M.S.A and Piraeus Regeneration Zonas S.M.S.A for a consideration of € 3,721,766 and € 3,041,403 respectively. The subsidiary recognized a gain from loss of control of Top Realty Piraeus S.M.S.A and Piraeus Regeneration Zonas S.M.S.A amounting to € 2,062,764 and € 1,841,579 respectively.

On December 2, 2021, the Copmpany acquired 100% of the shares of Darmania Holdings Ltd for a price of € 48,588 and indirectly acquired 100% of the shares of Bridged-T Ltd. which is a subsidiary of the acquired company.

On December 10, 2021 a preliminary agreement was signed for the sale and transfer of IQ Karela S.M.S.A shares which provides for an advance payment by the buyer of the amount of € 7,953,543 for the purchase of 100% of the shares of the company IQ Karela S.M.S.A.

On December 13, 2021, the Company acquired Alkanor S.M.S.A for a consideration of € 25,000.



# ARCELA INVESTMENTS LTD

## MANAGEMENT REPORT

On December 19, 2021, the Company established subsidiaries Dramar S.M.S.A, Nea Peramos Side Port S.M.S.A and Pefkor S.M.S.A.

### Investment Properties of subsidiaries and joint ventures

At 31.12.2021, the total portfolio of Company's investments include (through the Company, subsidiaries and joint ventures) 12 investment projects in various stages of completion, in urban areas throughout Greece, with uses of offices, residential and hotel complexes, as well as mixed uses, with a total estimated gross development value (GDV) at completion of approximately € 492 million (based on estimates by independent certified appraisers).

Additionally, the fair value of above investment properties at 31.12.2021 and 31.12.2020 analyzed as follows:

Company	FV of Investment Property as at 31.12.2021	FV of Investment Property as at 31.12.2020
Alkanor S.M.S.A	19.223.000	-
IQ Karela S.M.S.A	9.020.000	-
Hub 204 S.M.S.A	4.980.000	4.728.000
Piraeus Regeneration 138 S.M.S.A	1.265.000	1.267.000
Random S.M.S.A	11.705.000	11.622.001
Top Realty Piraeus S.M.S.A	-	1.226.000
Piraeus Regeneration Zonas S.M.S.A	-	1.757.000
Ependitiki Chanion S.A	3.420.000	9.066.000
Evgeneia Homes S.A	700.000	710.000
Rinascita S.A	22.670.000	11.780.000
Piraeus Tower S.A	31.640.000	24.220.000
Ourania Ependitiki S.A	5.870.000	-
IQ Hub S.A	21.575.000	-
3V S.A	17.445.000	-
	<b>149.513.000</b>	<b>66.376.001</b>

It is worth noting that in addition to the cash receipts made from the sales of investments within the year 2021, the Company proceeded with the withdrawal of an additional amount of 12.6 million under the existing loan agreement with the parent company Dimand S.A., for financing its investment programme. In the year 2021, acquisitions of investment properties were made by the companies Alkanor S.M.S.A (amount € 19.5 million), IQ Karela S.M.S.A (amount € 4.8 million), Ourania S.A (amount 5.7 million) and IQ Hub S.A. (amount 12.5 million). Finally, within the year 2021, Alabana Ltd (subsidiary) acquired 18.33% of the shares of the company 3V S.A which owns an investment property with a fair value of €17.5 million as at 31.12.2021.

### Results

For the year 2021, Profit after taxes of the Company amounted to € 9,900,633 against € 16,308,726 in the previous year, decreased by 39%. The decrease in the Company's profits is mainly attributed to valuations of the Company's investments, while at the same time it is important to mention that the profit mix has changed as in the year 2021 the Company realized profits from divestments and dividends amounting to € 10,4 millions while in 2020 the realized profits amounted to € 5 millions.

The Company retained its profitability in fiscal year 2021 as in 2020 and also improved the quality of its earnings, which apart from fair value gains included realized gains from divestments. The Company increased its Net Asset Value, expanded and progressed its investment programme. The main figures for the period 01/01/2021 – 31/12/2021 are presented below:

	FY 2021	FY 2020	Variance%
Investments	78.810.651	51.218.730	54%
Cash and cash equivalents	11.771.791	1.566.952	651%
<b>Total assets</b>	<b>97.786.998</b>	<b>54.671.224</b>	<b>79%</b>
<b>Total equity</b>	<b>59.243.987</b>	<b>49.343.358</b>	<b>20%</b>
Financial liabilities	18.253.178	4.399.916	315%
<b>Total Liabilities</b>	<b>38.543.011</b>	<b>5.327.866</b>	<b>623%</b>
Other operating income	9.454.519	5.254.547	80%

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Other gains/(losses)	1.342.043	(2.420.809)	155%
Finance costs	(1.561.331)	(1.292.602)	21%
<b>Net profit after tax</b>	<b>9.900.629</b>	<b>16.308.726</b>	<b>(39%)</b>

The Company's management is confident for the Company's future prospects, the efficient execution of its investment programme and its overall market positioning to identify and effectively exploit new investment opportunities. This is a forward looking statement that reflects the current view of the Company's management with respect to future events and is subject to risks, uncertainties, estimates, judgements and other factors outlined below.

### Value Creation and Performance Indicators

The Company evaluates its results and performance on a six month basis, identifying promptly and effectively any deviations from the objectives and investment plan and taking corrective measures where necessary. Company's performance is measured using internationally recognized financial performance indicators:

**EBITDA (Earnings Before Interest Taxes Depreciation & Amortization):** The measure adds total depreciation of tangible assets, amortization of intangible assets and interest to earnings before taxes. The higher the measure, the more efficiently the entity operates.

	<b>01.01.2021 - 31.12.2021</b>	<b>01.01.2020 - 31.12.2020</b>
Profit before tax	9.907.106	16.320.980
Depreciation and Amortisation	11.807	11.808
Finance costs( /income) – net	1.556.443	1.287.787
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>11.475.356</b>	<b>17.620.575</b>

The decrease in the Company's EBITDA is mainly attributed to valuations of the Company's investments, while at the same time it is important to mention that the Company retained its profitability in fiscal year 2021 and also improved the quality of its earnings, which apart from fair value gains included realized gains from divestments.

**ROE (Return on Equity):** This ratio divides the Earnings After Taxes from operations by the Equity Average for the last two years. The higher the ratio the more efficient the use of equity.

	<b>01.01.2021 - 31.12.2021</b>	<b>01.01.2020 - 31.12.2020</b>
Net profit after tax	9.900.629	16.308.726
Equity average	54.293.673	39.073.995
<b>ROE</b>	<b>18%</b>	<b>42%</b>

The decrease in the Company's ROE is mainly attributed to the lower Profit after tax for the period (see comments above), as well as to the increase of the Equity Average for the last two years which is indicative of profitability and growth in recent years.

**Net Asset Value (NAV):** The net asset value (NAV) represents the net value of a company and is calculated as the total value of the company's assets minus the total value of its liabilities.

	<b>2021</b>	<b>2020</b>	<b>Variance (%)</b>
<b>NAV</b>	59.243.987	49.343.358	20%

The increase in the Company's NAV is attributed to the retained profitability, growth and expansion of investment programme of the Company in the recent years.

**Net Debt to Assets Ratio:** This ratio is a measure of the financial leverage of the company. It depicts what percentage of the Company's Assets is financed by Net Debt and is a measure of the level of the Company's leverage. It is calculated as Net Debt divided by Total Assets. The smaller the ratio, the smaller the share of loan funds in the total Assets.

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	2021	2020
Financial liabilities	18.253.178	4.399.916
(minus) Cash & Cash equivalents	11.771.791	1.566.952
Total assets	97.786.998	54.671.224
<b>Net Debt to Total Assets</b>	<b>7%</b>	<b>5%</b>

### Principal risks and uncertainties

The Company's operation and performance is exposed to the following principal risks and uncertainties:

**Market risk:** The Company is exposed to price risk to the extent of the value of its subsidiaries and/or joint ventures fluctuates due to changes in the value of their underlying assets (properties). The Company is neither directly exposed to interest rate risk since all of its debt has fixed interest rates nor to foreign exchange risk since it does not hold material assets in foreign currency.

**Liquidity risk:** The Company is exposed to liquidity risk due to mid-term (2-4 years) commitments in relation to its investment programme and its financial liabilities.

In order to mitigate such risk the Company in collaboration with its parent Dimand S.A. monitors, on a regular basis and every time an investment is considered, its expected future cash position to ensure that at maturity of liabilities, adequate cash and other highly liquid current assets are available to service such. The Company and the Group of companies maintain cash reserves and committed undrawn credit facilities and seek to enter into collaboration and/or preliminary exploitation and exit agreements in order to calibrate cash flows accordingly. The following tables detail the Company's remaining contractual maturity for its financial liabilities. The amounts disclosed in the tables below are the contractual undiscounted cash flows. The table includes both interest and principal cash flows:

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	187	187	-	187	-	-
Payables to subsidiaries	7,632,902	7,632,902	-	7,632,902	-	-
Other accounts payable	343,738	343,738	-	343,738	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	18,094,644	24,296,606	-	-	24,296,606	-
Loan from subsidiary	150,380	150,380	-	150,380	-	-
	<b>26,224,002</b>	<b>32,425,963</b>	<b>-</b>	<b>8,129,357</b>	<b>24,296,606</b>	<b>-</b>

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	261	261	-	261	-	-
Payables to subsidiaries	772,538	772,538	-	772,538	-	-
Payable to joint venture	7,500	7,500	-	7,500	-	-
Other accounts payable	141,761	141,761	-	141,761	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	4,231,200	5,864,318	-	-	5,864,318	-
Loan from subsidiary	150,230	150,380	-	150,380	-	-
	<b>5,305,641</b>	<b>6,938,909</b>	<b>-</b>	<b>1,074,591</b>	<b>5,864,318</b>	<b>-</b>



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**Credit risk:** The Company has limited exposure to credit risk due to the fact that a) accounts receivable refer mostly to shareholder contributions toward related parties as part of its investment programme which are subsequently capitalized, b) loans receivable represent loans to related parties. In addition, exit from projects is secured early on, with credit worthy buyers.

The outbreak of the Covid-19 pandemic has the potential to cause disruption to the Company's business and/or environment, although until the date of this report its direct effect has been limited and the Company has not made use of business incentives and/or reliefs available through moratoria to coronavirus stricken entities. Furthermore, the rigorous vaccination program which continues with increasing intensity coupled with fairly encouraging forecasts, both internationally and locally, about the economy, predicting positive growth and recovery in 2022 and return to normality, reaffirm management's assertion about the Company's prospects.

The Company's management has successfully managed the aforementioned risks through a spectrum of policies, actions and collaborations that aim at continuous risk mitigation even before a new investment takes place (i.e. thorough due diligence, execution of preliminary commercial agreements, co-investment schemes, banking and/or intra-group financing arrangements etc.) and has the ability to manage potential disruptions as a result of the coronavirus outbreak.

The Management of the Company and the Group of Dimand S.A, to which it belongs, have carefully examined the appropriateness of adoption of the Going Concern assumption for the preparation of the Company's and the Group's financial statements by critically reviewing the current business uncertainties emanating from COVID-19 pandemic. The Directors have assessed the negative impact of the pandemic of Covid-19 in all markets directly or indirectly the Company conducts its business activity and have concluded that the Company and the Group at large have taken the necessary measures to secure the company's business continuity.

On the basis of the Company's investment programme and funding arrangements already in place, the evaluation performed, the exit agreements reached and the expected recovery from the pandemic crisis, evidenced by the continuing successful vaccination process and the lifting of restrictions, the Company's management has concluded that the adoption of the Going Concern assumption for the continuity of the Company's business activities and the preparation of its financial statements is appropriate.

### Employment relations

The Company does not face serious employment issues. Nevertheless, the Company places great emphasis on the value of human resources and its continuous improvement in all sectors. More specifically, a policy of non-discrimination and equal opportunities is applied, regardless of gender, race, nationality, religion, disability or any other characteristics of employees. A table with the categorization of Company's staff according to the gender of employees for the years 2021 and 2020 is listed below.

Gender	2021	2020
Male	2	1
Female	1	1
Total	3	2

The Board of Directors of the Company consists of 6 members of which 67% are men and 33% women, confirming the policy of non-discrimination and equal opportunities regardless of gender adopted by the Group. The Company is in line with Group policy, which have as their priorities to attract and retain talent characterized by integrity and professionalism by offering equal opportunities both in terms of pay and development opportunities.

### Environmental

The Company and Dimand Group (the "Group") to which it belongs, focuses on projects of high environmental performance and energy efficiency. Moreover, addressing the effects of climate change, being socially responsible and having proper corporate governance (ESG) are top priorities of the Company and the Group.

The Group cooperates with experienced consultants - designers and construction companies in order to obtain at least the LEED (Leadership in Energy and Environmental Design) Gold certification for the majority of the buildings that have been or will be erected in the context of the projects that it undertakes and develops. The main purpose is to ensure transparency and verified performance using the most widely known and accepted standards for green buildings.

Elements that stand out are the increased energy savings, the integration of bioclimatic features, the vegetated areas with Mediterranean plants in the surrounding area, the construction of external surfaces for pedestrians and bicycles, the excellent connection with public transport, the parking spaces with electric vehicle chargers, the water savings using rainwater collection

## MANAGEMENT REPORT

irrigation system and the low potable water consumption throughout the installation of highly efficient faucets, dual-flush toilets and waterless urinals.

The Group and the Company have been a pioneer in the development of certified green building projects, with the development of the first LEED building in Greece in 2013 (KARELA OFFICE PARK building complex), an achievement particularly innovative for that time (source: <https://www.usgbc.org/projects/karela-office-park>). The Group's and Company's increased activity in certified green buildings is evident on the official website of U.S Green Building Council ("USGBC"), which is the official certification body of LEED (Leadership in Energy and Environmental Design).

The Group and the Company, hold a high share in the Greek market of green buildings, and have been active in the development of almost 40% of domestic certified green projects. At the same time, aiming not only at certification but also at enhanced quality, all the Group's projects are at least Gold level and in addition it has in its assets and completed Platinum level projects.

### Dividends

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained for re-investment.

### Share capital

There were no changes in the share capital of the Company during the year.

### Board of Directors

The members of the Company's Board of Directors as at 31 December 2021 and at the date of this report are presented on page 1. All directors were members of the Board of Directors throughout the year ended 31 December 2021.

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

### Events after the reporting period

The following significant events have taken place following year 2021 end:

On 27.01.2022, the shareholders' agreement of Cante Holdings Ltd dated 27.03.2018, between Dimand S.A, Company, European Bank for Reconstruction and Development (EBRD) and D. Andriopoulos, was renewed and amended, whose main terms are as follows: (a) extension of the duration until 2030, (b) increase of the funds to be invested by € 142.8 million, ie to € 204.3 million in total from € 61.5 million, (c) possibility of early participation (with less conditions) in new investments of the Group, and (d) conditional release of the company Arcela Investments Ltd from its guarantees to the EBRD.

On 17.02.2022, the subsidiary company Filma S.M.S.A, signed a preliminary agreement under which the latter pre-agreed the purchase of 50% of the entire property with the existing buildings of the complex of the old FIX factory "FIX Complex", in Thessaloniki, with a total area according to the title of acquisition of 25,211 sqm. for a price of € 5.1 million. The amount of € 0.75 million, of the total consideration was given as an advance payment on the date of signing the preliminary agreement.

On 08.03.2022 the company Kalliga S.M.S.A was established and on 20.04.2022 the latter proceeded to the purchase of an investment property in the Municipality of Filothei-Psychiko, for a consideration of € 2.03 million. On 01.04.2022 the company Kalliga S.M.S.A signed a loan agreement through an overdraft account and on 19.04.2022 made a disbursement of €2 million.

On 28.03.2022, the subsidiary company Alabana Ltd increased its investment in 3V S.A. to 36.66% from 18.33%, which is expected to rise to 55.00% until 28.09.2022. It is noted that an agreement is in force between the shareholders of 3V S.A. which provides that the percentage of participation of Dimand S.A in the company 3V S.A will increase from 55.00% to 68.3% , after a share capital increase with the resignation of the old shareholders. The company 3V S.A. owns an investment property (plot) in Neo Faliro in which the development of a mixed-use complex is planned.

On 29.03.2022, the hotel which was developed by Rinascita S.A. under the Moxy brand of the international Marriott hotel chain started its operations.

On 31.03.2022 the company Piraeus Tower S.A signed a bond loan agreement amounting to € 52.55 million regarding the



## MANAGEMENT REPORT

financing of the development of the Piraeus Tower project.

On 31.03.2022 the joint venture of Ourania S.A proceeded to the purchase of an adjacent plot of land (1,136.63 sqm) with the three (3) plots purchased from 14.06.2021, in the area of "FIX", for a total consideration of €1,1 million.

On 07.04.2022 the preliminary lease agreement of the property of the subsidiary IQ Karela S.M.S.A, where a biotechnology park would be developed, was terminated,. The company will seek alternative forms of development and exploitation.

On 19.05.2022 the company Insignio S.M.S.A, which was established on 28.01.2022, acquired a plot of land of 10,647 sqm in Marousi, Athens, Greece for a price of €20 million in order to develop a sustainable office complex. It is noted that an amount of €1.35 million of the price was given as an advance payment under a preliminary agreement dated on 01.04.2022. On 20.04.2022, a preliminary lease agreement was signed for the entire office complex under development. On 01.04.2022 the company Insignio S.M.S.A. entered into a loan agreement through an overdraft Account amounting to € 16.5 millions.

On 26.05.2022, the subsidiary company DRAMAR S.M.S.A., entered into a preliminary agreement for the purchase of four properties/plots, of 632,225.68 sqm., 65,974.80 sqm., 56,704.85 sqm., and 178,214.44 sqm respectively, in Drama, Greece, for a consideration of €5.1 million. It is noted that an amount of €290 thousand of the total price was given as an advance payment under the preliminary agreement.

On 26.05.2022, the subsidiary company Nea Peramos Side Port S.M.S.A., entered into a preliminary agreement for the purchase of a property of 70,080.00 sqm, in Kavala, Greece, for a consideration of €600 thousand. It is noted that an amount of €30 thousand, of the total price, was given as an advance payment under the preliminary agreement.

On 26.05.2022, the subsidiary company PEFKOR S.M.S.A. entered into a preliminary agreement for the purchase of two properties of 69,150.62 sqm. and 3,981.41 sqm., in Attica, Greece for a price of €2.8 million. It is noted that an amount of €180 thousand of the total price was given as an advance payment under the preliminary agreement.

### **Russia – Ukraine conflict**

At the end of February 2022, Russia's invasion of Ukraine took place, with significant effects on the international macroeconomic environment, such as the turbulence of the international financial markets, the creation of energy crisis, the increase in construction costs, etc. The Company's Management constantly monitors developments and evaluates their results in order to promptly implement any necessary measures, as well as to modify its business plans if required. Management will continue to monitor the situation closely and will assess further the implications as the events continue to evolve with the goal to ensure business continuity and limit any negative impacts.

The combined financial effect of both of these current crises on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the inability to reliably predict and measure the outcome.

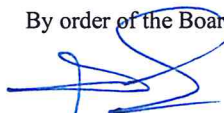
These events are considered as non adjusting events and are therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021.

There are no other events after the reporting period which require disclosure in the Financial Statements.

### **Independent Auditors**

The Independent Auditors, BDO Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Nicolaos Sofianos  
Director

Larnaca, 15/06/22



## Independent Auditor's Report

### To the Members of Arcela Investments Ltd

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the stand-alone financial statements of Arcela Investments Ltd (the "Company"), which are presented on pages 7 to 34 and comprise the statement of financial position as at 31 December 2021, and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Arcela Investments Ltd as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### Basis for Opinion

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

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our auditor's report thereon.

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

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

#### Responsibilities of the Board of Directors for the Financial Statements

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



## Independent Auditor's Report (continued)

### To the Members of Arcela Investments Ltd

#### Responsibilities of the Board of Directors for the Financial Statements (continued)

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

#### Report on Other Legal Requirements

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

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.



## **Independent Auditor's Report (continued)**

### **To the Members of Arcela Investments Ltd**

#### **Other Matter**

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

A handwritten signature in blue ink, consisting of a series of loops and horizontal strokes.

**Yiannis Kapetanios**  
Certified Public Accountant (CY) and Registered Auditor  
for and on behalf of

**BDO Ltd**  
Certified Public Accountants (CY) and Registered Auditors

Limassol, 15/06/2022

## ARCELA INVESTMENTS LTD

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 €	2020 €
Other operating income	8	9,454,519	5,254,547
Fair value gains on financial assets measured at fair value through profit or loss (investments in subsidiaries and joint ventures)	9	1,457,176	15,224,887
Other gains/(losses)	10	1,342,043	(2,420,809)
Selling and distribution expenses		(202,300)	-
Administration expenses	11	<u>(587,888)</u>	<u>(449,858)</u>
<b>Operating profit</b>		<b>11,463,549</b>	<b>17,608,767</b>
Finance income	12	4,888	4,815
Finance costs	12	<u>(1,561,331)</u>	<u>(1,292,602)</u>
<b>Profit before tax</b>		<b>9,907,106</b>	<b>16,320,980</b>
Income tax	13	<u>(6,477)</u>	<u>(12,254)</u>
<b>Net profit for the year</b>		<b>9,900,629</b>	<b>16,308,726</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>9,900,629</b></u>	<u><b>16,308,726</b></u>

The notes on pages 16 to 40 form an integral part of these financial statements.

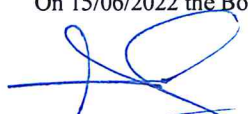


# ARCELA INVESTMENTS LTD

## STATEMENT OF FINANCIAL POSITION 31 December 2021

	Note	2021 €	2020 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	12,482	24,289
Investments in subsidiaries	15	55,183,168	26,245,851
Investments in joint ventures	16	23,627,483	24,972,879
Loans receivable	17	-	142,048
Other receivables	19	-	1,800
		<u>78,823,133</u>	<u>51,386,867</u>
<b>Current assets</b>			
Accounts receivable	18	5,821,589	486,375
Loans receivable	17	931,636	784,983
Other Receivables	19	438,850	446,047
Cash and cash equivalents	20	<u>11,771,791</u>	<u>1,566,952</u>
		<u>18,963,865</u>	<u>3,284,357</u>
<b>Total assets</b>		<u><b>97,786,998</b></u>	<u><b>54,671,224</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21	32,000	32,000
Share premium		16,499,000	16,499,000
Retained earnings		<u>42,712,987</u>	<u>32,812,358</u>
<b>Total equity</b>		<u><b>59,243,987</b></u>	<u><b>49,343,358</b></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	22	18,094,644	4,231,200
Lease liability	23	-	7,425
		<u>18,094,644</u>	<u>4,238,625</u>
<b>Current liabilities</b>			
Accounts payable	24	20,287,334	923,950
Borrowings	22	150,567	150,491
Lease liability	23	7,967	10,800
Current tax liabilities	13	<u>2,500</u>	<u>4,000</u>
		<u>20,448,367</u>	<u>1,089,241</u>
<b>Total liabilities</b>		<u><b>38,543,011</b></u>	<u><b>5,327,866</b></u>
<b>Total equity and liabilities</b>		<u><b>97,786,998</b></u>	<u><b>54,671,224</b></u>

On 15/06/2022 the Board of Directors of Arcela Investments Ltd approved these financial statements for issue.



Nicolaos Sofianos  
Director

The notes on pages 16 to 40 form an integral part of these financial statements.



Nikolaos Ioannis Dimtsas  
Director

## ARCELA INVESTMENTS LTD

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Share capital €	Share premium €	Retained earnings €	Total €
<b>Balance at 1 January 2020</b>		<b>31,000</b>	<b>12,270,000</b>	<b>16,503,632</b>	<b>28,804,632</b>
Net profit for the year		-	-	16,308,726	16,308,726
Issue of share capital	21	1,000	4,229,000	-	4,230,000
<b>Balance at 31 December 2020/ 1 January 2021</b>		<b>32,000</b>	<b>16,499,000</b>	<b>32,812,358</b>	<b>49,343,358</b>
Net profit for the year		-	-	9,900,629	9,900,629
<b>Balance at 31 December 2021</b>		<b>32,000</b>	<b>16,499,000</b>	<b>42,712,987</b>	<b>59,243,987</b>

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 the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. 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 by the Company for the account of the shareholders.

The notes on pages 16 to 40 form an integral part of these financial statements.



# ARCELA INVESTMENTS LTD

## STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 €	2020 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(loss) before tax</b>		<b>9,907,106</b>	<b>16,320,980</b>
Adjustments for:			
Depreciation of property, plant and equipment	14	1,612	1,612
Amortisation of right-of-use asset	14	10,195	10,195
Fair value gains on investments in subsidiaries and joint ventures	9	(1,457,176)	(15,224,887)
Loss on disposal of investments in subsidiaries / associates / joint ventures	10	(1,342,043)	2,420,809
Dividend income	8	(9,080,000)	(5,070,000)
Finance income	12	(4,888)	(4,815)
Finance costs	12	1,561,331	1,292,602
		(403,863)	(253,504)
<b>Changes in working capital:</b>			
Increase in accounts receivable		(86,239)	(405,002)
Increase in other receivables		-	(443,977)
(Decrease)/Increase in accounts payable		205,707	(1,773,956)
<b>Cash flows from operating activities</b>		<b>(284,394)</b>	<b>(2,876,439)</b>
Dividends received		9,080,000	5,070,000
Interest paid		(26,237)	(1,091,739)
Tax paid		(7,980)	(8,254)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>8,761,389</b>	<b>1,093,568</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	14	-	(8,059)
Payments for acquisition/incorporation/contributions to investments in subsidiaries, associates and joint ventures, net of cash acquired	15	(29,838,035)	(9,359,917)
Proceeds from the sale of investment in subsidiary		14,607,431	
Return of invested capital (Share Premium Account decrease)		4,355,000	9,132,500
Loans granted to related parties		-	-
Loan repayments received from related parties		-	-
Interest received		283	210
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(10,875,321)</b>	<b>(235,266)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings to related parties		-	-
Repayment of bank (EBRD) borrowings		-	(7,000,000)
Capital repayments of leases - net of interest from leases		(9,729)	(9,856)
Proceeds from bank (EBRD) borrowings		-	-
Proceeds from borrowings from related parties	22	12,328,500	4,000,000
<b>Net cash (outflow)/inflow from financing activities</b>		<b>12,318,771</b>	<b>(3,009,856)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>10,204,839</b>	<b>(2,151,554)</b>
Cash and cash equivalents at beginning of the year		1,566,952	3,718,506
<b>Cash and cash equivalents at end of the year</b>	20	<b>11,771,792</b>	<b>1,566,952</b>

The notes on pages 16 to 40 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Arcela Investments Ltd (the "Company") was incorporated in Cyprus on 20 March 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 44, Ioanni Xakket street, Merika House, Office 5, 6045, Larnaca, Cyprus.

The Company is controlled by Dimand S.A., incorporated in Greece, which owns 100% of the Company's shares.

#### Principal activity

The Company's primary activity is that of identification, holding and exploitation, in strategic alliance with and/or on behalf of long-term institutional investors, of sustainable greenfield and/or brownfield commercial real estate investment opportunities in growing markets, with emphasis on high ESG impact and local stakeholders engagement.

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

These financial statements are the separate (stand-alone) financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used. The Company's ultimate parent Dimand S.A., a company incorporated in Greece prepares consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB. These consolidated financial statements can be obtained from [www.dimand.gr](http://www.dimand.gr). The financial statements have been prepared under the historical cost convention as modified by the remeasurement of financial assets and financial liabilities at fair value through profit or loss.

### 2.2 Going Concern Considerations

The Management of the Company and the Group of Dimand S.A, to which it belongs, have carefully examined the appropriateness of adoption of the Going Concern assumption for the preparation of the Company's and the Group's financial statements by critically reviewing the current business uncertainties emanating from COVID-19 pandemic. The Directors have assessed the negative impact of the pandemic of Covid-19 in all markets in which directly or indirectly the Company conducts its business activity and have concluded that the Company and the Group at large have taken the necessary measures to secure the company's business continuity.

The outbreak of the Covid-19 pandemic has the potential to cause disruption to the Company's business and/or environment, although until the date of the approval of these financial statements its direct effect has been limited. The Company in 2021 managed to operate in this unfavorable operating environment and achieve satisfactory performance, in fact without making use of business incentives and/or reliefs available to coronavirus affected corporations such as reduced rents, grants, etc. Furthermore, the rigorous vaccination program which continues with increasing intensity coupled with fairly encouraging forecasts, both internationally and locally, about the economy, predicting positive growth and recovery in 2022 and return to normality, reaffirm management's assertion about the Company's prospects.

The Management of the Company and the Group of Dimand S.A., have also assessed the potential impact of the risks emanating from the outbreak of the Russian-Ukraine crisis early in 2022, and other geopolitical risks as a result thereof, and have determined that this is not significant for the Company's and the Group's investment programme and operations.

On the basis of the Company's investment programme and funding arrangements already in place, the evaluation performed, the exit agreements reached and the expected exit from the pandemic crisis, the Company's management has concluded that the adoption of the Going Concern assumption for the continuity of the Company's business activities and the preparation of its financial statements is appropriate.



# ARCELA INVESTMENTS LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### 3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Significant accounting policies

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

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are accounted for in accordance with IFRS 9 Financial Instruments and measured at fair value using the Net Asset Value (NAV) of the assets after taking into account the revaluation of the assets (property freehold and leasehold rights), excluding Deferred tax liabilities, of the subsidiaries at year end by independent accredited appraisers. Fair value gains or losses on investments in subsidiary companies are recognised in profit or loss. Dividends from investments in subsidiaries are recognized in profit or loss when the Company's right to receive payment is established.

#### Joint arrangements

Joint arrangements are arrangements for which the Company has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company recognizes in its financial assets as at 31/12/2021 two investments in Joint Ventures, Cante Holdings Ltd, in which it owns 65% of shares and YITC European Holdings Ltd, in which it owns 20% of shares. The Company has Joint control in these arrangements as it is contractually agreed that major decisions (reserved matters) require the unanimous consent of the two parties sharing control.

Investments in joint arrangements are accounted for in accordance with IFRS 9 Financial Instruments and measured at fair value using the Net Asset Value (NAV) of the assets after taking into account the revaluation of the assets (property freehold and leasehold rights) of the joint ventures at year end by independent accredited appraisers. Fair value gains or losses on investments in joint arrangements are recognised in profit or loss. Dividends from jointly controlled companies are recognised in profit or loss when the Company's right to receive payment is established.

#### Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

#### Finance income

Interest income is recognised on an accrual basis.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which

# ARCELA INVESTMENTS LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

they are approved by the Company's shareholders.

### Finance costs

Interest expense and other borrowing costs are charged to profit or loss on an accrual basis using the effective interest method which incorporates other closely related financial costs.

### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

**(2) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Current and deferred income tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. The income tax expense for the period comprises current and deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity. In this case, the tax is also recognised in other comprehensive income or directly to equity, respectively.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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

Computer hardware	20%
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Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

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

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have any leasing activities acting as a lessor.

The Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Exclude initial direct costs from the measurement of right of use assets at the date of initial application for leases where the right of use asset was determined as if IFRS 16 had been applied since the commencement date;
- (c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- (d) Applied the exemption not to recognise right of use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Company previously classified leases as operating leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for most leases.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the

# ARCELA INVESTMENTS LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to

make over the revised term, which are discounted at the same discount rate that applied on lease commencement.

### Financial Instruments

#### (a) Financial assets

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company's financial assets as at 31.12.2021 consist of investments in subsidiaries and in joint ventures, measured at fair value through profit or loss, accounts receivables (including loans receivable) and cash and cash equivalents.

#### Impairment

Financial assets measured at amortized cost or at fair value through other comprehensive income are subject to impairment. According to IFRS 9, impairment is calculated based on expected credit losses. No credit allowances have been provided during the year.

#### (b) Financial liabilities

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial liabilities are measured at amortized cost unless they are held for trading or are designated as at FVTPL. Interest expenses on financial liabilities measured at amortised cost are calculated using the effective interest rate method and are recognized in profit or loss unless they constitute borrowing costs.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. Financial liabilities are classified as current liabilities, if the payment is due within one year or less; otherwise they are classified as non-current liabilities.

The Company's financial Liabilities as at 31.12.2021 consist of accounts payables and borrowings that are recorded initially at the amount of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

### Share capital

Ordinary (common) shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds, net of tax.



# ARCELA INVESTMENTS LTD

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### Non-current liabilities

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

### Expenses

Expenses are recognized on accrual basis.

### Comparatives

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

### 5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

#### (i) Not adopted by the European Union

##### New standards

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*

##### Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2022).*
- *Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning on or after 1 January 2022).*

### 6. Financial risk management

#### Financial risk factors

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The primary objectives of the financial risk management are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management is carried out by the Board of Directors.

#### a) Market risk

##### i) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is not significantly exposed to foreign exchange risk since the major part of the Company's operations is conducted in Euro which is the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

	2021	Liabilities 2020	2021	Assets 2020
	€	€	€	€
United States Dollars	<u>23</u>	<u>23</u>	<u>-</u>	<u>-</u>
	<u>23</u>	<u>23</u>	<u>-</u>	<u>-</u>

### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2021 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2021	Equity 2020	2021	Profit or loss 2020
	€	€	€	€
United States Dollars	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### ii) 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 Company is not directly exposed to interest rate risk as all of its lendings or borrowings granted or issued are at fixed rates.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2021 €	2020 €
<b>Fixed rate instruments</b>		
Financial assets	921,000	921,000
Financial liabilities	<u>(16,709,700)</u>	<u>(4,150,000)</u>
	<u>(15,788,700)</u>	<u>(3,229,000)</u>

### iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company holds equity securities relative to its investments in subsidiaries/joint ventures which are accounted for in accordance with IFRS 9 "Financial Instruments" and are measured at fair value through profit or loss.

The Company is exposed to price risk to the extent of the value of its subsidiaries and/or joint ventures fluctuates due to changes in the value of their underlying assets (properties).

The Company effectively mitigate the relevant price risk by focusing their investment activity on areas and categories of real estate for which there is increased demand and commerciality at least in the medium term based on current data and forecasts. The Group and the Company also closely monitor and evaluate developments in the real estate market and their properties are valued by independent appraisers. .

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### Sensitivity analysis

A 10% increase in the value of all of the underlying assets (properties) and/or leasehold rights of the subsidiaries and/or joint ventures, would have increased equity and profit or loss by the amounts shown in the table below. A 10% decrease in the value of all of the underlying assets (properties) of the subsidiaries and/or joint ventures for which no binding forward share transfer (exit) agreements are in place to date would have an equal and opposite impact on the profit and other equity

Investment in Subsidiaries/ Joint Ventures	Indirect Holdings (Entities with the Underlying assets (properties))	indirect % shares	Equity		Profit or loss	
			2021 €	2020 €	2021 €	2020 €
Sensoco Ltd (100%)	Value Touristiki S.A (51%)	-	- €	1,247,613 €	- €	1,247,613 €
Kartonera Ltd (100%)	HUB 204 S.A (100%)	100%	498,000 €	472,800 €	498,000 €	472,800 €
IQ Karela S.M.S.A (100%)	-	100%	902,000 €	- €	902,000 €	- €
Pavalia Ltd (100%)	Ependitiki Chanion S.A. (60%)	60%	205,200 €	543,960 €	205,200 €	543,960 €
Rodomondas Ltd (100%)	IQ Hub (65%)	65%	1,402,375 €	- €	1,402,375 €	- €
Oblinarium Ltd (100%)	Top Realty S.A (100%)	-	- €	122,600 €	- €	122,600 €
Oblinarium Ltd (100%)	P.R. 138 S.A (100%)	100%	126,500 €	126,700 €	126,500 €	126,700 €
Oblinarium Ltd (100%)	P.R. Zonas S.A. (100%)	-	- €	175,700 €	- €	175,700 €
Random S.M.S.A (100%)	-	100%	1,170,500 €	1,162,200 €	1,170,500 €	1,162,200 €
Gravitousia Ltd (100%)	Ourania S.A (65%)	65%	381,550 €	- €	381,550 €	- €
Alabana Ltd (100%)	3V S.A (18%)	18%	319,767 €	- €	319,767 €	- €
Alkanor S.M.S.A (100%)	-	100%	1,922,300 €	- €	1,922,300 €	- €
YITC Ltd (20%)	Evgenia S.A. (100%)	20%	14,000 €	14,200 €	14,000 €	14,200 €
Cante Holdings Ltd (65%)	Panterra S.A (51%)	-	- €	340,451 €	- €	340,451 €
	Piraeus Tower S.A. (70%)	46%	1,439,620 €	1,102,010 €	1,439,620 €	1,102,010 €
	Rinascita S.A. (65%)	42%	957,808 €	497,705 €	957,808 €	497,705 €
	Cante Holdings Ltd Total		2,397,428 €	1,940,166 €	2,397,428 €	1,940,166 €
<b>Total</b>			<b>9,339,619 €</b>	<b>5,805,939 €</b>	<b>9,339,619 €</b>	<b>5,805,939 €</b>



# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a significant loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents held at banks and trade and other receivables measured at amortised cost.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted.

The loss allowances for financial assets other than equity investments are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The receivables' balances of the Company relate mainly to amounts towards future share capital increase of subsidiaries that will be capitalised during next year and/or loans to related parties (Note 25) and hence the Company is not exposed to significant credit risk.

### c) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The Company is exposed to liquidity risk due to mid-term (2-4 years) commitments in relation to its investment programme and its financial liabilities.

In order to mitigate such risk the Company in collaboration with its parent Dimand S.A. monitors, on a regular basis and every time an investment is considered, its expected future cash position to ensure that at maturity of liabilities, adequate cash and other highly liquid current assets are available to service such. The Company and the Group of companies maintain cash reserves and committed undrawn credit facilities and seek to enter into collaboration and/or preliminary exploitation and exit agreements in order to caliber cash flows accordingly.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The amounts disclosed in the tables below are the contractual undiscounted cash flows. The table includes both interest and principal cash flows.

<b>31 December 2021</b>	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	187	187	-	187	-	-
Payables to subsidiaries	7,632,902	7,632,902	-	7,632,902	-	-
Other accounts payable	343,738	343,738	-	343,738	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	18,094,644	24,296,606	-	-	24,296,606	-
Loan from subsidiary	<u>150,380</u>	<u>150,380</u>	-	<u>150,380</u>	-	-
	<b><u>26,224,002</u></b>	<b><u>32,425,963</u></b>	<b>-</b>	<b><u>8,129,357</u></b>	<b><u>24,296,606</u></b>	<b>-</b>
<b>31 December 2020</b>	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	261	261	-	261	-	-
Payables to subsidiaries	772,538	772,538	-	772,538	-	-
Payable to joint venture	7,500	7,500	-	7,500	-	-
Other accounts payable	141,761	141,761	-	141,761	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	4,231,200	5,864,318	-	-	5,864,318	-
Loan from subsidiary	<u>150,230</u>	<u>150,380</u>	-	<u>150,380</u>	-	-
	<b><u>5,305,641</u></b>	<b><u>6,938,909</u></b>	<b>-</b>	<b><u>1,074,591</u></b>	<b><u>5,864,318</u></b>	<b>-</b>

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### d) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide superior risk adjusted returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets or reduce debt. The Company's overall strategy remains unchanged from last year.

### Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

Under IFRS 13, the fair value of financial assets that are not traded in an active market is determined by using other valuation techniques such as the Net Asset Value (NAV) of the assets, excluding Deferred tax liabilities.

The Company's investments in subsidiaries and Joint ventures are accounted for in accordance with IFRS 9 Financial Instruments and are measured at fair value using the NAV method of the assets (excluding Deferred tax liabilities) after taking into account the revaluation of the assets (property freehold and leasehold rights) of the subsidiaries/joint ventures at year end by independent accredited appraisers.

### Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2021	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets</b>				
Investments in subsidiaries	-	-	55,183,168	55,183,168
Investments in joint ventures	-	-	23,627,483	23,627,483
<b>Total</b>	<b>-</b>	<b>-</b>	<b>78,810,651</b>	<b>78,810,651</b>
31 December 2020	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets</b>				
Investments in subsidiaries	-	-	26,245,851	26,245,851
Investments in joint venture	-	-	24,972,879	24,972,879
<b>Total</b>	<b>-</b>	<b>-</b>	<b>51,218,730</b>	<b>51,218,730</b>

### 7. Critical accounting estimates and judgments

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### *Judgments/Assumptions*

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Valuation of non-listed investments**

The Company uses valuation methods to value non listed investments. These methods are based on assumptions made by the Board of Directors at the reporting date. Refer to the section "Fair Value estimation" above.

### **8. Other Operating Income**

	2021	2020
	€	€
Rendering of services (Note 25)	374,519	184,547
Dividend income (Note 25)	<u>9,080,000</u>	<u>5,070,000</u>
	<u>9,454,519</u>	<u>5,254,547</u>

Rendering of services income refers to the charge of preliminary investment expenses borne by the Company as part of its investment research and preparation, to the respective investment vehicles, once an investment is secured and the respective vehicle established, on an accrual basis.

### **9. Fair value gains / (losses) on financial assets measured at fair value through profit or loss (investments in subsidiaries and joint ventures)**

	2021	2020
	€	€
Fair value gain/(loss) on investment in joint ventures (Note 16)	(1,345,396)	6,344,686
Fair value gain on investment in subsidiaries (Note 15)	<u>2,802,573</u>	<u>8,880,201</u>
	<u>1,457,176</u>	<u>15,224,887</u>

### **10. Other gains /(losses)**

	2021	2020
	€	€
Subscription in Cante Holdings Ltd (Note 15)	-	(2,420,809)
Gain from the sale of investment in subsidiary (Note 15)	<u>1,342,043</u>	<u>-</u>
	<u>1,342,043</u>	<u>(2,420,809)</u>

### **11. Administration expenses**

	2021	2020
	€	€
Staff costs	31,638	28,902
Repairs and maintenance	-	1,201
Auditors' remuneration	10,100	36,610
Accounting fees	6,000	5,500
Legal fees	6,600	6,300
Professional services fees	387,684	248,743
Advisory fees	122,500	106,000
Depreciation (Note 14)	1,612	1,612
Amortisation of right-of-use asset (Note 14)	10,195	10,196
Other	<u>11,559</u>	<u>4,794</u>
	<u>587,888</u>	<u>449,858</u>



## ARCELA INVESTMENTS LTD

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

The staff costs of the company are analyzed below:

	2021	2020
	€	€
Salaries	28,578	26,433
Social security costs	2,489	1,941
Social cohesion fund	571	528
	<u>31,638</u>	<u>28,902</u>
Average number of employees	<u>2</u>	<u>2</u>

#### 12. Finance income/(costs)

	2021	2020
	€	€
Interest income (Note 25)	4,888	4,815
<b>Finance income</b>	<u>4,888</u>	<u>4,815</u>
Interest expense		
- Bank borrowings	-	(1,036,822)
- Leases	(542)	(944)
- Loans from related parties	(1,535,094)	(231,350)
Sundry finance expenses	(25,695)	(23,487)
<b>Finance costs</b>	<u>(1,561,331)</u>	<u>(1,292,602)</u>
<b>Net finance costs</b>	<u>(1,556,443)</u>	<u>(1,287,787)</u>

The interest income relate to interest from intercompany loans amounting to € 4.605 and interest from bank deposits € 283.

#### 13. Income tax expense

	2021	2020
	€	€
Corporation tax – current year	2,500	4,000
Corporation tax - prior years	3,937	8,223
Special defense contribution – current year	40	31
<b>Charge for the year</b>	<u>6,477</u>	<u>12,254</u>

Corporation tax - prior years amounted to €3,937 relates to the 2020 corporation tax and Corporation tax - current year amounted to €2,500 relates to the provision for 2021 corporation tax.

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defense contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defense contribution at the rate of 17%.

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

### 14. Property, plant and equipment

	2021		
	Computer hardware	Right-of-use asset	Total
	€	€	€
<b>Cost</b>			
01 January 2020	-	30,585	30,585
Additions	8,059	-	8,059
31 December 2020	<u>8,059</u>	<u>30,585</u>	<u>38,644</u>
01 January 2021	8,059	30,585	38,644
Additions	-	-	-
31 December 2021	<u>8,059</u>	<u>30,585</u>	<u>38,644</u>
<b>Accumulated Depreciation</b>			
01 January 2020	-	(2,549)	(2,549)
Depreciation charge	(1,612)	(10,195)	(11,807)
31 December 2020	<u>(1,612)</u>	<u>(12,744)</u>	<u>(14,356)</u>
01 January 2021	(1,612)	(12,744)	(14,356)
Depreciation charge	(1,612)	(10,195)	(11,807)
31 December 2021	<u>(3,224)</u>	<u>(22,939)</u>	<u>(26,163)</u>
<b>Net book amount</b>			
31 December 2020	<u>6,447</u>	<u>17,841</u>	<u>24,288</u>
31 December 2021	<u>4,835</u>	<u>7,646</u>	<u>12,482</u>

The right-of-use asset relates to an agreement for the rental of an office space located in Larnaca, which commenced on 30 September 2019 and expires on 30 September 2022. The monthly lease instalment is €900 per month payable in advance and the incremental borrowing rate used is 4.0%.

### 15. Investments in subsidiaries

	2021	2020
	€	€
Balance at 1 January	26,245,851	7,508,244
Additions (acquisition of subsidiaries)	1,158,588	6,500
Additions (increases of share capital in subsidiaries)	30,288,000	25,761,810
Disposals	(5,311,843)	(15,910,904)
Transfer to capital in Joint Venture	-	-
Fair value gains / (losses) recognized in profit or loss (Note 9)	<u>2,802,573</u>	<u>8,880,201</u>
<b>Balance at 31 December</b>	<u>55,183,168</u>	<u>26,245,851</u>

The details of the subsidiaries are as follows:

# ARCELA INVESTMENTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

	Pavalia Enterprises Ltd	Stivaleous Holdings Ltd	Rodomontas Investments Ltd	Oblinarius Holdings Ltd	Sensico Trading Ltd	Gravitousia Holdings Ltd	Random S.M.S.A.	Enmid Holdings Ltd	Kartonera Ltd	Arcela Finance Ltd	Magromell Ltd	Severdor Ltd	Alabana Holdings Ltd	Afflade Holdings Ltd	Total
Country of incorporation	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	
Principal activities	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Holding of Investment property	Investment Holding	Investment Holding	Provision of Finance	Investment Holding	Investment Holding	Investment Holding	Investment Holding	
% shareholding	100%	-	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	100%	
<b>Balance at 1 January 2020</b>	5,319	116,639	-	995,758	90,434	-	21,550	6,278,544	-	-	-	-	-	-	<b>7,508,244</b>
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	-	1,500	1,000	1,000	1,500	1,500	<b>6,500</b>
Additions (increases of share capital in subsidiaries)	6,078,500	5,976,500	100,500	1,300,000	3,174,310	600,000	4,010,000	1,422,000	1,700,000	500,000	900,000	-	-	-	<b>25,761,810</b>
Disposal of subsidiaries	-	(8,292,653)	-	-	-	-	-	(7,618,251)	-	-	-	-	-	-	<b>(15,910,904)</b>
FV gain/ (loss) on investments recognised in P&L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
- at disposal	-	2,199,514	-	-	-	-	-	(82,293)	-	-	-	-	-	-	<b>-</b>
- at year end	(158,977)	-	(35,507)	78,866	2,045,526	(76,649)	3,828,874	-	1,178,178	(5,457)	(87,873)	(1,000)	(1,500)	-	<b>2,117,222</b>
<b>Balance at 31 December 2020</b>	<b>5,924,842</b>	<b>-</b>	<b>64,993</b>	<b>2,374,624</b>	<b>5,310,270</b>	<b>523,351</b>	<b>7,860,424</b>	<b>-</b>	<b>2,878,178</b>	<b>496,043</b>	<b>813,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,245,851</b>
Country of incorporation	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Greece	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Greece	
Principal activities	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Holding of Investment property	Investment Holding	Investment Holding	Provision of Finance	Investment Holding	Investment Holding	Investment Holding	Holding of Investment property	
% shareholding	100%	-	100%	100%	-	100%	100%	-	100%	100%	100%	100%	100%	100%	
<b>Balance at 1 January 2021</b>	5,924,842	-	64,993	2,374,624	5,310,270	523,351	7,860,424	-	2,878,178	496,043	813,127	-	-	-	<b>-</b>
Incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>500,000</b>
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
Additions (increases of share capital in subsidiaries)	-	-	-	1,300,000	18,000	4,100,000	270,000	-	1,200,000	-	6,000,000	1,200,000	3,000,000	-	<b>2,600,000</b>
Disposal of subsidiaries	-	-	-	-	(5,311,843)	-	-	-	-	-	-	-	-	-	<b>-</b>
FV gain/ (loss) on investments recognised in P&L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>-</b>
- at disposal	-	-	-	-	(16,427)	-	-	-	-	-	-	-	-	-	<b>-</b>
- at year end	1,007,341	-	112,804	(863,468)	-	(633,965)	(193,879)	-	105,689	(6,070)	(69,038)	(19,604)	237,958	-	<b>3,992,818</b>
<b>Balance at 31 December 2021</b>	<b>6,932,183</b>	<b>-</b>	<b>177,797</b>	<b>2,811,156</b>	<b>-</b>	<b>3,989,386</b>	<b>7,936,545</b>	<b>-</b>	<b>4,183,868</b>	<b>489,973</b>	<b>6,744,089</b>	<b>1,180,396</b>	<b>3,237,958</b>	<b>-</b>	<b>7,092,818</b>



## ARCELA INVESTMENTS LTD

	Alkanor S.M.S.A	Filma Estate S.M.S.A	Darmenia Ltd	Pefkor S.M.S.A	Dramar S.M.S.A	Nea Peramos Side Port S.M.S.A	Total
Country of incorporation	Greece	Greece	Cyprus	Greece	Greece	Greece	
Principal activities	Holding of Investment property	Holding of Investment property	Investment Holding	Holding of Investment property	Holding of Investment property	Holding of Investment property	
% shareholding	100%	100%	100%	100%	100%	100%	
Balance at 1 January 2021	-	-	-	-	-	-	26.245.851
Incorporation of new subsidiary	-	-	-	200.000	320.000	40.000	1.060.000
Additions (acquisition of subsidiaries)	25.000	25.000	48.588	-	-	-	98.588
Additions (increases of share capital in subsidiaries)	10.600.000	-	-	-	-	-	30.288.000
Disposal of subsidiaries	-	-	-	-	-	-	(5.311.843)
FV gain/ (loss) on investments recognised in P&L	-	-	-	-	-	-	-
- at disposal	-	-	-	-	-	-	(16.427)
- at year end	(742.083)	(16.671)	(48.588)	(14.815)	(14.935)	(14.495)	2.819.000
Balance at 31 December 2021	9.882.917	8.329	0	185.185	305.065	25.505	55.183.168

On 02 February 2021, the Company incorporated IQ Karela S.M.S.A. with an issued share capital of €500,000 divided into 50,000 ordinary shares with a nominal value of €10. On 31 December 2021, IQ Karela S.M.S.A. issued additional 26,000 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 04 February 2021, the Company purchased 2,500 ordinary shares in Filma Estate S.M.S.A. for the consideration price of €25,000.

On 11 March 2021, Senseco Trading Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €179 each. On 13 April 2021, the Company sold its 100% holding in Senseco Trading Ltd for the consideration price of €6,653,888.

On 27 April 2021, Oblinarius Holdings Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €4,999 each. On 31 May 2021, Oblinarius Holdings Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €7,999 each.

On 14 May 2021, Gravitousia Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,099 each.

On 25 June 2021, Magromell Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €5,999 each.

On 16 September 2021, Alabana Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €2,999 each.

On 12 November 2021, Kartonera Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,199 each.

On 02 December 2021, the Company purchased 3,500 ordinary shares in Darmenia Holdings Ltd for the consideration price of €48,588.

On 08 December 2021, Severdor Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,199 each.

On 09 December 2021, the Company purchased 2,500 ordinary shares in Alkanor S.M.S.A. for the consideration price of €25,000. On 31 December 2021, Alkanor S.M.S.A. issued additional 106,000 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 19 December 2021, the Company incorporated Pefkor S.M.S.A. with an issued share capital of €200,000 divided into 20,000 ordinary shares with a nominal value of €10.

On 19 December 2021, the Company incorporated Dramar S.M.S.A. with an issued share capital of €320,000 divided into 32,000 ordinary shares with a nominal value of €10.

On 19 December 2021, the Company incorporated Nea Peramos Side Port S.M.S.A. with an issued share capital of €40,000

## ARCELA INVESTMENTS LTD

divided into 4,000 ordinary shares with a nominal value of €10.

On 31 December 2021, Random S.M.S.A. issued additional 2,700 ordinary shares with a nominal value of €10 and at a premium of €90 each.

Indirect shareholdings:

- Kartonera Ltd has a 100% ownership in HUB 204 S.A. The latter owns a city block 204, in Piraeus, Greece and plans to develop a mixed-use project following the change of area's zoning, in progress.

- Pavalia Enterprises Ltd has a 60% ownership in Ependitiki Chanion S.A which owns three plots at Akti Kanari, Chania, Greece. Ependitiki Chanion S.A sold two plots in order to mitigate hospitality market related risk and develop the third plot as a residential complex.

- Oblinarius Holdings Ltd has a 100% ownership in Piraeus Regeneration 138 S.M.S.A. The latter owns a plot in Piraeus, Greece and examines two alternative development plans, a residential project or a sustainable office building.

- Rodomontas Investments Ltd has a 65% ownership in IQ HUB S.M.S.A. The latter on 18.01.2021 acquired a 10,253.04 sqm plot in the Municipality of Maroussi, Athens, Greece in order to develop a sustainable office complex for a reputable tenant already secured. The building is under construction and is estimated to be completed by the end of Q4 2022.

- Magromell Ltd has a 100% ownership in IQ Athens S.M.S.A. The latter does not own an investment property at the moment, but on 04.01.2021 signed a binding preliminary contract for the purchase of a former industrial complex at OT 35 of the Municipality of Athens with a plot area of 49,340.75 sqm. making an advance payment of €730 thousand and pre-agreed a total purchase price of €14,220 thousand. IQ Athens plans to develop the existing building facilities and erecting a modern mixed-use complex for exploitation.

- Gravitousia Ltd has a 65% ownership in Ourania Ependitiki S.A. The latter on 14.06.2021 acquired three adjacent plots in the area of Fix of the Municipality of Thessaloniki, with a total area of 6,567.39 sqm, paying a price of €5,500 thousand. In addition, on 31.03.2022 the Ourania Investment SA proceeded to the purchase of a plot of land adjacent to the above-mentioned plots, with an area of 1,136.63 sqm, for a purchase price of €1,057 thousand. The project concerns the construction of an modern office complex on the above plots.

- Alabana Holdings Ltd has a 18.33% ownership in 3V Development of Construction, Urban Planning and Touristic Projects S.A (the "3V S.A."). The 3V S.A owns a property (plot) of approximately 18,730 sqm. in Neo Faliro, where plans to develop a mixed-use bioclimatic complex.

- Afflade Holdings Ltd has a 100% ownership in Mandalinar Holdings Ltd.

On 12 June 2020, the Company entered into a pledge agreement and assignment of claims as the pledgor, Alpha Bank S.A. as pledgee and Random S.M.S.A. as borrower, under which the Company pledged and charged the shares it holds in the borrower to secure the borrower's obligations under a €3,820,000 Loan agreement dd 12/06/2020.

On 27 May 2021, the Company entered into a pledge agreement and assignment of claims as the pledgor, Eurobank S.A as pledgee and IQ KARELA S.M.S.A. as borrower, under which the Company pledged and charged the shares it holds in the borrower to secure the borrower's obligations under a €2,300,000 Loan agreement dd 27/05/2021.

On 22 December 2021, the Company entered into a pledge agreement and assignment of claims as the pledgor, Alpha Bank S.A. as Bondholder agent and pledgee and ALKANOR S.M.S.A. as borrower, under which the Company pledged and charged the shares it holds in the borrower to secure the borrower's obligations under a €11,000,000 Bond Loan agreement dd 22/12/2021.

### 16. Investments in joint ventures

	2021	2020
	€	€
Opening Balance	24,972,879	14,255,203
Transfer from investment in subsidiary	-	-
Additions	-	13,505,490
Reduction of share premium	-	(9,132,500)
Fair value gains / (losses) recognized in profit or loss (Note 9)	(1,345,396)	6,344,686
<b>Balance at 31 December</b>	<b>23,627,483</b>	<b>24,972,879</b>

## ARCELA INVESTMENTS LTD

The details of the joint ventures are as follows:

	Cante Ltd	YITC Ltd	Total
Country of incorporation	Cyprus	Cyprus	
Principal activities	Investment Holding	Investment Holding	
% shareholding	65%	20%	
<b>Balance at 1 January 2020</b>	14.255.203	-	14.255.203
Additions (increases of share capital in joint ventures)	8.994.700	15.000	9.009.700
Company's share in Cante Holdings Ltd valuation gain	4.495.790	-	4.495.790
Reductions (Reductions of joint venture's share premium)	(9.132.500)	-	(9.132.500)
FV gain/ (loss) on investments recognised in P&L			
- at initial recognition	-	-	-
- at disposal	-	-	-
- at year end	6.359.686	(15.000)	6.344.686
<b>Balance at 31 December 2020</b>	<b>24.972.879</b>	<b>-</b>	<b>24.972.879</b>

	Cante Ltd	YITC Ltd	Total
Country of incorporation	Cyprus	Cyprus	
Principal activities	Investment Holding	Investment Holding	
% shareholding	65%	20%	
<b>Balance at 1 January 2021</b>	24.972.879	-	24.972.879
Additions (increases of share capital in joint ventures)	-	-	-
Company's share in Cante Holdings Ltd valuation gain	-	-	-
Reductions (Reductions of joint venture's share premium)	-	-	-
FV gain/ (loss) on investments recognised in P&L			
- at initial recognition	-	-	-
- at disposal	-	-	-
- at year end	(1.345.396)	-	(1.345.396)
<b>Balance at 31 December 2021</b>	<b>23.627.483</b>	<b>-</b>	<b>23.627.483</b>

Cante Holdings Ltd was incorporated in Cyprus on 30 October 2017 with an issued share capital of € 1,000. Cante Holdings Ltd is the joint venture between the Company and the European Bank for Reconstruction and Development in accordance to the subscription agreement dated 18.12.2017 and the shareholder agreement dated on 27.03.2018. On 27.01.2022, the shareholders' agreement between the Company, Cante Holdings Ltd, Dimand S.A., the European Bank for Reconstruction and Development (EBRD) and D. Andriopoulos, was renewed and amended, whose main terms are as follows: (a) extension of the duration until 2030, (b) increase of the funds to be invested by € 142.8 million, ie to € 204.3 million in total from € 61.5 million, (c) possibility of early participation (with less conditions) in new investments of the Group, and (d) conditional release of the company Arcela Investment Ltd from its guarantees to the EBRD.

YITC European Trading Ltd was classified as Joint Venture on 21 June 2019.

Indirect shareholdings:

- Cante Holdings Ltd has a 100% ownership in Emid Holdings Ltd and Stivaleous Holdings Ltd. Emid Holdings Ltd has a 65% ownership in Rinscitta SA, which develops a 3-star hotel at 65 Stadiou str., Athens, Greece. Also, Cante Holdings Ltd has a 70% holding in Piraeus Tower S.A., which was established on 13 February 2020 jointly in Greece by Cante Holdings Ltd and Prodea Investments R.E.I.C. Cante Holdings Ltd subscribed for 70% of its initial share capital of € 2,900,000. Piraeus Tower S.A., signed on 6 July 2020 a 99-year concession agreement with the Municipality of Piraeus for the exploitation of the Piraeus Tower.



## ARCELA INVESTMENTS LTD

- YITC European Trading Ltd has a 100% ownership in Evgenia Homes S.A. The latter plans to develop an office complex or a hospitality project at Themistokleous str., Piraeus, Greece.

### 17. Loans receivable

			2021	2020
Name	Interest rate	Maturity date	€	€
YITC European Trading Ltd (Joint Venture)	0.5%	30/06/2022	142,753	142,048
Venadektos Holdings Ltd (related party)	0.5%	31/12/2021	121,304	120,704
Oblinarius Holdings Ltd (subsidiary)	0.5%	31/12/2021	667,579	664,279
			<u>931,636</u>	<u>927,031</u>
Less current portion			<u>(931,636)</u>	<u>(784,983)</u>
Non-current portion			<u>-</u>	<u>142,048</u>

The loans are repayable as follows:

	2021	2020
	€	€
Within one year	931,636	784,983
Between one and five years	<u>-</u>	<u>142,048</u>
	<u>931,636</u>	<u>927,031</u>

In accordance with the loan agreement dated 21 June 2019 up to the amount of 250,000 the Company lent the amount of € 141,000 to YITC European Trading Ltd.

In accordance with the loan agreement dated 25 July 2019 up to the amount of 150,000 the Company lent the amount of € 120,000 to Venadektos Holdings Ltd.

In accordance with the loan agreement dated 31 July 2019 the Company lent the amount of € 660,000 to Oblinarius Holdings Ltd. The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

### 18. Accounts receivable

	2021	2020
	€	€
Receivables from subsidiaries (Note 25)	5,719,779	486,315
Receivables from related companies (Note 25)	<u>101,810</u>	<u>60</u>
	<u>5,821,589</u>	<u>486,375</u>

The receivables from subsidiaries relate to contributions from Arcela Investments Ltd to its subsidiaries, towards Share Capital Increase. The share capital increases will take place in year 2022 (Note 25). The exposure of the Company to credit risk and impairment losses in relation to accounts receivables is reported in note 6 of the financial statements.

### 19. Other receivables

	2021	2020
	€	€
Guarantees	2,150	2,150
Prepayments	2,626	234,249
Accrued income	374,519	184,547
Refundable VAT	55,622	25,701
Refundable bank interest	<u>3,933</u>	<u>-</u>
	<u>438,850</u>	<u>447,847</u>

Non-current assets	-	1,800
Current assets	<u>438,850</u>	<u>446,047</u>

Accrued income refers to preliminary investment expenses charged to subsidiary investment vehicles once the investment is secured and the Company has the right to charge such expenses.

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### 20. Cash and cash equivalents

Cash balances are analysed as follows:

	2021 €	2020 €
Cash at bank (EUR)	<u>11,771,791</u>	<u>1,566,952</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

### 21. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €1 each	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>

Issued and fully paid	Number of shares	Ordinary shares	Share premium	Total
1 January 2020	31,000	31,000	12,270,000	12,301,000
Increase of share capital	<u>1,000</u>	<u>1,000</u>	<u>4,229,000</u>	<u>4,230,000</u>
31 December 2020	<u>32,000</u>	<u>32,000</u>	<u>16,499,000</u>	<u>16,531,000</u>
1 January 2021	32,000	32,000	16,499,000	16,531,000
Increase of share capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2021	<u>32,000</u>	<u>32,000</u>	<u>16,499,000</u>	<u>16,531,000</u>

### 22. Borrowings

	2021 €	2020 €
<b>Current borrowings</b>		
Bank overdrafts	187	261
Loan from related party (Note 25)	<u>150,380</u>	<u>150,230</u>
	150,567	150,491
<b>Non-current borrowings</b>		
Loan from related party (Note 25)	<u>18,094,644</u>	<u>4,231,200</u>
<b>Total</b>	<u>18,245,211</u>	<u>4,381,691</u>

Maturity of non-current borrowings:

	2021 €	2020 €
Between one to two years	-	-
Between two and five years	<u>18,094,644</u>	<u>4,231,200</u>
	<u>18,094,644</u>	<u>4,231,200</u>

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On 27 January 2019 the Company entered into a loan agreement with subsidiary Kartonera Ltd for an amount up to € 221,000, and maturity date 31 December 2021. The loan has a fixed interest rate of 0,1% and the capital amount withdrawn was € 150.000.

On 11 June 2020, the Company entered into a loan agreement with Dimand S.A. for an amount of €4,000,000 and maturity date 31 December 2024. The loan has a fixed interest rate of 10%, plus a handling fee charge of 0.2% and is subject to an increased cost clause. On 11 January 2021, the Company entered into an amendment agreement to extend the principal amount from €4,000,000 to €12,201,000. On 13 May 2021, the Company entered into another amendment agreement to extend the principal amount from €12,201,000 to €16,328,500. The amount of 18.094.644 includes the accrued interest from the beginning of the loan.

### 23. Lease liability

	2021	2020
	€	€
Balance at 1 January	18,225	28,081
Additions	-	-
Repayments	(10,800)	(10,800)
Interest for the year	542	944
<b>Balance at 31 December</b>	<b>7,967</b>	<b>18,225</b>

Current portion of the lease liability is €7,967.

The lease liability relates to an agreement for the rental of an office space located in Larnaca, which commenced on 30 September 2019 and expires on 30 September 2022. The monthly lease instalment is €900 per month payable in advance and the incremental borrowing rate used is 4.0%.

### 24. Accounts payable

	2021	2020
	€	€
Shareholder's Contribution towards Share Capital Increase (Note 25)	2,151	2,151
Accruals	19,500	129,086
Accruals related to Shareholder	170,000	
Other creditors	154,238	9,835
Advances from customers	7,953,543	-
Payable to joint venture (Note 25)	4,355,000	7,500
Payables to subsidiaries (Note 25)	7,632,902	772,538
Payable to shareholder (Note 25)	-	2,840
	<b>20,287,334</b>	<b>923,950</b>

Accruals refer mainly to preliminary investment expenses due to parent Dimand S.A.

Advances from customers relate to funds received for the sale of IQ Karella S.M.S.A. in 2022. More specifically, On 10 December 2021 a preliminary agreement was signed for the sale and transfer of IQ Karela S.M.S.A shares which provides for an advance payment by the buyer of the amount of € 7,953,543 for the purchase of 100% of the shares of the company IQ Karela S.M.S.A.

The amount in line "Payable to joint venture" refers to a prepayment by Joint Venture Cante holdings Ltd in framework of the decision for a reduction of share capital. As the required procedure (court decision) has not been completed by the reporting date, the amount is shown as a liability to related parties. The procedures are expected to be completed within 2022. The said amount is not considered to carry liquidity risk.





# ARCELA INVESTMENTS LTD

## Related Party Balances

### A. Receivables

	2021					2020		
	Receivables					Receivables		
	from subsidiaries, joint venture, and related parties					from subsidiaries, joint venture, and related parties		
	Contributions towards Share Capital Increase (Note 18)	Loans (Note 17)	Participation in Share Capital (Note 18)	Services Rendered (Note 18)	Accrued Income (Note 19)	Receivables from subsidiaries, joint venture, and related parties	Contributions towards Share Capital Increase (Note 18)	Loans (Note 17)
	€	€	€	€	€	€	€	€
Kartonera Ltd	384,898.15	-	-	-	-	-	75,398	-
Sensico Trading Ltd	-	-	-	-	-	-	11,560	-
Emid Holdings Ltd	560.00	-	-	-	-	-	560	-
Pavalia Enterprises Ltd	224,542.19	-	-	-	-	-	-	-
Stivaleous Holdings Ltd	10,560.00	-	-	-	-	-	10,560	-
Rodomonias Investments Ltd	4,780,000.00	-	-	-	-	-	384,560	-
Gravitousia Holdings Ltd	-	-	-	-	-	-	-	-
YITC European Trading Ltd	-	142,753	-	-	-	-	-	142,048
Venadektos Holdings Ltd	-	121,304	-	-	-	-	-	120,704
Oblinartium Holdings Ltd	-	667,579	-	-	-	-	-	664,279
Dimand Real Estate (Cyprus) Ltd	60.00	-	-	-	-	-	60	-
Nagromel Ltd	-	-	-	-	-	-	2,338	-
Severdor Ltd	282,338.45	-	-	-	26,316	-	1,338	-
IQ Athens S.M.S.A	58,480.00	-	-	-	-	-	-	-
IQ Hub S.M.S.A	-	-	-	-	-	-	-	-
Ourania S.M.S.A	-	-	-	30,950	-	-	-	-
Random S.M.S.A	-	-	-	-	-	-	-	-
Afflade Ltd	16,000.00	-	-	-	-	-	-	-
Darmenia Ltd	32,000.00	-	-	-	-	-	-	-
Petromelidi	-	-	1,200	-	-	-	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-	10,526	-	-	-
Dramar S.M.S.A	-	-	-	-	10,526	-	-	-
Pefkor S.M.S.A	-	-	-	-	10,526	-	-	-
Filma Estate S.M.S.A	-	-	-	-	51,053	-	-	-
Alkanor S.M.S.A	-	-	-	-	240,571	-	-	-
3V S.A	-	-	-	-	25,000	-	-	-
	5,789,439	931,636	1,200	30,950	374,519	486,375	927,031	

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### B. Payables

	2021					2020		
	Payables					Payables		
	Payables to subsidiaries, joint venture, and related parties					Payables to subsidiaries, joint venture, and related parties		
	Due Share Capital to subsidiaries (Note 24)	Due Initial Share Capital (Note 24)	Contributions towards Share Capital Increase (Note 24)	Loan (Note 22)	Other Liabilities (Note 24)	Contributions towards Share Capital Increase (Note 24)	Due Initial Share Capital (Note 24)	
	€	€	€	€	€	€	€	€
Cante Ltd	-	-	-	-	4,355,000	-	-	-
YTTC European Trading Ltd	-	-	-	-	-	6,000	1,500	1,500
Gravitousia Holdings Ltd	720,740	-	-	-	-	45,940	-	-
Oblinarium Holdings Ltd	-	-	-	-	-	59,940	1,500	1,500
Pavalia Enterprises Ltd	-	-	-	-	-	165,658	-	-
Kartonera Ltd	-	-	-	150,380	-	-	-	-
Arcele Finance Ltd	491,500	-	-	-	-	496,500	-	-
Alabama Holdings Ltd	43,000	-	-	-	-	-	1,500	1,500
Afflade Holdings Ltd	-	-	-	-	-	-	-	-
Dimand S.A.	-	-	2,151	18,094,644	-	2,151	-	-
Magromell Ltd	5,817,662	-	-	-	170,000	-	-	-
Nea Peramos Side Port S.M.S.A	-	40,000	-	-	-	-	-	-
Dramar S.M.S.A	-	320,000	-	-	-	-	-	-
Pefkor S.M.S.A	-	200,000	-	-	-	-	-	-
	7,072,902	560,000	2,151	18,245,024	4,525,000	776,189	-	6,000

### C. Compensation paid to Key management and Administrative Executives

	2021	2020
Short term benefits	28,578	28,902
Total	28,578	28,902



## 26. Contingent liabilities

### Taxation

The company's activities are principally concerned with the holding of investments outside Cyprus. There are limited operating activities in Cyprus referring to administration and investment management services received and/or provided and occasionally intragroup financing arrangements. Management's assertion regarding the tax status of the company in Cyprus is that based on prevailing tax legislation, companies holding investments outside Cyprus are exempt from taxes and accordingly no material tax liability is expected to arise in the future. However, as advised by local experts in this field, Cyprus tax legislation may be subject to varying interpretations and the activities of the Company which have not been challenged in the past may be challenged by the tax authorities as a result of which taxes, penalties and interest may be assessed. Neither the basis of the authorities' challenge nor the nature of the charges, if any can be predicted. Fiscal periods remain open for review by the taxation authorities in respect of taxes for the six calendar years preceding the year of review. Under certain circumstances, reviews may cover longer periods.

## 27. Commitments

The Company had no capital or other commitments as at 31 December 2021.

## 28. Events after the reporting period

The following significant events have taken place following year 2021 end:

On 27.01.2022, the shareholders' agreement of Cante Holdings Ltd dated 27.03.2018, between Dimand S.A, Company, European Bank for Reconstruction and Development (EBRD) and D. Andriopoulos, was renewed and amended, whose main terms are as follows: (a) extension of the duration until 2030, (b) increase of the funds to be invested by € 142.8 million, ie to € 204.3 million in total from € 61.5 million, (c) possibility of early participation (with less conditions) in new investments of the Group, and (d) conditional release of the company Arcela Investment Ltd from its guarantees to the EBRD.

On 17.02.2022, the subsidiary company Filma S.M.S.A, signed a preliminary agreement under which the latter pre-agreed the purchase of 50% of the entire property with the existing buildings of the complex of the old FIX factory "FIX Complex", in Thessaloniki, with a total area according to the title of acquisition of 25,211 sqm. for a price of € 5.1 million. The amount of € 0.75 million, of the total consideration was given as an advance payment on the date of signing the preliminary agreement.

On 08.03.2022 the company Kalliga S.M.S.A was established and on 20.04.2022 the latter proceeded to the purchase of an investment property in the Municipality of Filothei-Psychiko, for a consideration of € 2.03 million. On 01.04.2022 the company Kalliga S.M.S.A signed a loan agreement through an overdraft account and on 19.04.2022 made a disbursement of €2 million.

On 28.03.2022, the subsidiary company Alabana Ltd increased its investment in 3V S.A. to 36.66% from 18.33%, which is expected to rise to 55.00% until 28.09.2022. It is noted that an agreement is in force between the shareholders of 3V S.A. which provides that the percentage of participation of Dimand S.A in the company 3V S.A will increase from 55.00% to 68.3% , after a share capital increase with the resignation of the old shareholders. The company 3V S.A. owns an investment property (plot) in Neo Faliro in which the development of a mixed-use complex is planned.

On 29.03.2022, the hotel which was developed by Rinascita S.A under the Moxy brand of the international Marriott hotel chain started its operations.

On 31.03.2022 the company Piraeus Tower S.A signed a bond loan agreement amounting to € 52.55 million regarding the financing of the development of the Piraeus Tower project.

On 31.03.2022 the joint venture of Ourania SA proceeded to the purchase of an adjacent plot of land (1,136.63 sqm) with the three (3) plots purchased from 14.06.2021, in the area of "FIX", for a total consideration of €1,1 million.

On 07.04.2022 the preliminary lease agreement of the property of the subsidiary IQ Karela S.M.S.A, where a biotechnology park would be developed, was terminated,. The company will seek alternative forms of development and exploitation.

On 19.05.2022 the company Insignio S.M.S.A, which was established on 28.01.2022, acquired a plot of land of 10,647 sqm in Marousi, Athens, Greece for a price of €20 million in order to develop a sustainable office complex. It is noted that an amount of €1.35 million of the price was given as an advance payment under a preliminary agreement dated on 01.04.2022. On 20.04.2022, a preliminary lease agreement was signed for the entire office complex under development. On 01.04.2022 the company Insignio S.M.S.A. entered into a loan agreement through an overdraft Account amounting to € 16.5 millions.

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On 26.05.2022, the subsidiary company DRAMAR S.M.S.A., entered into a preliminary agreement for the purchase of four properties/plots, of 632,225.68 sqm., 65,974.80 sqm., 56,704.85 sqm., and 178,214.44 sqm respectively, in Drama, Greece, for a consideration of €5.1 million. It is noted that an amount of €290 thousand of the total price was given as an advance payment under the preliminary agreement.

On 26.05.2022, the subsidiary company Nea Peramos Side Port S.M.S.A., entered into a preliminary agreement for the purchase of a property of 70,080.00 sqm, in Kavala, Greece, for a consideration of €600 thousand. It is noted that an amount of €30 thousand, of the total price, was given as an advance payment under the preliminary agreement.

On 26.05.2022, the subsidiary company PEFKOR S.M.S.A. entered into a preliminary agreement for the purchase of two properties of 69,150.62 sqm. and 3,981.41 sqm., in Attica, Greece for a price of €2.8 million. It is noted that an amount of €180 thousand of the total price was given as an advance payment under the preliminary agreement.

### **Russia – Ukraine conflict**

At the end of February 2022, Russia's invasion of Ukraine took place, with significant effects on the international macroeconomic environment, such as the turbulence of the international financial markets, the creation of energy crisis, the increase in construction costs, etc. The Company's Management constantly monitors developments and evaluates their results in order to promptly implement any necessary measures, as well as to modify its business plans if required. Management will continue to monitor the situation closely and will assess further the implications as the events continue to evolve with the goal to ensure business continuity and limit any negative impacts.

The combined financial effect of both of these current crises on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the inability to reliably predict and measure the outcome.

These events are considered as non adjusting events and are therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021.

There are no other events after the reporting period which require disclosure in the Financial Statements.

**Independent auditor's report on pages 9 to 11.**