

ARCELA INVESTMENTS LTD
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2022

ARCELA INVESTMENTS LTD

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2022

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ARCELA INVESTMENTS LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Nicolaos Sofianos
Nikolaos Ioannis Dimtsas
Georgios Engomitis
Maria Ioannidou (resigned on 4 November 2022)
Andrea Adradjioti
Nikolaos Argiris Stampoulis Stampoulis
Anna Chalkiadaki (appointed on 4 November 2022)

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
Piraeus Bank S.A.
Credit Suisse AG
Eurobank Ergasias S.A.
Alpha Bank S.A.

ARCELA INVESTMENTS LTD

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2022.

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 of the Company. 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. 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 2022 the following changes occurred in the Company's investments portfolio in relation to the previous year.

On 28.01.2022, the Group, through its subsidiary Severdor Ltd, established the company Insignio S.M.S.A. The Group holds, as of December 31, 2022, 100% of the shares of Insignio S.M.S.A..

On 08.03.2022 and 03.05.2022, the Group, through its subsidiary Oblinarium Ltd, established the companies Kalliga Estate S.M.S.A. and Thomais S.M.S.A., respectively. The Group holds as of 31.12.2022, 100% of the shares of Kalliga Estate S.M.S.A. and Thomais S.M.S.A..

On 24.03.2022, 29.04.2022 and 29.06.2022, the Group, through Arcela Investments Ltd, established the companies Apellou S.M.S.A., Citrus S.M.S.A. and Iovis S.M.S.A.. The Group holds, as of December 31, 2022, 100% of the shares of Apellou S.M.S.A., Citrus S.M.S.A. and Iovis S.M.S.A..

On 28.03.2022 and 28.09.2022, the subsidiary company Alabana Ltd acquired an additional 18.33% and 18.33%, respectively, of the company 3V S.A., for a consideration of €5,886,355, which is a joint venture. In addition, Alabana participated in the share capital increase of the company 3V S.A. which took place on 28.12.2022 paying an amount of €1,335,173 corresponding to 55/70 as agreed in the shareholders' agreement and the final percentage of participation in the joint venture on 31.12.2022 reached 57.26%. The Company 3V S.A. owns a property (plot) of c. 18,730 sq.m. in Neo Faliro, in which the development of a mixed-use complex is planned. On 15.12.2022, the joint venture 3V S.A. proceeded with the acquisition of a 787 sq.m. plot adjacent to the existing property for €1,150,000.

On 01.08.2022, the Company amended its cooperation with Premia Properties regarding the property owned by the subsidiary IQ Karela S.M.S.A. in Paiania, following the termination of the lease agreement for a biotechnology park to be developed in this property. In particular, the Company (a) terminated the preliminary agreement dated 10.12.2021 for the transfer of shares of IQ Karela S.M.S.A. with the return of the advance payment of €7,953,543 (b) proceeded to the transfer to Premia Properties, of 40% of the shares of IQ Karela S.M.S.A. for an amount of €3,006,659 and at the same time agreed to transfer the remaining 60% of its shares to Premia Properties upon completion of the development of the property as an office complex and its commencement of operation. IQ Karela S.A. from 01.08.2022 onwards has been classified as a joint venture, see the relevant note 16.

On 30.12.2022, the subsidiary company Rodomontas Ltd, sold the participation it held (65%) in the joint venture IQ Hub S.A for an amount of €9,989,416. The joint venture IQ Hub A.E. on 18.01.2021, purchased a plot of land of 10,253.04 sq.m. in the Municipality of Amarousion, at Agios Thoma, on which, the construction of a sustainable complex of modern offices (Kaizen Campus) was completed within the fiscal year 2022.

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Investment Properties of subsidiaries and joint ventures

At 31.12.2022, the total portfolio of Company's investments includes (through the Company, subsidiaries and joint ventures) 16 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 € 906 million (based on estimates by independent certified appraisers).

Additionally, the fair value of above investment properties at 31.12.2022 and 31.12.2021 was as follows:

Company	FV of Investment Property as at 31.12.2022 €	FV of Investment Property as at 31.12.2021 €
Alkanor S.M.S.A	19,800,000	19,223,000
IQ Karela S.M.S.A	8,880,000	9,020,000
Hub 204 S.M.S.A	5,190,000	4,980,000
Piraeus Regeneration 138 S.M.S.A	1,850,000	1,265,000
Random S.M.S.A	11,760,000	11,705,000
Apelou Estate S.M.S.A	6,200,000	-
Citrus S.M.S.A.	1,990,000	-
Filma Estate S.M.S.A.	10,520,000	-
Insignio	27,490,000	-
Kalliga Estate S.M.S.A.	3,560,000	-
Ependitiki Chanion S.A	3,564,000	3,420,000
Evgeneia Homes S.A	860,000	700,000
Rinascita S.A	26,310,000	22,670,000
Piraeus Tower S.A	77,771,391	56,980,767
Ourania Ependitiki S.A	18,270,000	5,870,000
IQ Hub S.A	-	21,575,000
3V S.A	18,690,000	17,445,000
	242,705,391	174,853,767

It is worth noting that in addition to the cash generated from the sales of investments during 2022, the Company's liquidity was improved with an additional amount of 44.9 million following the increase in share capital as a result of the successful public offering of the shares of parent company Dimand on July 2022. During 2022, acquisitions of investment properties were made by the companies Insignio S.M.S.A. (amount 20.9 million), Filma Estate S.M.S.A (amount € 9.7 million), Citrus S.M.S.A (amount € 1.9 million), Apellou Estate S.M.S.A. (amount 6.5 million), Ourania S.A (amount 1.1 million) and Kalliga Estate S.M.S.A. (amount 2.1 million). Finally, Alabana Ltd (subsidiary) acquired 38.93% (amount 5.9 million) of the shares of the company 3V S.A which owns an investment property with a fair value of €18.7 million as at 31.12.2022.

Results

For the year 2022, losses after taxes of the Company amounted to € 3,071,654 compared to profits after taxes amounting to € 9,900,629 in the previous year, decreased by 131%. The EBITDA of the Company for the year amounted to € 4,309,196 compared to € 11,457,629 in the previous year, decreased by 62%. The decrease in the Company's profits is mainly attributed to the increased interest expenses (see note 12), the decreased dividend income (see note 8) and the decreased gains from sale of investments in subsidiary (see note 10) as well as the decrease in the valuation of the Company's investment in Cante Holdings Ltd, as a result of dividend distribution of € 7.57 million during 2022.

The Company increased its Net Asset Value, expanded and progressed its investment programme. The main figures for the period 01.01.2022 – 31.12.2022 are presented below:

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	FY 2022	FY 2021	Δ%
Investments	128,353,796	78,810,651	63%
Cash and cash equivalents	1,577,526	11,771,791	(87%)
Total assets	131,991,652	97,786,998	35%
Total equity	101,672,335	59,243,987	72%
Financial liabilities	23,751,194	18,245,211	30%
Total Liabilities	30,319,319	38,543,011	(21%)
Other operating income	5,164,176	9,454,519	(45%)
Other gains/(losses)	(63,699)	2,799,220	(102%)
Finance costs	(7,369,444)	(1,561,331)	372%
Net (loss)/profit after tax	(3,071,654)	9,900,629	(131%)

The Company's management is confident about 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 forward looking statement reflects the current view of the Company's management with respect to future events and is subject to the risks, uncertainties, estimates, judgements and other factors outlined below, as well as the geopolitical developments in the region.

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. The 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.

	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
(Loss)/profit before tax	(3,067,201)	9,907,106
Depreciation and Amortisation	9,258	11,807
Finance costs(/income) – net	7,367,139	1,556,443
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4,309,196	11,475,356

The decrease in the Company's EBITDA is mainly attributed to the decrease in the realized gains derived from disinvestments and in the valuation of the Company's investment in Cante Holdings Ltd, as a result of the dividend distribution of € 7,57 million during 2022.

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

	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net profit after tax	(3,071,654)	9,900,629
Equity average	80,458,161	54,293,673
ROE	(4%)	18%

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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.

	2022	2021	Variance (%)
NAV	101,672,335	59,243,987	72%

The increase in the Company's NAV is attributed mainly to the increase of share capital, due to the expansion and progression of the Company's investment programme.

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.

	2022	2021
Financial liabilities	23,751,194	18,245,211
(minus) Cash & Cash equivalents	1,577,526	11,771,791
Net Debt	22,173,667	6,473,420
Total assets	131,991,652	97,786,998
Net Debt to Total Assets	17%	7%

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 that the value of its subsidiaries and/or joint ventures fluctuates due to changes in the cost/value of their underlying assets (properties). The Company has limited interest rate risk since its debt includes only fixed interest rate loans. However, management monitors, identifies, evaluates and takes the necessary measures to hedge against the risk for interest rate changes under certain conditions. In particular, the Company's policy is to minimize this exposure by essentially monitoring market developments with regard to the interest rates changes and applying the appropriate strategy in each case, using appropriate hedging instruments. Finally, the Company is not exposed 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 is carefully assessed to ensure that at maturity of liabilities, adequate cash and other highly liquid current assets are available to service the debt. 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:

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31 December 2022	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Payables to subsidiaries	1,511,305	1,511,305	-	1,511,305	-	-
Payables to related parties	272	272	-	272	-	-
Other accounts payable	285,396	285,396	-	285,396	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	23,720,704	28,806,517	-	-	28,806,517	-
Loan from subsidiary	<u>30,490</u>	<u>30,490</u>	-	<u>30,490</u>	-	-
	<u>25,550,318</u>	<u>30,636,131</u>	-	<u>1,829,614</u>	<u>28,806,517</u>	-
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	<u>150,380</u>	<u>150,380</u>	-	<u>150,380</u>	-	-
	<u>26,224,002</u>	<u>32,425,963</u>	-	<u>8,129,357</u>	<u>24,296,606</u>	-

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

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 2022 and 2021 is listed below.

Gender	2022	2021
Male	2	2
Female	1	1
Total	3	3

The Board of Directors of the Company consists of 6 members of which 67% are men and 33% are 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") attaches particular importance to projects and actions with a high environmental impact and low energy footprint in the context of addressing the effects of climate change, social responsibility and participation and corporate governance (ESG) and develops, adapts and implements all those policies that ensure this priority.

The Company and Dimand Group reinforces its responsibility by monitoring negative impacts, developing environmental programs, applying "Green Procurement" criteria, monitoring regulations and legislation, incorporating environmental management standards of its partners, training and strengthening the environmental awareness of employees and allocating the

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necessary resources to achieve its goals.

- **Green buildings**

More specifically, the Company and Dimand Group has contracted with special consultants - researchers in order to obtain at least the LEED Gold certification for the majority of the buildings that have been erected or will be erected in the context of the projects that it undertakes and develops from time to time. The main purpose is to ensure the best standards of environmental coverage for the buildings it develops, implementing high energy efficiency properties adapted to the needs and sustainability strategy of modern businesses. Elements that stand out are the increased energy savings, the integration of bioclimatic elements, the addition of green surfaces with Mediterranean plants to the surrounding area, the construction of external surfaces for pedestrians and bicycles, the excellent connection with public transport, parking spaces with charging points electric vehicles, the construction of a rain tank to reduce the consumption of drinking water and the highly efficient faucets.

The Dimand Group has 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), a particularly innovative achievement for that time (source: <https://www.usgbc.org/projects/karela-office-park>). The Group's increased activity in certified green buildings is evident on the official website of the U.S. Green Building Council ("USGBC"), which is the official LEED (Leadership in Energy and Environmental Design) certification body.

In particular, when looking for certified LEED design and construction projects in Greece (categories "LEED Building Design and Construction_LEED BD+C), the Dimand Group holds, either as a development company, as a project manager, or as a constructor, the highest share in the Greece. More specifically, based on official USGBC data on 07.04.2023, there are 32 certified buildings in Greece in the aforementioned categories, of which eleven (11) have been developed by the parent Company, two (2) have been constructed by parent company, while in one (1) the parent company provided project management services. From the above it arises that the Group has been active in the development of 44% of domestic certified projects (of the above categories). At the same time, with the aim not only of certification but also of increased quality, all the Group's projects are at least Gold level and in addition it has three (3) completed Platinum level projects (2 through development services and 1 through project management services).

In the design and construction of our buildings we take into account the weather conditions and the environment so that they have high durability and adaptability to changing conditions. Our key actions to ensure that our buildings are sustainable include the optimal use of natural light during the day through special brightness and presence detectors, saving energy through energy modelling, high thermal insulation and the installation of highly efficient systems, the use of rain of water for irrigation, the incorporation of an increased amount of environmentally friendly materials.

- **Waste, sewage and water**

The Dimand Group takes action to achieve a reduction in the amount of waste produced in our offices by focusing on reducing the amount of paper, electrical appliances, plastics and batteries produced. Also, in the development of our projects we have achieved a high diversion of all construction waste from landfills.

In addition, the Dimand Group implements actions related to the reduction of water use outdoors by implementing smart irrigation systems, rainwater collection and selection of endemic plants.

- **Materials**

Particular emphasis is placed on the use of environmentally friendly materials and cooperation with responsible partners, with relevant standards for the supply of materials and requirements for suppliers. The general provisions we follow include the use of products made from recyclable materials and/or derived from recycled raw materials, the use of less packaging, the use of products made with less harmful substances and certified ecological products and the application of criteria for all types of equipment related to their energy efficiency.

- **Energy management and carbon dioxide emissions**

Energy management is an important issue for the Dimand Group. The recording and monitoring of energy consumption is necessary for the improvement and achievement of our predetermined goals. We apply measures aimed at the responsible use of energy and focus on the use of air conditioners, lighting and electrical appliances. To deal with climate change, we monitor carbon emissions, set realistic goals and plan actions to reduce them. We consider the measurement and monitoring of carbon emissions an important element for the progress and fulfillment of our Group's goals.

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Dividends

The Board of Directors does not recommend the payment of a dividend.

Share capital

Authorised capital

On 19 July 2022, the authorised share capital of the Company was increased from 32,000 ordinary shares to 33,000 ordinary shares.

On 16 September 2022, the authorised share capital of the Company was increased from 33,000 ordinary shares to 34,000 ordinary shares.

On 2 November 2022, the authorised share capital of the Company was increased from 34,000 ordinary shares to 35,000 ordinary shares.

On 17 November 2022, the authorised share capital of the Company was increased from 35,000 ordinary shares to 36,000 ordinary shares.

Issued capital

On 19 July 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €5,999 each.

On 16 September 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €24,999 each.

On 2 November 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €9,999 each.

On 17 November 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,499 each.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. Ms. Maria Ioannidou who was appointed as director, resigned on 4 November 2022 and on the same date Ms. Anna Chalkiadaki was appointed in her place.

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 2022 end:

- On 31 January 2023 a notarial deed of sale and purchase between the subsidiary "Alkanor S.M.S.A." was signed for the acquisition of building A on the former property "MINION" in the center of Athens for a consideration of €3,030,000. It is noted that on 24.12.2021 an agreement was signed for the purchase of buildings C, D, and E owned by the seller on the former property "MINION" for a consideration of €18,750,000, while on the same day a notarial preliminary contract (with the right of self-contract) was signed, which as amended on 30 December 2022, provides for the acquisition of the seller's horizontal properties located on building B of the "MINION" property, for the amount of €4,420,000 (of which €2,750,000 has already been paid as advance payment).

- On 22 February 2023, the Company proceeded with the signing of a preliminary agreement with Eurobank S.A., for the disposal of all the shares of the 100% subsidiary of the Cypriot company Severdor Ltd. for a consideration of €74,444,444 (based on the net asset value method, on a cash- and debt-free basis). The Company has entered into a Share Pledge Agreement, with Eurobank S.A., for further securing the claims of Eurobank, as they arise from the Pre-Agreement referred above and agreed to register a 1st ranking pledge over 3.000 ordinary shares of nominal value €1,00 each, issued by Severdor Ltd, ownership of the Company, including having pledged in favor of Eurobank the total number of the issued shares by Severdor Ltd, as owned by the Company. Severdor Ltd is the sole shareholder of Insignio S.M.S.A., which owns the land on the plot of land on 65 Kifissias

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Avenue in Maroussi, where an emblematic modern office complex with a total area of c. 24,940 sq.m., is already under construction in two buildings, in accordance with the principles of sustainability and bioclimatic design, with a special emphasis on a friendly, flexible and creative working environment. The complex is aiming for WELL and LEED certification at the Gold level, according to the internationally recognised rating system of the American body, USGBC. The final disposal of the shares will take place immediately after the completion of the development of the office complex and its delivery for use to a tenant within 2024.

- On 28 February 2023, the subsidiary of Magromell Ltd, IQ Athens S.M.S.A., signed a contract for the acquisition of an industrial complex (former premises of the factory of "Athenian Paper Mill") on a land plot of c. 49,340 sq.m. surrounded by the streets of Charttergakon, Iera Odos and Agios Polykarpou in the area of Votanikos, in block 35 of the Municipality of Athens. Out of the total price of €14,220,000, an amount of €8,280,000 was paid as an advance payment based on preliminary agreements until 31 December 2022, an amount of €500,000 with the signing of the final contract, while the remaining amount of €5,440,000 will be paid in three instalments. According to the business plan, a modern complex will be developed with office, retail, etc. uses, which will be designed according to the standards of the LEED certificate for high energy class bioclimatic buildings.

- On 3 March 2023, the subsidiary of Kartonera Ltd, Hub 204 S.M.S.A., was awarded as the preferred bidder in the context of the public tender conducted on 08.02.2023 for the purchase of a property by the Ministry of Justice ("TAHDIK") to host for the acquisition of a property to house the Piraeus Judicial Services for a consideration of €80,900,000. The New Courthouse will be built on a plot of land owned by Hub 204 S.M.S.A. (until the signing of the purchase and sale contract with the TAHDIK) in the area of Agios Dionysios of the Municipality of Piraeus and will have a total area of c. 36,095 sq.m. The project is aiming for LEED certification at the Gold level, according to the internationally recognised rating system of the USGBC. The signing of the sale and purchase agreement according to the terms of the tender took place on 13 November 2023..

- The subsidiary company Nea Peramos Side Port S.M.S.A., following the notarial preliminary agreement dated 26 May 2022, proceeded to the purchase of an industrial complex (former facilities of the factory of " Athens Papermill"), on a plot of land of approximately 70,267 sq.m. in the area of Nea Peramos in the prefecture of Kavala, which was acquired on 15 May 2023, for a consideration of €600,000, plus taxes and expenses of €138,219. Of the total consideration of €600,000, an amount of €30,000 was paid as an advance payment in the context of the preliminary agreement until 31 December 2022 and an amount of €570,000 was paid upon signing the final agreement.

- On 19 May 2023, the Compay, proceeded to the disposal of its 100% participation in subsidiary Nea Peramos Side Port S.M.S.A. for a consideration of €3,412,413.

- The subsidiary Pefkor S.M.S.A., following the notarial preliminary agreement of 26.05.2022, proceeded to the purchase of an industrial complex (former premises of the factory of "Athenian Papermill"), on a plot of land of approximately 73,041 sq.m. in Nea Peramos, in the Municipality of Megareon, at the location "VLYCHADA", which was acquired on 26.06.2023, for a consideration of €2,800,000, plus taxes and expenses of €334,352. Of the total consideration of €2,800,000, an amount of €180,000 was paid as an advance payment in the context of the preliminary agreement until 31 December 2022, an amount of €2,060,000 was paid upon signing the final agreement, while the remaining amount of €560,000 was paid on 13.11.2023.

- On 14 July 2023, a common bond loan was signed with bondholder Optima Bank SA and issuer the subsidiary of Oblinarium Holdings Ltd, Kalliga Estate S.M.S.A., for an amount of up to €2,000,000 and a term of 13 months in order to refinance the existing open current account agreement with an equal current balance.

- On 17 July 2023, an open current account agreement was signed between Piraeus Bank and subsidiary Filma Estate S.M.S.A., for the amount of €4,200,000 for the purpose of financing: a) part of the acquisition cost of 25% of the investment property, i.e. a plot of land with a complex of industrial buildings, on 26th October Street, in Thessaloniki (former complex of the old FIX factory "FIX Complex"), and/or b) early construction works. For the security of the above obligations, the Company entered into a "Share Pledge Agreement" with Piraeus Bank and applied a 1st ranking pledge in favor of Piraeus Bank to the shares it holds in Filma Estate S.M.S.A.

- On 31 August 2023, the subsidiary Filma Estate S.M.S.A. signed the final contract for the acquisition of the remaining 25% of the FIX Group. In 2022, the Company acquired a 75% undivided interest in the property for a price of €9,300,000, plus taxes and expenses of €420,796, and had pre-agreed the acquisition of the remaining 25%. According to the business plan, it is expected to develop a mixed-use bioclimatic complex for the purpose of leasing them.

- On 15 September 2023, the Company, signed a share purchase and sale agreement under which it agreed to transfer 100% of the shares of Pefkor S.M.S.A., for a total consideration of €4,250,000 (based on the equity method, on a cash-free / debt free basis). The final share purchase agreement will be signed during December 2023.

- On 21 September 2023, IQ Athens S.M.S.A. made the repayment of the deferred consideration of €5,440,000, in the context of the acquisition of the industrial complex on land located in Votanikos. The repayment was financed by the credit agreement with

ARCELA INVESTMENTS LTD

MANAGEMENT REPORT

an open current account with Alpha Bank dated 22 June 2023.

- On 10 November 2023, a common bond loan was signed with bondholder the Company and issuer the subsidiary Citrus S.M.S.A., for an amount of up to €2,000,000 in order to finance the issuer's investment property activities.

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, 23/11/2023



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3507 Limassol
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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 2022, 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 2022, 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.

Yiannis Kapetanos

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

BDO Ltd

Certified Public Accountants (CY) and Registered Auditors

Limassol, 23/11/2023

ARCELA INVESTMENTS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	2022 €	2021 €
Other operating income	8	5,164,176	9,454,519
Fair value gains /(losses) on financial assets measured at fair value through profit or loss (investments in subsidiaries and joint ventures)	9	(121,742)	1,457,176
Other gains	10	58,042	1,342,043
Selling and distribution expenses		-	(202,300)
Administration expenses	11	<u>(800,538)</u>	<u>(587,888)</u>
Operating profit		4,299,938	11,463,549
Finance income	12	2,305	4,888
Finance costs	12	<u>(7,369,444)</u>	<u>(1,561,331)</u>
(Loss)/profit before tax		(3,067,201)	9,907,106
Income tax	13	<u>(4,453)</u>	<u>(6,477)</u>
Net (loss)/profit for the year		(3,071,654)	9,900,629
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(3,071,654)</u>	<u>9,900,629</u>

The notes on pages 18 to 45 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	3,224	12,482
Investments in subsidiaries	15	103,779,210	55,183,168
Investments in joint ventures	16	24,574,586	23,627,483
Loans receivable	17	275,392	-
		<u>128,632,412</u>	<u>78,823,133</u>
Current assets			
Accounts receivable	18	1,447,838	5,821,589
Loans receivable	17	-	931,636
Other Receivables	19	333,877	438,850
Cash and cash equivalents	20	1,577,526	11,771,791
		<u>3,359,241</u>	<u>18,963,865</u>
Total assets		<u>131,991,653</u>	<u>97,786,998</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	36,000	32,000
Share premium		61,995,000	16,499,000
Retained earnings		39,641,333	42,712,987
Total equity		<u>101,672,333</u>	<u>59,243,987</u>
Liabilities			
Non-current liabilities			
Borrowings	22	23,720,704	18,094,644
Lease liability	23	-	-
		<u>23,720,704</u>	<u>18,094,644</u>
Current liabilities			
Accounts payable	24	6,564,125	20,287,334
Borrowings	22	30,490	150,567
Lease liability	23	-	7,967
Current tax liabilities	13	4,000	2,500
		<u>6,598,615</u>	<u>20,448,367</u>
Total liabilities		<u>30,319,319</u>	<u>38,543,011</u>
Total equity and liabilities		<u>131,991,653</u>	<u>97,786,998</u>

On 23/11/2023 the Board of Directors of Arcela Investments Ltd approved these financial statements for issue.

.....
Nikolaos Sofianos
Director

.....
Nikolaos Ioannis Dimtsas
Director

The notes on pages 18 to 45 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2021		32,000	16,499,000	32,812,358	49,343,358
Net profit for the year		-	-	9,900,629	9,900,629
Balance at 31 December 2020/ 1 January 2021		32,000	16,499,000	42,712,987	59,243,987
Net profit for the year		-	-	(3,071,654)	(3,071,654)
Issue of share capital	21	4,000	45,496,000	-	45,500,000
Balance at 31 December 2021		36,000	61,995,000	39,641,333	101,672,333

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 18 to 45 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(3,067,201)	9,907,106
Adjustments for:			
Depreciation of property, plant and equipment	14	1,612	1,612
Amortisation of right-of-use asset	14	7,646	10,195
Fair value (gains)/losses on investments in subsidiaries and joint ventures	9	121,741	(1,457,176)
Gain on disposal of investments in subsidiaries / associates / joint ventures	10	(58,042)	(1,342,043)
Dividend income	8	(4,920,500)	(9,080,000)
Finance income	12	(2,305)	(4,888)
Finance costs	12	7,369,444	1,561,331
		(547,605)	(403,863)
Changes in working capital:			
Increase in accounts receivable		(153,979)	(86,239)
Increase in other receivables		-	-
(Decrease)/Increase in accounts payable		(60,234)	205,707
Cash flows from operating activities		(214,213)	(284,394)
Dividends received		4,920,500	9,080,000
Interest paid		(1,741,033)	(26,237)
Tax paid		(2,911)	(7,980)
Net cash inflow/(outflow) from operating activities		2,414,739	8,761,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	14	-	-
Payments for acquisition/incorporation/contributions to investments in subsidiaries, associates and joint ventures, net of cash acquired	15	(58,227,394)	(29,838,035)
Proceeds from the sale of investment in subsidiary		-	14,607,431
Return of proceeds from the sale of investment in subsidiary		(4,946,884)	-
Return of invested capital (Share Premium Account decrease)		4,725,000	4,355,000
Advance return of investment capital (Share Premium Account decrease)		410,000	-
Loans granted to related parties		(10,000)	-
Loan repayments received from related parties		660,000	-
Interest received		8,239	283
Net cash (outflow)/inflow from investing activities		(57,381,039)	(10,875,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		44,900,000	-
Repayment of borrowings to related parties		(2,470,000)	-
Repayment of bank (EBRD) borrowings		-	-
Capital repayments of leases - net of interest from leases		(7,967)	(9,729)
Proceeds from bank (EBRD) borrowings		-	-
Proceeds from borrowings from related parties	22	2,350,000	12,328,500
Net cash (outflow)/inflow from financing activities		44,772,034	12,318,771
Net (decrease)/increase in cash and cash equivalents		(10,194,266)	10,204,839
Cash and cash equivalents at beginning of the year		11,771,791	1,566,952
Cash and cash equivalents at end of the year	20	1,577,526	11,771,791

The notes on pages 18 to 45 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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. 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. The Directors have assessed the conditions 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 resumption of the economic activity and the gradual emergence from the economic crisis caused by pandemic COVID-19, as well as developments due to the war in Ukraine, have contributed globally both to delays in the supply chain and to rising construction costs. The increase in construction costs was further compounded by the increase in raw material and energy costs. Any increase in the construction costs of projects developed by the Group may adversely affect the Group's results and financial condition in the future to the extent that the increased costs have not been fully absorbed through a corresponding increase in the rents of the investment companies

On the basis of the Company's investment programme and the evaluation performed, 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 2022. 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 31.12.2022 three investments in Joint Ventures, Cante Holdings Ltd, in which it owns 65% of shares, IQ Karella S.A., in which it owns 60% 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 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

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 31.12.2022 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 31.12.2022 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

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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).*

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 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.

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 has limited interest rate risk since all of its lendings or borrowings granted or issued are at fixed rates. However, management monitors, identifies, evaluates and takes the necessary measures to hedge against the risk for interest rate changes under certain conditions.

ARCELA INVESTMENTS LTD

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Year ended 31 December 2022

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

	2022	2021
	€	€
Fixed rate instruments		
Financial assets	271,000	921,000
Financial liabilities	<u>(18,124,644)</u>	<u>(16,709,700)</u>
	<u><u>(17,853,644)</u></u>	<u><u>(15,788,700)</u></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.

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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Investment in Subsidiaries/ Joint Ventures	Indirect Holdings (Entities with the Underlying assets (properties))	indirect % shares	Equity		Profit or loss	
			2022	2021	2022	2021
			€	€	€	€
Kartonera Ltd (100%)	Hub 204 S.M.S.A. (100%)	100%	519,000 €	498,000 €	519,000 €	498,000 €
IQ Karela S.M.S.A (60%)	-	60%	532,800 €	902,000 €	532,800 €	902,000 €
Pavalia Ltd (100%)	Ependitiki Chanion S.A. (60%)	60%	213,840 €	205,200 €	213,840 €	205,200 €
Rodomondas Ltd (100%)	IQ Hub S.A. (65%)	-	- €	1,402,375 €	- €	1,402,375 €
Oblinarium Ltd (100%)	P.R. 138 S.M.S.A. (100%)	100%	185,000 €	126,500 €	185,000 €	126,500 €
Oblinarium Ltd (100%)	Kalliga Estate S.M.S.A (100%)	100%	356,000 €	- €	356,000 €	- €
Random S.M.S.A (100%)	-	100%	1,176,000 €	1,170,500 €	1,176,000 €	1,170,500 €
Gravitousia Ltd (100%)	Ourania S.A (65%)	65%	1,187,550 €	381,550 €	1,187,550 €	381,550 €
Alabana Ltd (100%)	3V S.A (57%)	57%	1,070,189 €	319,767 €	1,070,189 €	319,767 €
Alkanor S.M.S.A (100%)	-	100%	1,980,000 €	1,922,300 €	1,980,000 €	1,922,300 €
Severdor Ltd (100%)	Insignio S.M.S.A. (100%)	100%	2,749,000 €	- €	2,749,000 €	- €
Citrus S.M.S.A. (100%)	-	100%	199,000 €	- €	199,000 €	- €
Apellou Estate S.M.S.A. (100%)	-	100%	620,000 €	- €	620,000 €	- €
Filma Estate S.M.S.A. (100%)	-	100%	1,052,000 €	- €	1,052,000 €	- €
YITC Ltd (20%)	Evgenia S.A. (100%)	20%	17,200 €	14,000 €	17,200 €	14,000 €
	Piraeus Tower S.A. (70%)	46%	3,538,598 €	2,592,625 €	3,538,598 €	2,592,625 €
Cante Holdings Ltd (65%)	Rinascita S.A. (10%)	7%	171,015 €	957,808 €	171,015 €	957,808 €
	Cante Holdings Ltd Total		3,709,613 €	3,550,432 €	3,709,613 €	3,550,432 €
			15,567,192 €	10,492,624 €	15,567,192 €	10,492,624 €

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NOTES TO THE FINANCIAL STATEMENTS

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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.

31 December 2022	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Payables to subsidiaries	1,511,305	1,511,305	-	1,511,305	-	-
Payable to related party	272	272	-	272	-	-
Other accounts payable	285,396	285,396	-	285,396	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	23,720,704	28,806,517	-	-	28,806,517	-
Loan from subsidiary	30,490	30,490	-	30,490	-	-
	25,550,318	30,636,131	-	1,829,614	28,806,517	-
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	-	-
	26,224,002	32,425,963	-	8,129,357	24,296,606	-

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Year ended 31 December 2022

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 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Investments in subsidiaries	-	-	103,779,210	103,779,210
Investments in joint ventures	-	-	24,574,586	24,574,586
Total	-	-	128,353,796	128,353,796
31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Investments in subsidiaries	-	-	55,183,168	55,183,168
Investments in joint venture	-	-	23,627,483	23,627,483
Total	-	-	78,810,651	78,810,651

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 2022

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

	2022	2021
	€	€
Rendering of services (Note 25)	243,676	374,519
Dividend income (Note 25)	<u>4,920,500</u>	<u>9,080,000</u>
	<u><u>5,164,176</u></u>	<u><u>9,454,519</u></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.

On 3 October 2022, the Board of Directors of Joint Venture Cante Holdings Ltd declared the payment of an interim dividend of €7.570.000 (65% participation: 4,920,500).

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

	2022	2021
	€	€
Fair value loss on investment in joint ventures (Note 16)	(5,134,822)	(1,345,396)
Fair value gain on investment in subsidiaries (Note 15)	<u>5,013,080</u>	<u>2,802,573</u>
	<u><u>(121,742)</u></u>	<u><u>1,457,176</u></u>

10. Other gains

	2022	2021
	€	€
Gain from the sale of investment in subsidiary (Note 15)	<u>58,042</u>	<u>1,342,043</u>
	<u><u>58,042</u></u>	<u><u>1,342,043</u></u>

11. Administration expenses

	2022	2021
	€	€
Staff costs	57,819	31,638
Rent	2,700	-
Repairs and maintenance	906	-
Auditors' remuneration	11,600	10,100
Accounting fees	7,800	6,000
Legal fees	4,000	6,600
Professional services fees	579,947	387,684
Advisory fees	117,996	122,500
Depreciation (Note 14)	1,612	1,612
Amortisation of right-of-use asset (Note 14)	7,646	10,195
Other	<u>8,512</u>	<u>11,559</u>
	<u><u>800,538</u></u>	<u><u>587,888</u></u>

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

The staff costs of the company are analyzed below:

	2022	2021
	€	€
Salaries	51,433	28,578
Social security costs	5,368	2,489
Social cohesion fund	1,018	571
	<u>57,819</u>	<u>31,638</u>
Average number of employees	<u>3</u>	<u>2</u>

Professional expenses includes preliminary investment expenses due to parent Dimand S.A amounting to €270.000.

12. Finance income/(costs)

	2022	2021
	€	€
Interest income (Note 25)	2,305	4,888
Finance income	<u>2,305</u>	<u>4,888</u>
Interest expense		
- Bank borrowings	-	-
- Leases	(134)	(542)
- Loans from related parties (Note 25)	(7,354,325)	(1,535,094)
Sundry finance expenses	(14,985)	(25,695)
Finance costs	<u>(7,369,444)</u>	<u>(1,561,331)</u>
Net finance costs	<u>(7,367,139)</u>	<u>(1,556,443)</u>

The interest income for 2022 relate to interest from intercompany loans amounting to €1,995 and interest from bank deposits €313.

In accordance with the loan agreement with Dimand S.A. it states that interest may be readjusted subjected to the lenders related financial cost and a ballon interest of €5,454,772. has been calculated as 1.5 times of the disbursement amount, according to this clause. The rest of interest expense related to interest charges according to the contractual clauses.

13. Income tax expense

	2022	2021
	€	€
Corporation tax – current year	4,000	2,500
Corporation tax - prior years	364	3,937
Special defense contribution – current year	47	40
Special defense contribution – prior year	42	-
Charge for the year	<u>4,453</u>	<u>6,477</u>

Corporation tax - prior years amounted to €364 relates to the 2021 corporation tax and Corporation tax - current year amounted to €4,000 relates to the provision for 2022 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 2022

14. Property, plant and equipment

	Computer hardware	Right-of-use asset	Total
	€	€	€
Cost			
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>
01 January 2022	8,059	30,585	38,644
Additions	-	-	-
31 December 2022	<u>8,059</u>	<u>30,585</u>	<u>38,644</u>
Accumulated Depreciation			
01 January 2021	(1,612)	(12,744)	(14,356)
Depreciation charge (Note 11)	(1,612)	(10,195)	(11,807)
31 December 2021	<u>(3,224)</u>	<u>(22,939)</u>	<u>(26,163)</u>
01 January 2022	(3,224)	(22,939)	(26,163)
Depreciation charge (Note 11)	(1,612)	(7,646)	(9,258)
31 December 2022	<u>(4,836)</u>	<u>(30,585)</u>	<u>(35,421)</u>
Net book amount			
31 December 2021	<u>4,835</u>	<u>7,646</u>	<u>12,482</u>
31 December 2022	<u>3,224</u>	<u>-</u>	<u>3,224</u>

The right-of-use asset relates to an agreement for the lease 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%. The lease was renewed for a period of 1 year with an expiry date at 30.09.2023. This renewal falls within the exceptions of ifrs 16 and recognized in Profit or loss as operating expense.

15. Investments in subsidiaries

	2022	2021
	€	€
Balance at 1 January	55,183,168	26,245,851
Additions (acquisition of subsidiaries)	76,500	1,158,588
Additions (increases of share capital in subsidiaries)	55,603,000	30,288,000
Reductions (Reductions of share capital in subsidiaries)	(4,725,000)	-
Disposals	(2,948,617)	(5,311,843)
Transfer to capital in Joint Venture	(4,422,925)	-
Fair value gains / (losses) recognized in profit or loss (Note 9 and 10)	<u>5,013,080</u>	<u>2,802,573</u>
Balance at 31 December	<u>103,779,210</u>	<u>55,183,168</u>

The details of the subsidiaries are as follows:

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Year ended 31 December 2022

	Pavalia Enterprises Ltd	Rodomontas Investments Ltd	Oblinarium Holdings Ltd	Senseco Trading Ltd	Gravitousia Holdings Ltd	Random S.M.S.A.	Kartonera Ltd	Arcela Fiannee Ltd	Magromell Ltd	Severdor Ltd	Alabama Holdings Ltd	Afflade Holdings Ltd	IQ Karela S.M.S.A	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	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Greece	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Greece	Greece	Greece	Cyprus	Greece	Greece	Greece	
Principal activities	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Holding of investment property	Investment Holding	Provision of Finance	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Holding of investment property	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%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Balance at 1 January 2021	5,924,842	64,993	2,374,624	5,310,270	523,351	7,860,424	2,878,178	496,043	813,127	-	-	-	-	-	-	-	-	-	-	26,245,851
Incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	500,000	-	-	-	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)	-	-	1,300,000	18,000	4,100,000	270,000	1,200,000	-	6,000,000	1,200,000	3,000,000	-	2,600,000	10,600,000	-	-	-	-	-	30,288,000
Disposal of subsidiaries	-	-	-	(5,311,843)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,311,843)
FV gain/ (loss) on investments recognised in P&L																				
- at disposal	-	-	-	(16,427)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,427)
- at year end	1,007,341	112,804	(863,468)	-	(633,965)	(193,879)	105,689	(6,070)	(69,038)	(19,604)	237,958	-	3,992,818	(742,083)	(16,671)	(48,588)	(14,815)	(14,935)	(14,494)	2,819,000
Balance at 31 December 2021	6,932,183	177,797	2,811,156	-	3,989,386	7,936,545	4,183,867	489,973	6,744,089	1,180,396	3,237,958	-	7,092,818	9,882,917	8,329	-	185,185	305,065	25,506	55,183,168

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	Pavalia Enterprises Ltd	Rodomontas Investments Ltd	Oblinarium Holdings Ltd	Gravitousia Holdings Ltd	Random S.M.S.A.	Kartonera Ltd	Arcela Fiannce Ltd	Magromell Ltd	Severdor Ltd	Alabana Holdings Ltd	Afflade Holdings Ltd
Country of incorporation	Cyprus	Cyprus	Cyprus	Cyprus	Greece	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus
Principal activities	Investment Holding	Investment Holding	Investment Holding	Investment Holding	Holding of investment property	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%
Balance at 1 January 2022	6,932,183	177,797	2,811,156	3,989,386	7,936,545	4,183,868	489,973	6,744,089	1,180,396	3,237,958	-
Incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-	-
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
Additions (increases of share capital in subsidiaries)	-	7,580,000	-	1,000,000	295,000	-	-	4,500,000	6,500,000	7,700,000	-
Reductions (Reductions of share capital in subsidiaries)	(3,725,000)	-	(1,000,000)	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
FV gain/ (loss) on investments recognised in P&L											
- at disposal	-	-	-	-	-	-	-	-	-	-	-
- at year end	(357,912)	2,276,552	1,623,325	(44,623)	(279,059)	26,742	(4,564)	(463,497)	3,343,159	381,288	-
Transfer to Joint Venture	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	2,849,271	10,034,349	3,434,481	4,944,763	7,952,486	4,210,610	485,409	10,780,592	11,023,555	11,319,246	-

	IQ Karela S.M.S.A	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	Mandalinar Ltd	Apellou Estate S.M.S.A.	Citrus S.M.S.A.	Iovis S.M.S.A.	Total
Country of incorporation	Greece	Greece	Greece	Cyprus	Greece	Greece	Greece	Cyprus	Greece	Greece	Greece	
Principal activities	Holding of investment property	Holding of investment property	Holding of investment property	Investment Holding	Holding of investment property	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%	100%	100%	100%	100%	100%	
Balance at 1 January 2022	7,092,818	9,882,917	8,329	-	185,185	305,065	25,505	-	-	-	-	55,183,168
Incorporation of new subsidiary	-	-	-	-	-	-	-	1,500	25,000	25,000	25,000	76,500
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	9,500,000	2,028,000	-	11,528,000
Additions (increases of share capital in subsidiaries)	590,000	5,000,000	10,630,000	-	140,000	70,000	70,000	-	-	-	-	44,075,000
Reductions (Reductions of share capital in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	(4,725,000)
Disposal of subsidiaries	(2,948,617)	-	-	-	-	-	-	-	-	-	-	(2,948,615)
FV gain/ (loss) on investments recognised in P&L												
- at disposal	(311,276)	-	-	-	-	-	-	-	-	-	-	(311,277)
- at year end	-	(1,043,755)	457,980	-	(18,859)	(21,648)	(13,750)	(1,500)	(494,887)	(33,195)	(7,440)	5,324,358
Transfer to Joint Venture	(4,422,925)	-	-	-	-	-	-	-	-	-	-	(4,422,925)
Balance at 31 December 2022	-	13,839,162	11,096,309	-	306,326	353,417	81,755	-	9,030,113	2,019,805	17,560	103,779,210

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On 11 January 2022, Rodomontas Investments Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,779 each. On 22 August 2022, Rodomontas Investments Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €19,999 each. On 2 November 2022, Rodomontas Investments Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €7,999 each. On 30 December 2022, Rodomontas Investments Ltd sold the 65% of the shares held in IQ Hub S.A. for the consideration price of €9,989,416.

On 13 January 2022, Severdor Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €6,499 each.

On 1 February 2022, Alabana Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €6,199 each. On 30 November 2022, Alabana Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,499 each. dd

On 1 February 2022, Afflade Holdings Ltd transferred to the Company the 1,500 ordinary shares held in Mandalinar Holdings Ltd.

On 24 March 2022, the Company incorporated Apellou Estate S.M.S.A. with an issued share capital of €25,000 divided into 2,500 ordinary shares with a nominal value of €10. On 28 December 2022, Apellou Estate S.M.S.A. issued additional 95,000 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 23 September 2022, Apellou Estate S.M.S.A. owns a plot of land with a total surface area of c. 355,648 sq.m., at the 15th kilometer of Thessaloniki-Edessa, formerly owned by the company "BALKAN REAL ESTATE S.A.". According to the business plan, the development of a logistics compound, which will be the largest logistics hub in Northern Greece, with a total area of c. 120,000 sq.m., is planned. In addition, the installation of photovoltaic panels for energy production on the roof of the facilities is foreseen, following a special study.

On 29 April 2022, the Company incorporated Citrus S.M.S.A. with an issued share capital of €25,000 divided into 2,500 ordinary shares with a nominal value of €10. On 28 December 2022, Citrus S.M.S.A. issued additional 20,280 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 12 October 2022, Citrus S.M.S.A. acquired a two-storey building of c. 2,861 sq.m. on 26th October Street, in Thessaloniki. According to the business plan, it is planned to develop an office complex with a total area of c. 3,790 sq.m, with modern design and specifications for the purpose of its lease.

On 06 June 2022, Pavalia Enterprises Ltd decreased its share premium by the amount of €3,725,000, with the approval of a court order.

On 29 June 2022, the Company incorporated Iovis S.M.S.A. with an issued share capital of €25,000 divided into 2,500 ordinary shares with a nominal value of €10. Iovis S.M.S.A. did not hold any investment property at 31 December 2022.

On 26 July 2022, IQ Karela S.M.S.A. issued additional 5,900 ordinary shares with a nominal value of €10 and at a premium of €90. On 1 August 2022, the Company sold its 40% holding in IQ Karela S.M.S.A. for the consideration price of €3,006,659. The remaining 60% holding in IQ Karela S.A. was transferred to investments in joint ventures. IQ Karela S.A. acquired in 2021 a plot of land with a total area of 22,957 sqm., located in the Municipality of Paiania.

On 4 August 2022, Gravitousia Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €999 each.

On 20 October 2022, Magromell Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,499 each.

On 26 October 2022, Oblinarium Holdings Ltd decreased its share premium by the amount of €1,000,000, with the approval of a court order.

On 21 December 2022, Pefkor S.M.S.A. issued additional 14,000 ordinary shares with a nominal value of €10 each.

On 21 December 2022, Dramar S.M.S.A. issued additional 7,000 ordinary shares with a nominal value of €10 each.

On 21 December 2022, Nea Peramos Side Port S.M.S.A. issued additional 7,000 ordinary shares with a nominal value of €10 each.

On 23 December 2022, Random S.M.S.A. issued additional 2,950 ordinary shares with a nominal value of €10 and at a premium of €90 each. Random S.M.S.A. owns a plot of land of c. 2,082 sq.m. and the existing multi-storey building of c. 11,653 sq.m., in

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the Municipality of Athens. According to business development plan for the project, which provides for the renovation and upgrading of the property into a bioclimatic building of modern offices, for the purpose of lease

On 23 December 2022, Alkanor S.M.S.A. issued additional 39,000 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 30 December 2022, Alkanor S.M.S.A. issued additional 11,000 ordinary shares with a nominal value of €10 and at a premium of €90 each. Alkanor S.M.S.A. owns a plot of land with a total surface area of c. 2,060 sqm after the three of the five buildings of the building complex known as "MINION" with a total surface area of the five buildings of c. 15,722 sqm, On the same day, a preliminary agreement was signed for the acquisition of the other two buildings of the complex, which (acquisition) completed at 31 January 2023. According to the business plan, it is planned to develop a mixed-use complex that will include retail, offices, catering facilities, etc. for the purpose of lease.

On 28 December 2022, Filma Estate S.M.S.A. issued additional 106,300 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 2022, Filma Estate S.M.S.A. acquired the 75% of a plot of land with a complex of industrial buildings on 26th October Street, Thessaloniki (former complex of the old FIX factory "FIX Complex"), with a total surface area according to the title deed of c. 25,211 sq.m. and has pre-agreed to acquire the remaining 25% which completed on 31 August 2023. According to the business plan, the development of a bioclimatic mixed-use complex is expected to be developed for the purpose of its lease.

Indirect shareholdings:

- Kartonera Ltd has a 100% ownership in Hub 204 S.M.S.A.. The latter owns a plot of land of c. 17,050 sq.m. including buildings with a total area of c. 4,408 sq.m. in the Building Block 204 of the Municipality of Piraeus, which is owned by the subsidiary Hub 204 S.M.S.A.. The property is located in the Agios Dionyssos area of the Municipality of Piraeus. Business plan for the investment property which provided for the restoration/renovation of the listed building into a building with modern design and specifications and the construction of a new complex of office buildings, as well as sports facilities (indoor and outdoor) for public use, with a total development area of 36,120 sq.m. in accordance with the LEED certification specifications, in order to ensure their energy and environmental efficiency. On 03.03.2023, Hub 204 S.M.S.A. was announced the preferred bidder of the public tender conducted on 08.02.2023 for the acquisition of a property to host the Piraeus Judicial Services for a consideration of €80,900,000. The New Courthouse will be built on a plot of land owned by Hub 204 S.M.S.A. and will have a total area of c. 36,095 sq.m. The project aims to achieve LEED certification at Gold level, according to the internationally recognised rating system of the USGBC.

- Pavalia Enterprises Ltd has a 60% ownership in Ependitiki Chanion S.A which owned three plots of land in the Municipality of Chania, Crete, and had prepared studies in order to issue building permits for the construction of a hotel complex and a residential complex. On 28.12.2021, Ependitiki Chanion S.A. proceeded to the sale of two of the three plots of land following the issuance of the necessary permits and regulations. The land that remained in the ownership of Ependitiki Chanion S.A. provides according to the business plan for the reconstruction of an apartment complex with the ultimate purpose of leasing or selling them

- Oblinarius Holdings Ltd has a 100% ownership in Piraeus Regeneration 138 S.M.S.A, Kalliga Estate S.M.S.A. and Thomais Akinita S.M.S.A.. Kalliga Estate S.M.S.A. owns a plot of land of 1,290 sq.m. on which there is an old two-storey building with a total area of 359.20 sq.m. in Filothei. According to the business plan, the development of a residential compound with a total area of 1,518 sq.m., with modern design and specifications, is envisaged for its lease. Piraeus Regeneration 138 owns a plot of land of c. 1,304 sq.m. with two buildings in the Municipality of Piraeus. The business plan for the investment property which envisages the construction of a building of 57 apartments and a 40-room hotel with a total area of 6,568 sq.m. for the purpose of lease. Thomais Akinita S.M.S.A. did not own any investment property as at 31 December 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.. The above investment property acquired at 28 February 2023. 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.. 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. The project concerns the construction of an modern office complex on the above plots.

- Severdor Ltd has a 100% ownership in Insignio S.M.S.A.. The Insignio S.M.S.A. acquired a plot of land of 10,632 sq.m. on Dionysou and Vlachernon streets and Kifissia Avenue in Maroussi. According to the business plan, the development of an iconic state-of-the-art office complex with a total surface area of 24,940 sq.m. in two buildings is envisaged, based on the principles of sustainability and bioclimatic design, with a special emphasis on a friendly, flexible and creative working

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environment. The compound is aiming for WELL and LEED certification at the Gold level, according to the internationally recognised rating system of the American body, USGBC. On 20 April 2022, a preliminary lease agreement for the entire office building under development was signed with a well-known multinational enterprise.

- Alabana Holdings Ltd has a 57.263% ownership in 3V Development of Construction, Urban Planning and Trouuristic 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.

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 May 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 December 2021. Additionally, the Company on 10 November 2022 has entered into a “Share Pledge Agreement and Assignment of Claims”, as pledgor with Alpha Bank, as pledgee, under which the Company agreed and created a 2nd ranking pledge in favor of Alpha Bank the shares it holds in ALKANOR, to secure ALKANOR’s obligations under the credit facility agreement up to the amount of EUR 2.000.000 with the Bank.

On 11 May 2021, the Company entered into a virtue of Financial Collateral Agreement with Tempus Holdings 71 to secure the latter claims under a bond loan agreement dated 16 December 2019, as further amended by the Amendment Agreements dated 15 October 2020 and 07 January 2021, a first ranking pledge over the bank account opened in the name of the Company in Alpha Bank Cyprus Ltd. On 22 September 2022, due to the repayment of the above bond loan from parent company Dimand S.A, the Company received a Declaration of Release of Security. As at 31 December 2022, the above collateral did not exist.

16. Investments in joint ventures

	2022	2021
	€	€
Opening Balance	23,627,483	24,972,879
Transfer from investment in subsidiary	4,422,925	-
Additions	1,659,000	-
Fair value losses recognized in profit or loss (Note 9)	<u>(5,134,822)</u>	<u>(1,345,396)</u>
Balance at 31 December	<u>24,574,586</u>	<u>23,627,483</u>

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%	
Balance at 1 January 2021	24,972,879	-	24,972,879
Additions (increases of share capital in joint ventures)	-	-	-
FV gain/ (loss) on investments recognised in P&L	-	-	-
- at year end	<u>(1,345,396)</u>	<u>-</u>	<u>(1,345,396)</u>
Balance at 31 December 2021	<u>23,627,483</u>	<u>-</u>	<u>23,627,483</u>

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	Cante Ltd	IQ Karela S.A.	YITC Ltd	Total
Country of incorporation	Cyprus	Greece	Cyprus	
Principal activities	Investment Holding	Holding of investment property	Investment Holding	
% shareholding	65%	60%	20%	
Balance at 1 January 2022	23,627,483	-	-	23,627,483
Additions (increases of share capital in joint ventures)	1,599,000	60,000	-	1,659,000
Transfer from investment in subsidiary	-	4,422,925	-	4,422,925
FV gain/ (loss) on investments recognised in P&L				
- at year end	(5,056,771)	(78,051)	-	(5,134,822)
Balance at 31 December 2022	20,169,712	4,404,874	-	24,574,586

On 25 October 2022, Cante Holdings Ltd issued additional 15,990 ordinary shares with a nominal value of €1 and at a premium of €99 each.

On 1 August 2022, the Company sold its 40% holding in IQ Karela S.A. and the remaining 60% holding in IQ Karela S.A. was transferred to investments in joint ventures. On 23 December 2022, IQ Karela S.A. issued additional 6,000 ordinary shares with a nominal value of €10 and at a premium of €90.

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 Investments 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 10% ownership in Rinascita 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.

- 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

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	2022	2021
			€	€
YITC European Trading Ltd (Joint Venture)	0.5%	30/06/2024	153,488	142,753
Venadektos Holdings Ltd (related party)	0.5%	30/06/2024	121,904	121,304
Oblinarius Holdings Ltd (subsidiary)	0.5%	31/12/2021	-	667,579
			<u>275,392</u>	<u>931,636</u>
Less current portion			-	(931,636)
Non-current portion			<u>275,392</u>	-

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The loans are repayable as follows:

	2022	2021
	€	€
Within one year	-	931,636
Between one and five years	<u>275,392</u>	<u>-</u>
	<u>275,392</u>	<u>931,636</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 Oblinarium Holdings Ltd, which was fully repaid within the year 2022.

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

	2022	2021
	€	€
Receivables from subsidiaries (Note 25)	810,958	5,719,779
Receivable from joint venture (Note 25)	60	-
Receivables from related companies (Note 25)	36,820	101,810
Shareholder's current account (Note 25)	<u>600,000</u>	<u>-</u>
	<u>1,447,838</u>	<u>5,821,589</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 2023 (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

	2022	2021
	€	€
Guarantees	2,150	2,150
Prepayments	4,080	2,626
Accrued income	243,676	374,519
Refundable VAT	83,972	55,622
Refundable bank interest	<u>-</u>	<u>3,933</u>
	<u>333,877</u>	<u>438,850</u>

Non-current assets	-	-
Current assets	<u>333,877</u>	<u>438,850</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:

	2022	2021
	€	€
Cash at bank (EUR)	<u>1,577,526</u>	<u>11,771,791</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

	2022	2022	2021	2021
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>36,000</u>	<u>36,000</u>	<u>32,000</u>	<u>32,000</u>

Issued and fully paid	Number of shares	Ordinary shares	Share premium	Total
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>
1 January 2022	32,000	32,000	16,499,000	16,531,000
Increase of share capital	<u>4,000</u>	<u>4,000</u>	<u>45,496,000</u>	<u>45,500,000</u>
31 December 2022	<u>36,000</u>	<u>36,000</u>	<u>61,995,000</u>	<u>62,031,000</u>

Authorised capital

On 19 July 2022, the authorised share capital of the Company was increased from 32,000 ordinary shares to 33,000 ordinary shares.

On 16 September 2022, the authorised share capital of the Company was increased from 33,000 ordinary shares to 34,000 ordinary shares.

On 2 November 2022, the authorised share capital of the Company was increased from 34,000 ordinary shares to 35,000 ordinary shares.

On 17 November 2022, the authorised share capital of the Company was increased from 35,000 ordinary shares to 36,000 ordinary shares.

Issued capital

On 19 July 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €5,999 each.

On 16 September 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €24,999 each.

On 2 November 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €9,999 each.

On 17 November 2022, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,499 each.

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22. Borrowings

	2022 €	2021 €
Current borrowings		
Bank overdrafts	-	187
Loan from related party (Note 25)	<u>30,490</u>	<u>150,380</u>
	30,490	150,567
Non-current borrowings		
Loan from related party (Note 25)	<u>23,720,704</u>	<u>18,094,644</u>
Total	<u>23,751,194</u>	<u>18,245,211</u>

Maturity of non-current borrowings:

	2022 €	2021 €
Between one to two years	23,720,704	-
Between two and five years	<u>-</u>	<u>18,094,644</u>
	<u>23,720,704</u>	<u>18,094,644</u>

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. On 3 January 2022, the Company entered into another amendment agreement of the above loan to extend the maturity date at 31 December 2022. The loan has a fixed interest rate of 0,1% and the capital amount withdrawn was € 30.000 as at 31 December 2022.

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. In accordance with the loan agreement with Dimand S.A. it states that interest may be readjusted subjected to the lenders related financial cost and a balloon interest of €5,454,772. has been calculated as 1.5 times of the disbursement amount, according to this clause. The rest of the interest expense related to interest charges according to the contractual clauses. The amount of 23,720,704 includes the accrued interest from the beginning of the loan.

23. Lease liability

	2022 €	2021 €
Balance at 1 January	7,967	18,225
Additions	-	-
Repayments	(8,100)	(10,800)
Interest for the year	<u>133</u>	<u>542</u>
Balance at 31 December	<u>-</u>	<u>7,967</u>

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%. The lease was renewed for a period of 1 year with an expiry date of 30.09.2023. This renewal falls within the exceptions of ifrs 16 and recognized in Profit or loss as operating expense.

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24. Accounts payable

	2022	2021
	€	€
Shareholder's Contribution towards Share Capital Increase (Note 25)	2,151	2,151
Accruals	13,600	19,500
Accruals related to Shareholder (Note 25)	270,000	170,000
Other creditors	1,796	154,238
Advances from customers	-	7,953,543
Payable to joint venture (Note 25)	4,355,000	4,355,000
Payables to subsidiaries (Note 25)	1,921,305	7,632,902
Payable to related party (Note 25)	272	-
	<u>6,564,125</u>	<u>20,287,334</u>

Accruals refer mainly to preliminary investment expenses due to parent Dimand 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 2023. The said amount is not considered to carry liquidity risk. Line "Payable to subsidiaries" includes amount €1,511,305 relating to contributions toward Share capital increase and amount €410,000 relating to share capital decrease of subsidiary Pavalia Ltd. The share capital decrease decision has not been completed by the reporting date and the amount is shown as a liability to related parties.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

25. Related party balances and transactions

For the purpose of these financial statements, parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 “Related Party Disclosures”. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Transactions are entered into the normal course of the business with other related parties. These transactions are not necessarily carried out on an arm’s length basis.

The related party balances and transactions are as follows:

Related Party Transactions

	2022					2021				
	Nature of transactions					Nature of transactions				
	Dividend income	Interest income	Interest expense	Other Professional Fees	Rendering of services	Dividend income	Interest income	Interest expense	Other Professional Fees	Rendering of services
(Note 8)	(Note 12, 17)	(Note 12, 22)	(Note 11)	(Note 8)	(Note 8)	(Note 12, 17)	(Note 12, 22)	(Note 11)	(Note 8)	
€	€	€	€	€	€	€	€	€	€	
Cante Holdings Ltd	4.920.500	-	-	-	-	4.680.000	-	-	-	-
YITC European Trading Ltd	-	735	-	-	-	-	705	-	-	-
Venadektos Holdings Ltd	-	600	-	-	-	-	600	-	-	-
Oblinarium Holdings Ltd	-	660	-	-	-	4.400.000	3.300	-	-	-
Dimand S.A.	-	-	7,354,215	270.000	-	-	-	1.534.944	210.000	-
Kartonera Ltd	-	-	110	-	-	-	-	150	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-	15.750	-	-	-	-	10.526
Dramar S.M.S.A	-	-	-	-	15.750	-	-	-	-	10.526
Pefkor S.M.S.A	-	-	-	-	33.676	-	-	-	-	10.526
Filma Estate S.M.S.A	-	-	-	-	-	-	-	-	-	51.053
Alkanor S.M.S.A	-	-	-	-	52.500	-	-	-	-	240.571
Severdor Ltd	-	-	-	-	-	-	-	-	-	26.316
Citrus S.M.S.A.	-	-	-	-	21.000	-	-	-	-	-
Insignio S.M.S.A.	-	-	-	-	26.250	-	-	-	-	-
Kalliga Estate S.M.S.A.	-	-	-	-	26.250	-	-	-	-	-
Apellou Estate S.M.S.A.	-	-	-	-	52.500	-	-	-	-	-
3V S.A	-	-	-	-	-	-	-	-	-	25.000
	4.920.500	1.995	7.354.325	270.000	243.676	9.080.000	4.605	1.535.094	210.000	374.519

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NOTES TO THE FINANCIAL STATEMENTS

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Related Party Balances

A. Receivables

	2022 Receivables				2021 Receivables			
	Receivables from subsidiaries, joint venture, and related parties				Receivables from subsidiaries, joint venture, and related parties			
	Contributions towards Share Capital Increase (Note 18)	Loans (Note 17)	Receivables from related parties (Note 18)	Accrued Income (Note 19)	Contributions towards Share Capital Increase (Note 18)	Loans (Note 17)	Payment for purchase of share capital (Note 18)	Accrued Income (Note 19)
	€	€	€	€	€	€	€	€
Dimand S.A.	600,000.00	-	-	-	-	-	-	-
Kartonera Ltd	384,958	-	-	-	384,898	-	-	-
Emid Holdings Ltd	-	-	-	-	560	-	-	-
Pavalia Enterprises Ltd	60.00	-	-	-	224,542	-	-	-
Stivaleous Holdings Ltd	10,560.00	-	-	-	10,560	-	-	-
Rodomontas Investments Ltd	-	-	-	-	4,780,000	-	-	-
YITC European Trading Ltd	60.00	153,488	-	-	-	142,753	-	-
Venadektos Holdings Ltd	-	121,904	-	-	-	121,304	-	-
Oblinarium Holdings Ltd	60.00	-	-	-	-	667,579	-	-
Dimand Real Estate (Cyprus) Ltd	60.00	-	-	-	60	-	-	-
Magromell Ltd	37,338.45	-	-	-	-	-	-	-
Severdor Ltd	2,338.45	-	-	-	282,338	-	-	-
IQ Athens S.M.S.A	-	-	-	-	58,480	-	-	-
Ourania S.M.S.A	-	-	-	-	-	-	-	30,950
Afflade Ltd	16,000.00	-	-	-	16,000	-	-	-
Darmenia Ltd	37,000.00	-	-	-	32,000	-	-	-
Nea Peramos Side Port S.M.S.A	-	-	10,526	15,750	-	-	-	10,526
Dramar S.M.S.A	-	-	10,526	15,750	-	-	-	10,526
Pefkor S.M.S.A	-	-	10,526	33,676	-	-	-	10,526
Filma Estate S.M.S.A	-	-	51,053	-	-	-	-	51,053
Alkanor S.M.S.A	-	-	240,571	52,500	-	-	-	240,571
Mandalinar Ltd	10,000.00	-	-	-	-	-	-	-
3V S.A	-	-	25,000	-	-	-	-	25,000
Insignio S.M.S.A	-	-	-	26,250	-	-	-	26,316
Kalliga S.M.S.A.	-	-	-	26,250	-	-	-	-
Apellou S.M.S.A.	-	-	-	52,500	-	-	-	-
Citrus S.M.S.A.	-	-	-	21,000	-	-	-	-
Other related parties	-	-	1,200	-	-	-	-	-
	1,098,435	275,392	349,403	243,676	5,789,439	931,636	-	405,469

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B. Payables

	2022 Payables				2021 Payables			
	Payables to subsidiaries, joint venture, and related parties				Payables to subsidiaries, joint venture, and related parties			
	Contributions towards Share Capital Increase (Note 24)	Due Initial Share Capital (Note 24)	Loan (Note 22)	Other Liabilities (Note 24)	Contributions towards Share Capital Increase (Note 24)	Due Initial Share Capital (Note 24)	Loan (Note 22)	Other Liabilities (Note 24)
	€	€	€	€	€	€	€	€
Cante Ltd	-	-	-	4,355,000	-	-	-	4,355,000
YITC European Trading Ltd	-	-	-	-	-	-	-	-
Gravitousia Holdings Ltd	-	-	-	-	720,740	-	-	-
Oblinarius Holdings Ltd	-	-	-	-	-	-	-	-
Pavalia Enterprises Ltd	-	-	-	410,000	-	-	-	-
Kartonera Ltd	-	-	30,490	-	-	-	150,380	-
Arcela Finance Ltd	491,125	-	-	-	491,500	-	-	-
Alabana Holdings Ltd	290,000	-	-	-	43,000	-	-	-
Afflade Holdings Ltd	-	-	-	-	-	-	-	-
Rodomontas Investments Ltd	50,440	-	-	-	-	-	-	-
Gravitousia Holdings Ltd	679,740	-	-	-	-	-	-	-
Dimand S.A.	2,151	-	23,720,704	270,000	2,151	-	18,094,644	170,000
Magromell Ltd	-	-	-	-	5,817,662	-	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-	-	40,000	-	-
Dramar S.M.S.A	-	-	-	-	-	320,000	-	-
Pefkor S.M.S.A	-	-	-	-	-	200,000	-	-
	1,513,456	-	23,751,194	5,035,000	7,075,052	560,000	18,245,024	4,525,000

C. Compensation paid to Key management and Administrative Executives

	2022	2021
Short term benefits	30,166	28.578
Total	30,166	28.578

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 2022.

28. Events after the reporting period

The following significant events have taken place following year 2022 end:

- On 31 January 2023 a notarial deed of sale and purchase between the subsidiary "Alkanor S.M.S.A." was signed for the acquisition of building A on the former property "MINION" in the center of Athens for a consideration of €3,030,000. It is noted that on 24.12.2021 an agreement was signed for the purchase of buildings C, D, and E owned by the seller on the former property "MINION" for a consideration of €18,750,000, while on the same day a notarial preliminary contract (with the right of self-contract) was signed, which as amended on 30 December 2022, provides for the acquisition of the seller's horizontal properties located on building B of the "MINION" property, for the amount of €4,420,000 (of which €2,750,000 has already been paid as advance payment).

- On 22 February 2023, the Company proceeded with the signing of a preliminary agreement with Eurobank S.A., for the disposal of all the shares of the 100% subsidiary of the Cypriot company Severdor Ltd. for a consideration of €74,444,444 (based on the net asset value method, on a cash- and debt-free basis). The Company has entered into a Share Pledge Agreement, with Eurobank S.A., for further securing the claims of Eurobank, as they arise from the Pre-Agreement referred above and agreed to register a 1st ranking pledge over 3.000 ordinary shares of nominal value €1,00 each, issued by Severdor Ltd, ownership of the Company, including having pledged in favor of Eurobank the total number of the issued shares by Severdor Ltd, as owned by the Company. Severdor Ltd is the sole shareholder of Insignio S.M.S.A., which owns the land on the plot of land on 65 Kifissias Avenue in Maroussi, where an emblematic modern office complex with a total area of c. 24,940 sq.m., is already under construction in two buildings, in accordance with the principles of sustainability and bioclimatic design, with a special emphasis on a friendly, flexible and creative working environment. The complex is aiming for WELL and LEED certification at the Gold level, according to the internationally recognised rating system of the American body, USGBC. The final disposal of the shares will take place immediately after the completion of the development of the office complex and its delivery for use to a tenant within 2024.

- On 28 February 2023, the subsidiary of Magromell Ltd, IQ Athens S.M.S.A., signed a contract for the acquisition of an industrial complex (former premises of the factory of "Athenian Paper Mill") on a land plot of c. 49,340 sq.m. surrounded by the streets of Charttergakon, Iera Odos and Agios Polykarpou in the area of Votanikos, in block 35 of the Municipality of Athens. Out of the total price of €14,220,000, an amount of €8,280,000 was paid as an advance payment based on preliminary agreements until 31 December 2022, an amount of €500,000 with the signing of the final contract, while the remaining amount of €5,440,000 will be paid in three instalments. According to the business plan, a modern complex will be developed with office, retail, etc. uses, which will be designed according to the standards of the LEED certificate for high energy class bioclimatic buildings.

- On 3 March 2023, the subsidiary of Kartonera Ltd, Hub 204 S.M.S.A., was awarded as the preferred bidder in the context of the public tender conducted on 08.02.2023 for the purchase of a property by the Ministry of Justice ("TAHDIK") to host the Piraeus Judicial Services for a consideration of €80,900,000. The New Courthouse will be built on a plot of land owned by Hub 204 S.M.S.A. (until the signing of the purchase and sale contract with the TAHDIK) in the area of Agios Dionysios of the Municipality of Piraeus. The project is aiming for LEED certification at the Gold level, according to the internationally recognised rating system of the USGBC. The signing of the sale and purchase agreement according to the terms of the tender took place on 13 November 2023.

- The subsidiary company Nea Peramos Side Port S.M.S.A., following the notarial preliminary agreement dated 26 May 2022, proceeded to the

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

purchase of an industrial complex (former facilities of the factory of " Athens Papermill"), on a plot of land of approximately 70,267 sq.m. in the area of Nea Peramos in the prefecture of Kavala, which was acquired on 15 May 2023, for a consideration of €600,000, plus taxes and expenses of €138,219. Of the total consideration of €600,000, an amount of €30,000 was paid as an advance payment in the context of the preliminary agreement until 31 December 2022 and an amount of €570,000 was paid upon signing the final agreement.

- On 19 May 2023, the Company proceeded to the disposal of its 100% participation in subsidiary Nea Peramos Side Port S.M.S.A. for a consideration of €3,412,413.

- The subsidiary Pefkor S.M.S.A., following the notarial preliminary agreement of 26.05.2022, proceeded to the purchase of an industrial complex (former premises of the factory of "Athenian Papermill"), on a plot of land of approximately 73,041 sq.m. in Nea Peramos, in the Municipality of Megareon, at the location "VLYCHADA", which was acquired on 26.06.2023, for a consideration of €2,800,000, plus taxes and expenses of €334,352. Of the total consideration of €2,800,000, an amount of €180,000 was paid as an advance payment in the context of the preliminary agreement until 31 December 2022, an amount of €2,060,000 was paid upon signing the final agreement, while the remaining amount of €560,000 was paid on 13.11.2023.

- On 14 July 2023, a common bond loan was signed with bondholder Optima Bank SA and issuer the subsidiary of Oblinarium Holdings Ltd, Kalliga Estate S.M.S.A., for an amount of up to €2,000,000 and a term of 13 months in order to refinance the existing open current account agreement with an equal current balance.

- On 17 July 2023, an open current account agreement was signed between Piraeus Bank and subsidiary Filma Estate S.M.S.A., for the amount of €4,200,000 for the purpose of financing: a) part of the acquisition cost of 25% of the investment property, i.e. a plot of land with a complex of industrial buildings, on 26th October Street, in Thessaloniki (former complex of the old FIX factory "FIX Complex"), and/or b) early construction works. For the security of the above obligations, the Company entered into a "Share Pledge Agreement" with Piraeus Bank and applied a 1st ranking pledge in favor of Piraeus Bank to the shares it holds in Filma Estate S.M.S.A.

- On 31 August 2023, the subsidiary Filma Estate S.M.S.A. signed the final contract for the acquisition of the remaining 25% of the FIX Group. In 2022, the Company acquired a 75% undivided interest in the property for a price of €9,300,000, plus taxes and expenses of €420,796, and had pre-agreed the acquisition of the remaining 25%. According to the business plan, it is expected to develop a mixed-use bioclimatic complex for the purpose of leasing them.

- On 15 September 2023, the Company signed a share purchase and sale agreement under which it agreed to transfer 100% of the shares of Pefkor S.M.S.A., for a total consideration of €4,250,000 (based on the equity method, on a cash-free / debt free basis). The final share purchase agreement will be signed during December 2023.

- On 21 September 2023, IQ Athens S.M.S.A. made the repayment of the deferred consideration of €5,440,000, in the context of the acquisition of the industrial complex on land located in Votanikos. The repayment was financed by the credit agreement with an open current account with Alpha Bank dated 22. June 2023.

- On 10 November 2023, a common bond loan was signed with bondholder the Company and issuer the subsidiary Citrus S.M.S.A., for an amount of up to €2,000,000 in order to finance the issuer's investment property activities.

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

Independent auditor's report on pages 11 to 13.