



**DIMAND REAL ESTATES (CYPRUS)  
LIMITED**  
FINANCIAL STATEMENTS  
Year ended 31 December 2022

# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **FINANCIAL STATEMENTS**

Year ended 31 December 2022

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# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

BT Nominees Limited (appointed on 20 January 2022)  
Bizserve Management Limited (resigned on 20 January 2022)  
Bizserve Investments Limited (resigned on 20 January 2022)

**Company Secretary:**

BT Secretaries Limited

**Independent Auditors:**

BDO Limited  
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:**

Boumpoulinas, 11  
Floor 1  
1060 ,Nicosia  
Cyprus

**Bankers:**

National Bank of Greece Limited

# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **MANAGEMENT REPORT**

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

### **Principal activities and nature of operations of the Company**

The principal activities of the Company are those of provision of consulting services relevant to immovable property and development of investment property. During the year the Company sold all its properties held.

### **Review of current position, future developments and performance of the Company's business**

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 23 of the financial statements.

### **Use of financial instruments by the Company**

The Company is exposed to market risk, credit risk and liquidity risk from the financial instruments it holds as disclosed in note 6.

### **Results**

The Company's results for the year are set out on page 7.

### **Dividends**

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

### **Share capital**

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

### **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. Bizserve Management Limited and Bizserve Investments Limited who were appointed as directors resigned on 20 January 2022 and on the same date BT Nominees Limited was appointed in their place.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

### **Operating Environment of the Company**

#### **Russia – Ukraine conflict**

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs.

#### **Events after the reporting period**

On 29 December 2022, the Company applied for a reduction of its share premium for the amount of €740,000. On 25 January 2023, the court approved the respective reduction.

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **MANAGEMENT REPORT**

### **Independent Auditors**

The Independent Auditors, BDO Limited, have expressed their willingness to continue in office.

By order of the Board of Directors,

BT Nominees Limited  
Director

Nicosia, 15 September 2023



Tel: +357 25 847 400  
Fax: +357 25 735 455  
www.bdo.com.cy

261, 28th October Street  
(Seafront Road)  
View Point Tower  
Floors 6, 7 and 8  
PO Box 51681  
3507 Limassol  
Cyprus

## Independent Auditor's Report

### To the Members of Dimand Real Estates (Cyprus) Limited

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

#### Opinion

We have audited the financial statements of parent company Dimand Real Estates (Cyprus) Limited (the "Company"), which are presented in pages 7 to 22 and comprise the statement of financial position as at 31 December 2022, and the 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 parent company Dimand Real Estates (Cyprus) Limited 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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.

BDO Ltd, a Cyprus limited liability company, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the international BDO network of independent member firms.  
BDO Ltd is registered in Cyprus under registration no HE166556. A list of directors and their professional qualifications can be obtained at our registered office.



## Independent Auditor's Report (continued)

### To the Members of Dimand Real Estates (Cyprus) Limited

#### 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 skepticism 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.



## Independent Auditor's Report (continued)

### To the Members of Dimand Real Estates (Cyprus) Limited

#### 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.

#### 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 Limited**

Certified Public Accountants (CY) and Registered Auditors

Limassol, 15 September 2023



## DIMAND REAL ESTATES (CYPRUS) LIMITED

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

Year ended 31 December 2022

	Note	2022 €	2021 €
<b>Revenue</b>	8	<b>1,000,000</b>	-
Cost of sales	9	<u>(977,722)</u>	-
<b>Gross profit</b>		<b>22,278</b>	-
Fair value gains on investment property	10	<b>128,000</b>	88,219
Administration expenses	11	<u>(63,149)</u>	<u>(23,753)</u>
<b>Operating profit</b>		<b>87,129</b>	64,466
Finance income	12	-	5
Finance costs	12	<u>(1,814)</u>	<u>(2,178)</u>
<b>Profit before tax</b>		<b>85,315</b>	62,293
Tax	13	<u>-</u>	<u>(2)</u>
<b>Net profit for the year</b>		<b>85,315</b>	62,291
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>85,315</b></u>	<u>62,291</u>

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The notes on pages 11 to 22 form an integral part of these financial statements.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	14	-	922,000
		<u>-</u>	<u>922,000</u>
<b>Current assets</b>			
Inventories	15	-	977,109
Accounts receivable	16	863,045	214
Cash and cash equivalents	17	330,266	33,697
		<u>1,193,311</u>	<u>1,011,020</u>
<b>Total assets</b>		<u><u>1,193,311</u></u>	<u><u>1,933,020</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	4,746	4,746
Share premium		1,269,630	1,269,630
Accumulated losses		(398,592)	(483,907)
<b>Total equity</b>		<u>875,784</u>	<u>790,469</u>
<b>Current liabilities</b>			
Accounts payable	20	317,309	1,098,497
Borrowings	19	39	43,875
Current tax liabilities	21	179	179
		<u>317,527</u>	<u>1,142,551</u>
<b>Total equity and liabilities</b>		<u><u>1,193,311</u></u>	<u><u>1,933,020</u></u>

On 15 September 2023 the Board of Directors of Dimand Real Estates (Cyprus) Limited authorised these financial statements for issue.

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BT Nominees Limited  
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

## DIMAND REAL ESTATES (CYPRUS) LIMITED

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### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital €	Share premium €	Accumulated losses €	Total €
<b>Balance at 1 January 2021</b>	<b>4,746</b>	<b>1,269,630</b>	<b>(546,198)</b>	<b>728,178</b>
Total comprehensive income for the year	-	-	62,291	62,291
<b>Balance at 31 December 2021/ 1 January 2022</b>	<b>4,746</b>	<b>1,269,630</b>	<b>(483,907)</b>	<b>790,469</b>
Total comprehensive income for the year	-	-	85,315	85,315
<b>Balance at 31 December 2022</b>	<b>4,746</b>	<b>1,269,630</b>	<b>(398,592)</b>	<b>875,784</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence 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. Deemed dividend distribution is also subject to a 2.65% contribution to the General Healthcare System. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

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The notes on pages 11 to 22 form an integral part of these financial statements.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 €	2021 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>85,315</b>	62,293
Adjustments for:			
Fair value gains on investment property		<b>(128,000)</b>	(88,219)
Interest income	12	-	(5)
Interest expense	12	<b>1,384</b>	1,875
		<b>(41,301)</b>	(24,056)
<b>Changes in working capital:</b>			
Decrease/(increase) in inventories		<b>977,109</b>	(182,109)
(Increase)/decrease in accounts receivable		<b>(122,831)</b>	29,313
(Decrease)/increase in accounts payable		<b>(781,188)</b>	325,144
<b>Cash generated from operations</b>		<b>31,789</b>	148,292
Tax paid		-	(2)
<b>Net cash generated from operating activities</b>		<b>31,789</b>	148,290
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of investment property	14	-	(158,781)
Proceeds from sale of investment properties	14	<b>1,050,000</b>	-
Interest received		-	5
<b>Net cash generated from/(used in) investing activities</b>		<b>1,050,000</b>	(158,776)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advance payment for share capital decrease		<b>(740,000)</b>	-
Repayments of borrowings		<b>(42,000)</b>	(150,000)
Proceeds from borrowings		-	192,000
Interest paid		<b>(3,220)</b>	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(785,220)</b>	42,000
<b>Net increase in cash and cash equivalents</b>		<b>296,569</b>	31,514
Cash and cash equivalents at beginning of the year		<b>33,697</b>	2,183
<b>Cash and cash equivalents at end of the year</b>	17	<b>330,266</b>	33,697

The notes on pages 11 to 22 form an integral part of these financial statements.

# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

### **1. Incorporation and principal activities**

#### **Country of incorporation**

The Company Dimand Real Estates (Cyprus) Limited (the "Company") was incorporated in Cyprus on 14 May 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Boumpoulinas, 11, Floor 1, 1060, Nicosia, Cyprus.

#### **Principal activities**

The principal activities of the Company are those of provision of consulting services relevant to immovable property and development of investment property. During the year the Company sold all its properties held.

### **2.1 Basis of preparation**

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

### **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 current financial data of the Company and the Group as well as the future obligations, agreements and prospects, taking into account the direct financial effects of Russia's invasion in Ukraine as well as the impact of the macroeconomic environment, estimates that its prospects of the Company and the Group are positive and that the Company and the Group have the ability to continue their activity without interruption according to their business plan. As a result, the Annual Financial Statements have been prepared on a going concern basis.

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.

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

As from 1 January 2022, the Company adopted all the following IFRSs and International Accounting Standards (IAS), which are relevant to its operations. The adoption of these Standards did not have a material effect on the financial statements.

### **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 to all years presented in these financial statements unless otherwise stated.

#### **Revenue**

##### **Recognition and measurement**

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

# **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2022

### **4. Significant accounting policies (continued)**

#### **Revenue recognition (continued)**

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

#### **Identification of performance obligations**

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Sale of products/inventory**

Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of loss has been transferred to the customer and the customer has accepted the products.

#### **Finance income**

Interest income is recognised on a time-proportion basis.

#### **Finance costs**

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### **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.

#### **Dividends**

Interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 4. Significant accounting policies (continued)

#### Investment properties

Investment property, principally comprising of land and building in Mykonos, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

On 31 December 2020, a part of investment properties was reclassified to land and buildings under development (Inventory) as the land was under development for future sale.

On 16 December 2022, the Company sold its property held as investment property for the consideration price of €1,050,000.

#### Financial Instruments

##### Financial assets

##### Classification and measurement

Amortised cost: Financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, where those cash flows are solely payments of principal and interest, are measured at amortised cost.

Fair Value through Other Comprehensive Income (FVTOCI): Financial assets held within a business model whose objective is to hold for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

Fair Value through Profit or Loss (FVTPL): All other financial assets are measured at fair value through profit or loss.

Investments in equity instruments are subsequently measured at fair value through profit or loss, unless on initial recognition, the Company has made an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

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 asset as at 31.12.2022 consists of accounts receivables 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.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 4. Significant accounting policies (continued)

#### Financial Instruments (continued)

##### 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 amortised 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.

##### 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.

##### Inventories

Inventories are measured at cost. In accordance with IAS 40, an entity shall transfer the property from investment property to inventories when there is a change in use. If the investment property is carried at fair value then the property's deemed cost shall be its fair value at the date of change in use. On 31 December 2020, the investment property, which relates to a maisonette of 157.38 sqm situated in Mykonos, was transferred to inventories as the Company on 30.12.2020 and on 20 June 2021 signed a preliminary sale and extended agreement for the sale of this maisonette, in 2022.

On 1 December 2022, the Company sold its property held as inventory for the consideration price of €1,000,000.

##### 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.

##### Comparatives

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

### 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).*



# DIMAND REAL ESTATES (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 6. Financial risk management

#### Financial risk factors

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including foreign exchange risk and interest rate 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 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's has no interest rate risk as has no lendings or borrowings granted or issued at variable rates.

##### 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 does not hold equity securities (investments in subsidiaries) or other financial instruments that have fluctuations in their prices, so is not exposed to price risk.

#### 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 Account receivable 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 Company has no receivables' balances and hence the Company is not exposed to 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 has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 6. Financial risk management (continued)

#### c) Liquidity risk (continued)

31 December 2022	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-5 years €	More than 5 years €
Accounts payable	13,826	13,826	-	13,826	-	-
Payable to parent company	303,423	303,423	-	303,423	-	-
Payable to related company	60	60	-	60	-	-
Loan from shareholder	39	39	-	39	-	-
	<b>317,348</b>	<b>317,348</b>	<b>-</b>	<b>317,348</b>	<b>-</b>	<b>-</b>

  

31 December 2021	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-5 years €	More than 5 years €
Accounts payable	427,091	427,091	-	427,091	-	-
Payable to parent company	667,900	667,900	-	667,900	-	-
Payable to related company	60	60	-	60	-	-
Loan from shareholder	43,875	43,875	-	43,875	-	-
	<b>1,138,926</b>	<b>1,138,926</b>	<b>-</b>	<b>1,138,926</b>	<b>-</b>	<b>-</b>

#### 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 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.

The fair value of the investment property is based on the valuation made on an independent valuer's report, which is a member of a professional body in Greece. In the assessment the fair value of investment property was determined using the Residual Value method, which is a hybrid of the market approach, the income approach and the cost approach and was taken into account the property's legal status, technical characteristics and permitted uses. Also, the Company made some assumptions that were based on market conditions as at the reporting date.

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

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

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

31 December 2021	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Investment property	-	-	922,000	922,000
Total	-	-	922,000	922,000

The property was sold in 2022.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 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.

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:

*Critical judgements in applying the Company's accounting policies*

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

### 8. Revenue

	2022	2021
	€	€
Sale of property	<u>1,000,000</u>	-
	<u><u>1,000,000</u></u>	<u>-</u>

The amount relates to the sale of property A classed as inventories for the consideration price of €1,000,000.

### 9. Cost of sales

	2022	2021
	€	€
Cost of inventory	<u>977,722</u>	-
	<u><u>977,722</u></u>	<u>-</u>

Cost of inventory relates to the cost of property A that was sold during 2022.

### 10. Fair value gains on investment property

	2022	2021
	€	€
Fair value gains on investment property (Note 14)	<u>128,000</u>	88,219
	<u><u>128,000</u></u>	<u>88,219</u>

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 11. Administration expenses

	2022	2021
	€	€
Annual levy	350	350
Immovable property tax	3,806	2,354
Insurance	233	3,198
Sundry expenses	40	-
Courier expenses	-	10
Auditors' remuneration - current year	2,856	2,300
Auditors' remuneration - prior years	-	808
Accounting fees	2,142	1,500
Other professional fees	15,396	12,986
Fines	1,126	-
Commission	37,200	-
Accounting fees - prior year	-	247
	<u>63,149</u>	<u>23,753</u>

### 12. Finance income/(costs)

	2022	2021
	€	€
Interest income	-	5
<b>Finance income</b>	<u>-</u>	<u>5</u>
Loan interest expense (Note 22.1)	(1,384)	(1,875)
Sundry finance expenses	(430)	(303)
<b>Finance costs</b>	<u>(1,814)</u>	<u>(2,178)</u>
<b>Net finance costs</b>	<u>(1,814)</u>	<u>(2,173)</u>

### 13. Tax

	2022	2021
	€	€
Defence contribution	-	2
<b>Charge for the year</b>	<u>-</u>	<u>2</u>

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2022	2021
	€	€
Profit before tax	<u>85,315</u>	<u>62,293</u>
Tax calculated at the applicable tax rates	10,664	7,787
Tax effect of expenses not deductible for tax purposes	7,496	2,634
Tax effect of allowances and income not subject to tax	(18,785)	(11,028)
Tax effect of tax loss for the year	625	607
Defence contribution current year	-	2
<b>Tax charge</b>	<u>-</u>	<u>2</u>

The corporation tax rate is 12.5%.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 13. Tax (continued)

Under certain conditions interest income may be subject to defence 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 defence contribution at the rate of 17%.

### 14. Investment properties

	2022	2021
	€	€
Balance at 1 January	922,000	675,000
Additions	-	158,781
Disposals	(1,050,000)	-
Fair value change (Note 10)	128,000	88,219
<b>Balance at 31 December</b>	<b>-</b>	<b>922,000</b>

The investment property relates to a maisonette of 137.22 sqm situated in Mykonos.

On 16 December 2022, the Company sold its property held as investment property for the consideration price of €1,050,000.

### 15. Inventories

	2022	2021
	€	€
Properties under development	-	977,109
	-	977,10

On 31 December 2020, the investment property, which relates to a maisonette of 157.38 sqm situated in Mykonos, was transferred to inventories as the Company on 30.12.2020 and on 20 June 2021 signed a preliminary sale and extended agreement for the sale of this maisonette, in 2022. Inventories are measured at cost. In accordance with IAS 40, an entity shall transfer the property from investment property to inventories when there is a change in use. If the investment property is carried at fair value then the property's deemed cost shall be its fair value at the date of change in use.

On 1 December 2022, the Company sold its property held as inventory for the consideration price of €1,000,000.

### 16. Accounts receivable

	2022	2021
	€	€
Receivable from parent company (Note 22.2)	740,000	-
Other receivables	214	214
Refundable VAT	122,831	-
	<b>863,045</b>	<b>21</b>

On 29 December 2022, the Company applied for a reduction of its share premium for the amount of €740,000. On 25 January 2023, the court approved the respective reduction. The receivable amount from the parent company will be offset in 2023 with the final court approval.

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

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 17. Cash and cash equivalents

	2022	2021
	€	€
Cash in hand	194	271
Cash at bank	<u>330,072</u>	<u>33,426</u>
	<u><u>330,266</u></u>	<u><u>33,697</u></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.

### 18. Share capital

	2022	2022	2021	2021
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1.71 each	<u>5,000</u>	<u>8,550</u>	<u>5,000</u>	<u>8,550</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>2,775</u>	<u>4,746</u>	<u>2,775</u>	<u>4,746</u>
<b>Balance at 31 December</b>	<u><u>2,775</u></u>	<u><u>4,746</u></u>	<u><u>2,775</u></u>	<u><u>4,746</u></u>

### 19. Borrowings

	2022	2021
	€	€
<b>Current borrowings</b>		
Loan from shareholder (Note 22.5)	<u>39</u>	<u>43,875</u>
	<u><u>39</u></u>	<u><u>43,875</u></u>

### 20. Accounts payable

	2022	2021
	€	€
VAT	-	3,446
Payable to parent company (Note 22.3)	303,423	667,900
Accruals	8,792	3,796
Other creditors	5,034	423,295
Payable to related company (Note 22.4)	<u>60</u>	<u>60</u>
	<u><u>317,309</u></u>	<u><u>1,098,497</u></u>

### 21. Current tax liabilities

	2022	2021
	€	€
Special contribution for defence	<u>179</u>	<u>179</u>
	<u><u>179</u></u>	<u><u>179</u></u>

### 22. Related party transactions

The Company is 100% owned by Dimand S.A., a company incorporated in Greece.

# DIMAND REAL ESTATES (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

### 22. Related party transactions (continued)

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.

The following transactions were carried out with related parties:

#### 22.1 Loan interest expense (Note 12)

	2022	2021
<u>Name</u>	€	€
Dimand S.A.	<u>1,384</u>	<u>1,875</u>
	<u>1,384</u>	<u>1,875</u>

#### 22.2 Receivable from parent company (Note 16)

	2022	2021
<u>Name</u>	€	€
Dimand S.A.	<u>740,000</u>	<u>-</u>
	<u>740,000</u>	<u>-</u>

#### 22.3 Payable to parent company (Note 20)

	2022	2021
<u>Name</u>	€	€
Dimand S.A.	<u>303,423</u>	<u>667,900</u>
	<u>303,423</u>	<u>667,900</u>

#### 22.4 Payable to related company (Note 20)

	2022	2021
<u>Name</u>	€	€
Arcela Investments Limited	<u>60</u>	<u>60</u>
	<u>60</u>	<u>60</u>

#### 22.5 Loan from shareholder (Note 19)

	2022	2021
<u>Name</u>	€	€
Dimand S.A.	<u>39</u>	<u>43,875</u>
	<u>39</u>	<u>43,875</u>

The amount relates to interest accrued.

### 23. Contingent liabilities

The company’s activities are concerned with the holding of investments outside Cyprus. There are limited operating activities in Cyprus referring to administration and management services received 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.

The Company had no contingent liabilities as at 31 December 2022.

## **DIMAND REAL ESTATES (CYPRUS) LIMITED**

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### **24. Commitments**

The Company had no capital or other commitments as at 31 December 2022.

### **25. Events after the reporting period**

On 29 December 2022, the Company applied for a reduction of its share premium for the amount of €740,000. On 25 January 2023, the court approved the respective reduction.

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 4 to 6**