

ARCELA INVESTMENTS LTD
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2023

ARCELA INVESTMENTS LTD

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2023

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ARCELA INVESTMENTS LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Nicolaos Sofianos
Nikolaos Ioannis Dimsas
Georgios Engomitis
Andrea Adradjioti
Nikolaos Argiris Stampoulas Stampoulis
Anna Chalkiadaki

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 2023.

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 the International Financial Reporting Standards (IFRS) 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. 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 at fair value through profit or loss.

Investments in subsidiaries and Joint Ventures

During 2023 the following changes occurred in the Company's investments portfolio in relation to the previous year.

On 11 January 2023, Pavalia Enterprises Ltd decreased its share premium by the amount of €410,000, with the approval of a court order.

On 23 January 2023, Gravitousia Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €5,169 each.

On 21 February 2023, Severdor Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €15,199 each.

On 20 March 2023, Kartonera Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €429 each. Also, on 26 September 2023, Kartonera Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €549 each.

On 10 April 2023, Rodomontas Investments Ltd decreased its share premium by the amount of €7,679,200, with the approval of a court order.

On 5 May 2023, Cante Holdings Ltd issued additional 36,400 ordinary shares with a nominal value of €1 and at a premium of €99 each. Also, on 21 December 2023, Cante Holdings Ltd issued additional 29,250 ordinary shares with a nominal value of €1 and at a premium of €99 each.

On 15 May 2023, Nea Peramos Side Port S.M.S.A. issued additional 7,250 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 19 May 2023, the Company sold its 100% holding in Nea Peramos Side Port S.M.S.A. for the consideration price of €3,412,729.

On 14 June 2023, Magromell Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €2,999 each.

On 6 September 2023, Oblinarium Holdings Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €6,999 each.

On 10 November 2023, Pefkor S.M.S.A. issued additional 31,100 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 15 November 2023, the Company sold its 100% holding in Pefkor S.M.S.A. for the consideration price of €4,310,794.

On 5 December 2023, Citrus S.M.S.A. issued additional 1,500 ordinary shares with a nominal value of €10 and at a premium of €90 each.

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On 5 December 2023, Iovis S.M.S.A. issued additional 5,000 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 21 December 2023, the Company sold its 100% holding in Iovis S.M.S.A for the consideration price of € 525,000.

On 6 December 2023, Alabana Holdings Ltd decreased its share premium by the amount of €490,000, with the approval of a court order.

On 12 December 2023, Arcela Finance Ltd decreased its share premium by the amount of €472,000, with the approval of a court order.

On 14 December 2023, Dramar S.M.S.A. issued additional 22,000 ordinary shares with a nominal value of €10 each.

On 14 December 2023, Agchialos S.M.S.A. (ex. Apellou Estate S.M.S.A.) issued additional 21,330 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 15 December 2023, the Company acquired the 51% holding in Di Terna S.A. for the consideration price of €25,500. On 15 December 2023, Di Terna S.A. issued additional shares for the amount of €1,530,000.

On 21 December 2023, Random S.M.S.A. issued additional 5,350 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 21 December 2023, Filma Estate S.M.S.A. issued additional 22,300 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 21 December 2023, Alkanor S.M.S.A. issued additional 50,000 ordinary shares with a nominal value of €10 and at a premium of €90 each.

On 21 December 2023, IQ Karella S.A. issued additional 15,360 ordinary shares with a nominal value of €10.

Investment Properties of subsidiaries and joint ventures

At 31.12.2023, the total portfolio of Company's investments includes (through the Company, subsidiaries, and joint ventures) 17 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 € 1,185 million (based on estimates by independent certified appraisers).

Additionally, the fair value of above investment properties at 31.12.2023 and 31.12.2022 was as follows:

Company	FV of Investment Property as at 31.12.2023 - amounts €	FV of Investment Property as at 31.12.2022 - amounts €
Alkanor S.M.S.A	38,249,017	19,800,000
IQ Karela S.M.S.A	9,645,000	8,880,000
Hub 204 S.M.S.A	-	5,190,000
Piraeus Regeneration 138 S.M.S.A	1,927,000	1,850,000
Random S.M.S.A	12,290,000	11,760,000
IQ Athens S.M.S.A.	27,410,000	-
Agchialos S.M.S.A.	10,599,000	6,200,000
Citrus S.M.S.A.	4,118,000	1,990,000
Filma Estate S.M.S.A.	18,039,000	10,520,000
Insignio	42,717,000	27,490,000
Kalliga Estate S.M.S.A.	3,500,000	3,560,000
Ependitiki Chanion S.A	6,260,000	3,564,000
Evgeneia Homes S.A	1,028,000	860,000
Rinascita S.A	26,310,000	26,310,000
Piraeus Tower S.A	120,438,588	51,950,000
Ourania Ependitiki S.A	35,666,000	18,270,000
3V S.A	20,655,000	18,690,000
	378,851,605	216,884,000

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It is worth noting that in addition to the cash generated from the sales of investments during 2023, the Company's liquidity was improved with an additional amount of 8.1 million following the increase in share capital. During 2023, acquisitions of investment properties were made by the companies Alkanor S.M.S.A. (amount €9.2 million), IQ Athens S.M.S.A (amount €15.1 million), Filma Estate S.M.S.A (amount €4.9 million), Nea Peramos S.M.S.A. (amount €0.7 million) and Pefkor S.M.S.A (amount €3.1 million).

Results

For the year 2023, profit after taxes of the Company amounted to €16,645,730 compared to losses after taxes amounting to €3,071,654 in the previous year, representing an increase of 642%. The EBITDA of the Company for the year amounted to €18,421,548 compared to €4,309,196 in the previous year, representing an increase of 327.5%. The increase in the Company's profits is mainly attributed to the increased valuation of the Company's investment in subsidiaries and joint ventures (see note 9) and the increased realized gains on disposal of subsidiaries (see note 10).

The Company increased its Net Asset Value by expanding and progressing its investment plan. The main figures for the period 01.01.2023 – 31.12.2023 are presented below:

	FY 2023	FY 2022	Δ%
Investments	174,993,123	128,353,796	36%
Cash and cash equivalents	816,711	1,577,526	(48%)
Total assets	181,786,819	131,991,653	37%
Total equity	127,318,063	101,672,333	24%
Financial liabilities	23,505,184	23,751,194	(1%)
Total Liabilities	54,478,756	30,319,319	80%
Other operating income	3,176,111	5,164,176	(38%)
Other gains/(losses)	1,399,565	58,042	2,311%
Finance costs	(1,796,951)	(7,369,444)	(76%)
Net profit after tax	16,645,730	(3,071,654)	(642%)

The Company's Management is confident about the Company's prospects, the efficient execution of its investment plan 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.

	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Profit/(loss) before tax	16,642,937	(3,067,201)
Depreciation and Amortisation	4,279	9,258
Finance costs(/income) – net	1,774,332	7,367,139
Earnings before interest, taxes, depreciation and amortization (EBITDA)	18,421,548	4,309,196

The increase in the Company's EBITDA is mainly attributed to the increase in the fair value gains derived from the valuation of the Company's investment in Kartonera Ltd (Hub 204 S.M.S.A.) and Magromell Ltd (IQ Athens S.M.S.A.), as a result of the fair value gains in investment properties during 2023.

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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.

	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Net profit/(loss) after tax	16,645,730	(3,071,654)
Equity average	114,495,199	80,458,161
ROE	15%	(4%)

The increase in the Company's ROE is mainly attributed to the higher 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.

	2023	2022	Variance (%)
NAV	127,318,065	101,672,335	25%

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 plan and to the increase of Profits after tax for the fiscal year 2023.

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.

	2023	2022
Financial liabilities	23,505,184	23,751,194
(minus) Cash & Cash equivalents	(816,711)	(1,577,526)
Net Debt	22,688,473	22,173,667
Total assets	181,796,819	131,991,653
Net Debt to Total Assets	12%	17%

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). 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 plan 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 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 2023	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Payables to parent	780,037	780,037	-	780,037	-	-
Payables to subsidiaries	3,438,732	3,438,732	-	3,438,732	-	-
Other accounts payable	34,833	34,833	-	34,833	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	23,505,184	25,385,600	-	25,385,600	-	-
Lease liability to third party-Loan	<u>29,485</u>	<u>31,185</u>	<u>2,835</u>	<u>8,505</u>	<u>19,845</u>	<u>-</u>
	<u>27,790,421</u>	<u>29,672,538</u>	<u>2,835</u>	<u>29,649,858</u>	<u>19,845</u>	<u>-</u>
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	258,396	-	258,396	-	-
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>-</u>	<u>30,490</u>	<u>-</u>	<u>-</u>
	<u>25,550,318</u>	<u>30,636,131</u>	<u>-</u>	<u>1,829,614</u>	<u>28,806,517</u>	<u>-</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 plan which are subsequently capitalized. In addition, exit from projects is secured early on, with creditworthy buyers.

NON FINANCIAL INFORMATION

CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT (ESG)

Corporate governance and sustainable development are an integral part of all the Group's activities. The Company and Dimand Group are committed to a strong set of core values that guide their business practices and serve as guiding principles underpinning its commitment to sustainable business operations, aligning its course with the United Nations Sustainable Development Goals (SDGs). By integrating these values into daily practices and decision-making, the Company and Dimand Group strive to create a positive impact on the environment, society and the economy, and to contribute to building a well-rounded and sustainable business.

Through rigorous implementation of policies, responsible governance, strict compliance measures and thorough audits, the Company and Dimand Group consistently strive to maintain best practices that meet sustainability expectations.

Corporate values

The core values are an integral part of the Dimand Group's culture and business activities and reflect its belief that responsible business is key to long-term success.

Excellence: The Company and Dimand Group set the highest standards of quality and believe in continuous learning and development. We advance our services by establishing, maintaining, and developing partnerships with industry leaders.

Innovation: The Company and Dimand Group follow industry trends to identify innovative ideas. We support new developments in our sector and we adopt initiatives to position Dimand Group as a real estate leader.

Quality: The Company and Dimand Group deliver projects that create shared value for the client and the community, setting the highest goals and making full use of its capabilities to deliver the best possible outcome.

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Health and Safety: The Company and Dimand Group are committed to ensuring safe working conditions for all employees, subcontractors and partners while guarantying regulatory compliance. We set strict policies and detailed procedures, and we provide our staff with ongoing training to maintain our zero-accident culture.

Environmental protection and responsibility: The Company and Dimand Group build a sustainable future by integrating environmental criteria and by focusing on responsible procurement practices, using eco-friendly construction materials and accomplishing smart building strategies.

Information security: The Company and Dimand Group protect information and data processing systems, to ensure data-privacy of customers, suppliers, and employees.

Sustainable development (ESG)

The Dimand Group's vision is centred around sustainable development and includes a strong commitment to addressing environmental, social, and governance issues.

E- ENVIROMENTAL RESPONSIBILITY

Goals and actions

The Company, in line with the Dimand Group's commitment to sustainable development, has established integrated policies that address both the environment (environmental policy) and sustainable development (sustainable development policy). These policies act as a guide to the Group's operations, emphasising the importance of minimising the environmental footprint and promoting long-term sustainability. To ensure compliance and effectiveness, ISO 14001 standards have been implemented, which provide a framework for managing environmental responsibilities systematically. In addition, in line with the Group's commitment to addressing climate change, the National Climate Act is implemented in accordance with ISO 14064-1:2018. This strategic approach not only demonstrates the Group's commitment to reducing greenhouse gas emissions, but also reinforces the Group's role in making a positive contribution to global environmental efforts. Through these initiatives, we aim to promote a culture of environmental responsibility and contribute to a greener and more sustainable future.

The environmental goals set by the Dimand Group reflect a commitment to sustainable practices and the responsibilities that flow from it. The approach taken includes the incorporation of "green" internationally recognised certificates in the majority of the Group's projects, ensuring that their operation meets strict environmental standards. In addition, the recycling of waste from construction projects is a priority, aiming for a recycling rate of over 75%, reducing the ecological footprint and promoting the principles of the circular economy. Annual ESG reports are issued to ensure transparency of non-financial information (ESG) and the Dimand Group's performance, promoting transparency and stakeholder engagement. In addition, the commitment to sustainability is also reinforced through the Dimand Group's participation in the Global Real Estate Sustainability Benchmark (GRESB), allowing it to be assessed against rigorous and industry-leading sustainability standards, promoting continuous improvement and demonstrating management's commitment to environmental stewardship.

Environmental Responsibility

The Dimand Group attaches particular importance to projects and actions with high environmental impact and low energy footprint in the context of addressing the impacts of climate change, and develops, adapts and implements all policies that ensure this priority.

The Dimand Group reinforces its responsibility by monitoring its negative impact on the environment, developing environmental programs, implementing "Green Procurement" criteria, monitoring regulations and legislation and evaluating compliance, incorporating responsible environmental management standards, training and enhancing the environmental awareness of its employees, and allocating the resources necessary to achieve its objectives.

In summary, the Dimand Group contributes to the promotion of a sustainable society through environmentally friendly business activities based on the following guidelines:

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The Dimand Group is diligently focused on promoting the development of green buildings, optimising energy management, advocating climate change mitigation and adaptation to carbon emissions, promoting the transformative principles of the circular economy and safeguarding invaluable biodiversity and habitat protection.

- Green buildings

Since 2009, the Dimand Group has been shaping the ethos of sustainable living, incorporating the philosophy of "green" sustainable buildings at the heart of its activities. The Dimand Group specialises in modern sustainable office buildings, large-scale urban regeneration projects, mixed-use developments, and modern private sports facilities.

The Dimand Group is a pioneer in the domestic market and has a proven track record in the development of green buildings. Its core purpose is to ensure the highest standards of environmental coverage for the buildings it develops, implementing high energy efficiency properties tailored 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 in the surrounding area, the construction of external surfaces for pedestrians and bicycles, the excellent connection with public transport, the parking spaces with charging points for electric vehicles, the construction of a rainwater tank to reduce drinking water consumption.

In addition, the Dimand Group ensures that all its projects are certified to environmental standards, and have achieved LEED Gold certification as a minimum, with its portfolio including three (3) LEED Platinum projects, two (2) for project development services and one (1) through project management services. 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 highly innovative achievement for that time (source: <https://www.usgbc.org/projects/karela-office-park>). The Dimand Group 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.

More specifically, based on official USGBC data, as of 08.03.2024 there are forty (40) certified buildings in Greece in the LEED Building Design and Construction_LEED BD+C category, of which thirteen (13) have been developed by the Group, two (2) have been constructed by the Dimand Group, while in one (1) the Group provided project management services. The above shows that the Dimand Group has been active in the development of 40% of the domestic certified projects (of the above

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categories).

In the design and construction of the buildings, the weather and the environment are taken into account so that they are highly durable and adaptable to changing conditions. With a particular focus on energy and water conservation, the design incorporates environmentally friendly materials and prioritises the enhancement of health and well-being of users. The goal is to achieve optimal conditions, both internally and externally, with respect for the environment and the surrounding area.

Key actions to ensure sustainable buildings, include the optimal use of natural light during the day through special brightness and presence detectors, energy saving through energy modelling, high thermal insulation and installation of efficient systems, the use of rainwater for irrigation, the incorporation of an increased amount of environmentally friendly materials.

- Energy management and carbon emissions

The Dimand Group, wishing to maintain sound environmental practices, focuses on the efficient use of energy to reduce consumption levels. The efficient use of energy is achieved through the optimization of processes, the adoption of innovative technologies and the awareness of the users of its buildings.

The growing presence of the risk of climate change in the industry is becoming increasingly apparent and its effects pose a significant threat to both the environment and human health. The Dimand Group is focused on minimising its carbon footprint by optimising the life cycle of all projects, from design to construction and operation.

- Circular economy

Waste, sewage and water

The Dimand Group undertakes actions to reduce the amount of waste produced in our offices by focusing on reducing the amount of paper, electrical appliances, plastics, and batteries consumed. Also, in our projects we have achieved high diversion of all construction waste from landfills. In addition, the Dimand Group is implementing actions related to the reduction of water use outdoors by implementing smart irrigation systems, rainwater harvesting, and selection of native plants.

Materials

The Dimand Group recognises the profound impact that the extraction and use of raw materials has on the environment. With unwavering commitment, it remains steadfast in its mission to eliminate the undesirable environmental impacts resulting from the use of a significant number of materials. As such, we use environmentally friendly materials and work with responsible partners, establishing relevant standards for materials sourced directly and requirements for its suppliers. The general provisions below 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 eco-friendly products, and the application of criteria for all types of equipment related to the energy efficiency.

- Biodiversity and Habitat protection

The Dimand Group recognises that the well-being of future generations depends on the goods of nature and therefore values and respects everything that nature offers us, aiming for sustainable development. Therefore, the characteristics of biodiversity are taken into account in all its project planning and development processes. At the same time, it recognises the scale, risks and impacts of its business activities, products and services on biodiversity and incorporates green features into its projects to achieve biodiversity enhancement and create a living and working environment that benefits the wider community.

In 2023, the Dimand Group published the ESG Report for the period from 01.01.2022 to 31.12.2022. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and has been aligned with the Athens Stock Exchange (ATHEX) ESG Disclosure Guide 2022 and the Global Real Estate Sustainability Benchmark (GRESB) Reporting Guide. For the period 1.1.2023 to 31.12.2023, the ESG Report was published in 9.2024.

Finally, it is noted that in December 2022, the Company's shares, which have been listed on the Athens Exchange since July 2022, were included in the ATHEX ESG Index, which monitors the stock market performance of listed companies that adopt and promote their environmental, social and corporate governance (ESG) practices.

S- Employment and Social Responsibility

The Company does not face serious employment issues. Nevertheless, the Company and Dimand Group 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

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employees. A table with the categorization of Company's staff according to the gender of employees for the years 2023 and 2022 is listed below.

Gender	2023	2022
Male	1	2
Female	1	1
Total	2	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 Company. 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

Health and Safety

The Company and Dimand Group, with the goal of effectively addressing occupational risks and zero accidents, managing health and safety issues, are based on the principle of prevention and are in full compliance with the current legislative framework in Greece and Cyprus. During the fiscal years 2023 and 2022, no occupational accidents were recorded in the Company and Dimand Group.

Social actions

Dimand Group is characterised by a deep sense of responsibility towards society as a whole and towards people with special needs, through multiple activities and events that are coordinated and supervised directly by the Management, underlining the Group's sensitivity to issues of social contribution.

G- Corporate Governance

The Company and the Dimand Group have established Internal Regulations, which record the basic principles, policies and procedures of corporate governance that they apply, including the principles governing the Internal Audit System, in compliance with the applicable legislation and the regulatory provisions of the supervisory authorities. The Internal Regulations of the Company and parent company Dimand S.A. are published on the Company's website <https://dimand.gr>. Relevant information is included in the Corporate Governance Statement below.

- **Management of transparency and anti - corruption issues**

The Dimand Group has established a set of internal procedures, which are applied at all levels, based on ethics, transparency, and open procedures. Eliminating and combating bribery and corruption in all its forms is a priority for the Group. The Dimand Group has a Code of Business Ethics and Conduct, an Anti-Corruption and Anti-Bribery Policy, and a Group Whistleblowing Policy and Procedure to ensure credibility, integrity, and transparency of its operations to shareholders and other stakeholders.

Protection of personal data

The Company and Dimand Group operates and processes personal data of natural persons (such as, but not limited to, partners, suppliers, shareholders, staff, prospective staff), in accordance with the applicable national legislation and the European Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. Respect, effective protection, and security of personal data is a commitment for the Company and Dimand Group. For this reason, the Dimand Group undertakes appropriate measures to protect the personal data it processes and to ensure that they are always processed in accordance with the obligations imposed by the legal framework, both by the Dimand Group itself and by third parties that process personal data on its behalf.

Non-Financial risks

The Company and the Dimand Group have identified certain potential non-financial risks for the management of which a concerted and collective effort is required.

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- **Climate change risk**

Climate change is now considered one of the most important global issues with a significant adverse impact on the Company's and Dimand Group's activities, as well as on the natural environment and the wider society. Taking into account the risk of climate change, the Dimand Group's strategy regarding investments in energy efficient, sustainable and resilient buildings is also determined. In addition, as part of the protection of the Group's assets, the Dimand Group insures them against natural disasters. The management of the Company and the Dimand Group monitors the legislative and regulatory framework on an ongoing basis and adapts its strategy where necessary.

- **Energy transition**

The global effort for the energy transition from fossil fuels to the use of alternative energy sources finds the Company and Dimand Group as a supporter of the project as it is one of the solutions to the risk of climate change. Given that buildings are one of the largest sources of energy consumption worldwide, the Group is actively working on making decisions and taking measures that will help reduce their footprint and improve their energy efficiency.

- **Health and safety risk**

The health and safety of human resources at the Group's facilities is a key category of non-financial risks for the Company and Dimand Group. For proper management, the Dimand Group systematically monitors safety parameters and takes all necessary measures to manage related issues.

Dividends

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

Share capital

Authorised capital

On 20 March 2023, the authorised share capital of the Company was increased from 36,000 ordinary shares to 37,000 ordinary shares.

On 2 October 2023, the authorised share capital of the Company was increased from 37,000 ordinary shares to 38,000 ordinary shares.

On 20 December 2023, the authorised share capital of the Company was increased from 38,000 ordinary shares to 39,000 ordinary shares.

Issued capital

On 20 March 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,999 each.

On 2 October 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,999 each.

On 20 December 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,999 each.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2023.

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

ARCELA INVESTMENTS LTD

MANAGEMENT REPORT

Events after the reporting period

The following significant events have taken place following year 2023 end:

On 14 December 2023, Stivaleous Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €5,943,000 which was approved by the court of Nicosia on 25 January 2024.

On 10 January 2024, the subsidiary Citrus S.M.S.A., executed a contract for the transfer of a turnkey property to the Black Sea Trade and Development Bank – BSTDB for a total consideration of €15,250,000. The property will serve as the new headquarters of the Bank at the western entrance of Thessaloniki.

On 16 January 2024, the common bond loan with bondholder the Company and issuer the subsidiary Citrus S.M.S.A., for an amount of up to €2,000,000 was fully repaid.

On 25 January 2024, Pavalia Enterprises Ltd decided to proceed with the reduction of the share premium for the amount of €1,500,000 which was approved by the court of Nicosia on 14 March 2024.

On 30 January 2024, Pavalia Enterprises Ltd proceeded with the signing of an agreement for the disposal of 60% of the shares held in the Joint Venture Ependitiki Chanion S.A. for a total consideration of €4,069,132.

On 21 March 2024, a common bond loan was signed with bondholder the subsidiary Citrus S.M.S.A. and issuer the company Arcela Investments Ltd, for an amount of up to €2,000,000. Until the issuance of the Company's financial statements the amount of €410,000 had been repaid.

On 29 March 2024, the subsidiary Alkanor S.M.S.A., following the notarial preliminary agreement dated 28.12.2023, proceeded with the acquisition of 6 horizontal properties in Building A of the former "MINION" property, with a total area of 129.48 sq.m., for a consideration of €360,000. Of this amount, €50,000 was paid as an advance by 31.12.2023, in the context of the preliminary agreements, and €310,000 was paid upon signing the final purchase agreement. Additionally, on 28 June 2024, Alkanor acquired the last horizontal property, with a total area of 76 sq.m., in Building B of the former "MINION" property, for a consideration of €100,000. The payment was completed upon signing the final purchase agreement. Also, on 27 September 2024, Alkanor acquired 2 horizontal properties, in Building A for a consideration of €140,000.

On 08 April 2024, the subsidiary Filma S.M.S.A., following the notarial preliminary agreement dated 24 April 2023, proceeded with the acquisition of a land plot with a total area of c. 2,699 sq.m., located in the municipal unit of Thessaloniki. Of the total purchase price of €630,000, €150,000 was paid as an advance by 31.12.2023 in the context of the preliminary agreement, while €480,000 was paid upon signing the final purchase agreement.

On 09 April 2024, a common bond loan was signed between the subsidiary HUB 204 S.M.S.A. (as bondholder) and the Company (as issuer), for an amount of up to €1,500,000, in order to finance the issuer's activities. On 16 September 2024, the common bond loan was fully repaid.

On 09 April 2024, the subsidiary Dramar S.M.S.A., following the notarial preliminary agreement dated 09.12.2022, proceeded with the acquisition of three land plots with a total area of c. 304,038 sq.m., located in Drama for a consideration of €380,000. Of the total consideration, €70,000 was paid as an advance by 31.12.2022 in the context of the preliminary agreement, while €310,000 was paid upon signing the final agreement. Additionally, within 2024, a notarial preliminary agreement was signed extending the deadline for the signing of the final agreement for the purchase of the fourth land plot.

On 09 May 2024, Pavalia Enterprises Ltd decided to proceed with the reduction of the share premium for the amount of €442,400, which was approved by the court of Nicosia on 26 June 2024.

On 10 May 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €29,999 each.

On 13 May 2024, Pavalia Enterprises Ltd declared an interim dividend for the amount of €700,000.

On 13 May 2024, Oblinarium Holdings Ltd issued additional 1,000 ordinary shares of nominal value €1 and at a premium of €1,799 each.

On 15 May 2024, the subsidiary of Oblinarium Holdings Ltd (Kalliga Estate S.M.S.A.) increased its share capital by the amount of €166,500 having issued 16,650 additional ordinary shares of nominal value of €10 by capitalising the share premium account and by the amount of €2,122,000 having issued 212,200 additional ordinary shares of nominal value of €10. The total share capital increase amounted to €2,288,500.

ARCELA INVESTMENTS LTD

MANAGEMENT REPORT

On 20 May 2024, the subsidiary of Oblinarium Holdings Ltd (Kalliga Estate S.M.S.A.), was sold to a third party for the consideration price of €3,157,169.

On 21 May 2024, Oblinarium Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €3,100,000, which was approved by the court of Nicosia on 4 July 2024.

On 24 May 2024, Darmenia Ltd increased its share capital with 1,000 ordinary share of nominal value €1 and at a premium of €69.

On 24 May 2024, the subsidiary Alkanor S.M.S.A., entered into a Common Bond Loan Agreement with Alpha Bank S.A. for an amount of up to €28,000,000. The purpose of the bond loan is to refinance existing bridge financing facilities and to finance part of the development costs of the subsidiary's project. The new bond loan bears a floating interest rate based on Euribor 3M + 2.55%. The securities include, among others, the registration of a mortgage pre-notation on part of Alkanor's property (Buildings B,C,D,E) amounting to €40,690,000, as well as a pledge on the subsidiary's entire share capital. On 27.06.2024, the subsidiary issued the first series of bonds, which were utilized to fully repay a) the balance of the Common Bond Loan Agreement dated 22.12.2021, of €11,000, and b) the balance of the open current account agreement, of €5,000,000.

On 11 June 2024, the subsidiary Random S.M.S.A. signed an open current account agreement with Attica Bank for an amount of €5,400,000, with a floating interest rate of Euribor 3M + 2.6%. The purpose of the loan is to refinance the remaining balance of the open current account with Alpha Bank, amounting to €3,790,000, and to finance working capital needs until the signing of the main financing agreement. The securities for this loan include, among others, the signing of a power of attorney for the registration of a mortgage pre-notation on Random S.M.S.A.'s property, as well as a corporate guarantee from Arcela Investments Ltd. On 14.06.2024, the first disbursement of €5,400,000 was made, which was used to fully repay the existing loan.

On 03 July 2024, Pavalia Enterprises Ltd declared an interim dividend for the amount of €1,360,000.

On 04 July 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €29,999 each.

On 16 July 2024, Arcela Finance Ltd proceed with a strike-off application. There are no significant external liabilities and should there be any after eliminating intercompany balances. These liabilities will be settled by the Company.

On 04 September 2024, the subsidiary Random S.M.S.A. entered into a Common Bond Loan agreement with Attica Bank as the bondholder, for an amount of up to €13,700,000. The purpose of the loan is to refinance the open current account agreement dated 11.06.2024, and to finance the investment plan for the renovation of its building. The securities include, among other things, the assignment of the entire share capital of the company and the registration of a mortgage pre-notation on the property.

On 11 October 2024, the subsidiary of Gravitousia Holdings Ltd (Ourania Ependitiki S.A.), issued additional 65,000 shares with a nominal value €10 and a premium of €90 each.

On 22 October 2024, the subsidiary Gravitousia Holdings Ltd, proceeded to the sale of the participation (65% of its share interest) in the joint venture Ourania Ependitiki S.A. for a consideration (initial purchase price) of c. €20,457,807.59, with the final consideration to be finalized until 15.06.2025.

On 22 October 2024, Gravitousia Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €14,865,800 with the approval of the court still pending.

On 24 October 2024, the company paid an amount of €14,000,000 to Dimand S.A. as a payment to the common bond loan between the two companies. On 30 December 2024, the Company paid the outstanding balance of the above loan amounted to €9,505,184.

On 25 October 2024, Filma S.M.S.A., signed an amendment to the existing open current account with Piraeus Bank S.A., for the increase of the credit limit by €3,000,000 (from €4,200,000 to €7,200,000) and agreed the extent of its duration until 31.01.2025.

On 18 November 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €9,999 each.

On 29 November 2024, issued the court order for the share premium decrease of €2,215,042 of Kartonera Ltd.

On 16 December 2024, the Company proceeded to the sale of the participation (100% of its share interest) in the subsidiary Severdor Ltd (indirect sale of its subsidiary Insignio S.M.S.A.) for a consideration of €34,046,612.

ARCELA INVESTMENTS LTD

MANAGEMENT REPORT

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, 14 March 2025



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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 18 to 51 and comprise the statement of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023, 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, 14 March 2025

ARCELA INVESTMENTS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 €	2022 €
Other operating income	8	3,176,111	5,164,176
Fair value gains /(losses) on financial assets measured at fair value through profit or loss (investments in subsidiaries and joint ventures)	9	14,612,386	(121,742)
Other gains	10	1,399,565	58,042
Administration expenses	11	<u>(770,793)</u>	<u>(800,538)</u>
Operating profit		18,417,269	4,299,938
Finance income	12	22,619	2,305
Finance costs	12	<u>(1,796,951)</u>	<u>(7,369,444)</u>
Profit/(Loss) before tax		16,642,937	(3,067,201)
Income tax	13	<u>2,793</u>	<u>(4,453)</u>
Net profit/(loss) for the year		16,645,730	(3,071,654)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>16,645,730</u>	<u>(3,071,654)</u>

The notes on pages 22 to 51 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	30,952	3,224
Investments in subsidiaries	15	142,607,166	103,779,210
Investments in joint ventures	16	32,385,957	24,574,586
Loans receivable	17	-	275,392
		<u>175,024,075</u>	<u>128,632,412</u>
Current assets			
Accounts receivable	18	2,856,558	1,447,838
Other Receivables	19	755,698	333,877
Loans receivable	17	2,343,777	-
Cash and cash equivalents	20	816,711	1,577,526
		<u>6,772,744</u>	<u>3,359,241</u>
Total assets		<u>181,796,819</u>	<u>131,991,653</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	39,000	36,000
Share premium		70,992,000	61,995,000
Retained earnings		<u>56,287,063</u>	<u>39,641,333</u>
Total equity		<u>127,318,063</u>	<u>101,672,333</u>
Liabilities			
Non-current liabilities			
Borrowings	22	-	23,720,704
Lease liability	23	18,145	-
		<u>18,145</u>	<u>23,720,704</u>
Current liabilities			
Accounts payable	24	30,944,087	6,564,125
Borrowings	22	23,505,184	30,490
Lease liability	23	11,340	-
Current tax liabilities	13	-	4,000
		<u>54,460,611</u>	<u>6,598,615</u>
Total liabilities		<u>54,478,756</u>	<u>30,319,319</u>
Total equity and liabilities		<u>181,796,819</u>	<u>131,991,653</u>

On 14 March 2025, 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 22 to 51 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2022		32,000	16,499,000	42,712,987	59,243,989
Net loss for the year		-	-	(3,071,654)	(3,071,654)
Issue of share capital		<u>4,000</u>	<u>45,496,000</u>	-	<u>45,500,000</u>
Balance at 31 December 2022/ 1 January 2023		36,000	61,995,000	39,641,333	101,672,333
Net profit for the year		-	-	16,645,730	16,645,730
Issue of share capital	21	<u>3,000</u>	<u>8,997,000</u>	-	<u>9,000,000</u>
Balance at 31 December 2023		<u>39,000</u>	<u>70,992,000</u>	<u>56,287,063</u>	<u>127,318,063</u>

The amount of €1,452,725 remained receivable as at 31 December 2023 and received during 2024.

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.

The notes on pages 22 to 51 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		16,642,937	(3,067,201)
Adjustments for:			
Depreciation of property, plant and equipment	14	1,612	1,612
Amortisation of right-of-use asset	14	2,667	7,646
Fair value (gains)/losses on investments in subsidiaries and joint ventures	9	(14,612,386)	121,741
Gain on disposal of investments in subsidiaries / associates / joint ventures	10	(1,399,565)	(58,042)
Dividend income	8	(2,310,000)	(4,920,500)
Finance income	12	(22,619)	(2,305)
Finance costs	12	1,796,951	7,369,444
		99,597	(547,605)
Changes in working capital:			
Increase in accounts receivable		(515,278)	(153,979)
(Decrease)/Increase in accounts payable		523,053	(60,234)
Cash flows from operating activities		107,372	(214,213)
Dividends received		2,310,000	4,920,500
Interest paid		(12,469)	(1,741,033)
Tax paid		(1,160)	(2,911)
Net cash inflow/(outflow) from operating activities		2,403,743	2,414,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition/incorporation/contributions to investments in subsidiaries, associates and joint ventures, net of cash acquired	15,16	(47,219,600)	(58,227,394)
Proceeds from the sale of investment in subsidiary		7,723,523	-
Advance proceeds from the sale of investment in subsidiary		22,333,333	-
Return of proceeds from the sale of investment in subsidiary		-	(4,946,884)
Return of invested capital (Share Premium Account decrease)		7,879,200	4,725,000
Advance return of investment capital (Share Premium Account decrease)		2,050,000	410,000
Loans granted to related parties		(2,046,000)	(10,000)
Loan repayments received from related parties		-	660,000
Interest received		234	8,239
Net cash (outflow)/inflow from investing activities		(9,279,310)	(57,381,039)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		8,147,275	44,900,000
Repayment of borrowings to related parties		(2,030,000)	(2,470,000)
Capital repayments of leases - net of interest from leases		(2,523)	(7,967)
Proceeds from borrowings from related parties	22	-	2,350,000
Net cash (outflow)/inflow from financing activities		6,114,752	44,772,034
Net (decrease)/increase in cash and cash equivalents		(760,815)	(10,194,266)
Cash and cash equivalents at beginning of the year		1,577,526	11,771,791
Cash and cash equivalents at end of the year	20	816,711	1,577,526

The notes on pages 22 to 51 form an integral part of these financial statements.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 and listed on the Athens Stock Exchange (ATHEX) main market, 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 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, having carefully examined the current financial data of the Company and the Group as well as the future obligations, agreements, and prospects and taking into account the direct financial effects of war in Ukraine and Israel - Gaza conflict 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 geopolitical developments mentioned above, 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

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 2023. This adoption did not have a material effect on the accounting policies of the Company.

4. Material accounting policies

The material 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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

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 31.12.2023 four 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, YITC European Holdings Ltd, in which it owns 20% of shares and Di Tema S.A., in which it owns 51% 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 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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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.

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.

ARCELA INVESTMENTS LTD

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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 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

ARCELA INVESTMENTS LTD

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Year ended 31 December 2023

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 31.12.2023 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 31.12.2023 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.

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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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) Adopted by the European Union

Amendments

IFRS Interpretations Committee

- *Amendments to IAS 1 Presentation of Financial Statements:*
- *Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);*
- *Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and*
- *Non-current Liabilities with Covenants (issued on 31 October 2022) (effective for annual periods beginning on or after 1 January 2024).*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for annual periods beginning on or after 1 January 2024).*

(ii) Not adopted by the European Union

Amendments

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023) (effective for annual periods beginning on or after 1 January 2024).*
- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for annual periods beginning on or after 1 January 2025).*

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Company.

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.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

a) Market price 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 income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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

	2023	2022
	€	€
Fixed rate instruments		
Financial assets	317,000	271,000
Financial liabilities	-	(18,124,644)
Variable rate instruments		
Financial assets	2,000,000	-
Financial liabilities	<u>(21,720,704)</u>	-
	<u>(19,403,704)</u>	<u>(17,853,644)</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 mitigates the relevant price risk by focusing its 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 Company also closely monitors and evaluates developments in the real estate market and the 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

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Investment in Subsidiaries/ Joint Ventures	Indirect Holdings (Entities with the Underlying assets (properties))	indirect % shares	Equity		Profit or loss	
			2023	2022	2023	2022
			€	€	€	€
Kartonera Ltd (100%)	Hub 204 S.M.S.A. (100%)	100%	- €	519,000 €	- €	519,000 €
IQ Karela S.M.S.A (100%)	-	60%	578,700 €	532,800 €	578,700 €	532,800 €
Pavalia Ltd (100%)	Ependitiki Chanion S.A. (60%)	60%	375,600 €	213,840 €	375,600 €	213,840 €
Oblinarium Ltd (100%)	P.R. 138 S.M.S.A. (100%)	100%	192,700 €	185,000 €	192,700 €	185,000 €
Oblinarium Ltd (100%)	Kalliga Estate S.M.S.A (100%)	100%	350,000 €	356,000 €	350,000 €	356,000 €
Magromell Ltd (100%)	IQ Athens S.M.S.A. (100%)	100%	2,741,000 €	356,000 €	- €	- €
Random S.M.S.A (100%)	-	100%	1,229,000 €	1,176,000 €	1,229,000 €	1,176,000 €
Gravitousia Ltd (100%)	Ourania S.A (65%)	65%	2,318,290 €	1,187,550 €	2,318,290 €	1,187,550 €
Alabana Ltd (100%)	3V S.A (57%)	57%	1,182,705 €	1,070,189 €	1,182,705 €	1,070,189 €
Alkanor S.M.S.A (100%)	-	100%	3,824,902 €	1,980,000 €	3,824,902 €	1,980,000 €
Severdor Ltd (100%)	Insignio S.M.S.A. (100%)	100%	4,271,700 €	2,749,000 €	4,271,700 €	2,749,000 €
Citrus S.M.S.A. (100%)	-	100%	411,800 €	199,000 €	411,800 €	199,000 €
Agchialos S.M.S.A. (100%)	-	100%	1,059,900 €	620,000 €	1,059,900 €	620,000 €
Filma Estate S.M.S.A. (100%)	-	100%	1,803,900 €	1,052,000 €	1,803,900 €	1,052,000 €
YITC Ltd (20%)	Evgenia S.A. (100%)	20%	20,560 €	17,200 €	20,560 €	17,200 €
	Piraeus Tower S.A. (70%)	46%	5,479,956 €	3,538,598 €	5,479,956 €	3,538,598 €
Cante Holdings	Rinascita S.A. (65%)	6,5%	171,015 €	171,015 €	171,015 €	171,015 €
	Cante Holdings Ltd Total		5,650,971 €	3,709,613 €	5,650,971 €	3,709,613 €
			26,011,728 €	15,923,193 €	23,270,728 €	15,923,193 €

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

a) 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.

b) 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 2023	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Payables to parent	780,037	780,037	-	780,037	-	-
Payables to subsidiaries	3,438,732	3,438,732	-	3,438,732	-	-
Other accounts payable	34,833	34,833	-	34,833	-	-
Shareholder's contributions towards share capital increase (Note 25)	2,151	2,151	-	2,151	-	-
Loan from shareholder	23,505,184	25,385,600	-	25,385,600	-	-
Lease liability to third party- Loan	<u>29,485</u>	<u>31,185</u>	<u>2,835</u>	<u>8,505</u>	<u>19,845</u>	<u>-</u>
	<u>27,790,421</u>	<u>29,672,538</u>	<u>2,835</u>	<u>29,649,858</u>	<u>19,845</u>	<u>-</u>
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	<u>30,490</u>	<u>30,490</u>	<u>-</u>	<u>30,490</u>	<u>-</u>	<u>-</u>
	<u>25,550,318</u>	<u>30,636,131</u>	<u>-</u>	<u>1,829,614</u>	<u>28,806,517</u>	<u>-</u>

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

c) 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. It is worth noted that the carrying amounts of subsidiaries/joint ventures approximate their fair values 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 2023	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Investments in subsidiaries	-	-	142,607,166	142,607,166
Investments in joint ventures	-	-	32,385,957	32,385,957
Total	-	-	174,993,123	174,993,123

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Investments in subsidiaries	-	-	103,779,210	103,779,210
Investments in joint venture	-	-	24,574,586	24,574,586
Total	-	-	128,353,796	128,353,796

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 2023

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

	2023	2022
	€	€
Rendering of services (Note 25)	866,111	243,676
Dividend income (Note 25)	<u>2,310,000</u>	<u>4,920,500</u>
	<u><u>3,176,111</u></u>	<u><u>5,164,176</u></u>

Rendering of services income refers to general professional services borne by the Company prior and during 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 23 January 2023, the Board of Directors of Rodomontas Investments Ltd declared the payment of an interim dividend of €1,840,000. Also, on 19 July 2023, the Board of Directors of Rodomontas Investments Ltd declared the payment of dividend of €470,000.

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

	2023	2022
	€	€
Net fair value loss on investment in joint ventures (Note 16)	(462,729)	(5,134,822)
Net fair value gain on investment in subsidiaries (Note 15)	<u>15,075,115</u>	<u>5,013,080</u>
	<u><u>14,612,386</u></u>	<u><u>(121,742)</u></u>

10. Other gains

	2023	2022
	€	€
Gain from the sale of investment in subsidiary (Note 15)	<u>1,399,565</u>	<u>58,042</u>
	<u><u>1,399,565</u></u>	<u><u>58,042</u></u>

11. Administration expenses

	2023	2022
	€	€
Staff costs	36,033	57,819
Rent	8,100	2,700
Repairs and maintenance	-	906
Auditors' remuneration	14,975	11,600
Accounting fees	8,568	7,800
Legal fees	4,300	4,000
Professional services fees	546,465	579,947
Advisory fees	142,996	117,996
Depreciation (Note 14)	1,612	1,612
Amortisation of right-of-use asset (Note 14)	2,667	7,646
Other	<u>5,077</u>	<u>8,512</u>
	<u><u>770,793</u></u>	<u><u>800,538</u></u>

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

Professional expenses includes preliminary investment expenses due to parent Dimand S.A amounting to €510,000.

The staff costs of the company are analyzed below:

	2023	2022
	€	€
Salaries	32,400	51,433
Social security costs	2,985	5,368
Social cohesion fund	648	1,018
	<u>36,033</u>	<u>57,819</u>
Average number of employees	<u>2</u>	<u>3</u>

12. Finance income/(costs)

	2023	2022
	€	€
Interest income (Note 25)	<u>22,619</u>	<u>2,305</u>
Finance income	<u>22,619</u>	<u>2,305</u>
Interest expense		
- Bank borrowings	-	-
- Leases	(312)	(134)
- Loans from related parties (Note 25)	(1,784,482)	(7,354,325)
Sundry finance expenses	<u>(12,157)</u>	<u>(14,985)</u>
Finance costs	<u>(1,796,951)</u>	<u>(7,369,444)</u>
Net finance costs	<u>(1,774,332)</u>	<u>(7,367,139)</u>

The interest income for 2023 relate to interest from intercompany loans amounting to €22,385 and interest from bank deposits €234.

13. Income tax

	2023	2022
	€	€
Corporation tax – current year	-	4,000
Corporation tax - prior years overprovision	(2,875)	364
Special defense contribution – current year	35	47
Special defense contribution – prior year	<u>47</u>	<u>42</u>
Charge for the year	<u>(2,793)</u>	<u>4,453</u>

Corporation tax - prior years relates to an overprovision of prior year corporation tax for the amount of €2,875. No provision for taxes accounted for 2023.

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%.

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Year ended 31 December 2023

14. Property, plant and equipment

	Computer hardware	Right-of-use asset	Total
	€	€	€
Cost			
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>
01 January 2023	8,059	30,585	38,644
Additions	-	32,008	32,008
31 December 2023	<u>8,059</u>	<u>62,593</u>	<u>70,652</u>
Accumulated Depreciation			
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>
01 January 2023	(4,836)	(30,585)	(35,421)
Depreciation charge (Note 11)	(1,612)	(2,667)	(4,279)
31 December 2023	<u>(6,448)</u>	<u>(33,252)</u>	<u>(39,700)</u>
Net book amount			
31 December 2022	<u>3,224</u>	<u>-</u>	<u>3,224</u>
31 December 2023	<u>1,611</u>	<u>29,341</u>	<u>30,952</u>

The right-of-use asset relates to an agreement for the lease of an office space located in Larnaca. The lease commencement date was 30 September 2019 and its initial expiration date was 30 September 2022. The initial monthly lease instalment amounted to €900 per month payable in advance and the incremental borrowing rate used was 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. On 21 September 2023, the lease was renewed for a period of 3 years with an expiry date at 30.09.2026. The monthly rental installment would increase from €900 to €945.

15. Investments in subsidiaries

	2023	2022
	€	€
Balance at 1 January	103,779,210	55,183,168
Additions (acquisition of subsidiaries)	-	76,500
Additions (increases of share capital in subsidiaries)	39,653,000	55,603,000
Reductions (Reductions of share capital in subsidiaries)	(9,051,200)	(4,725,000)
Disposals	(6,848,959)	(2,948,617)
Transfer to capital in Joint Venture	-	(4,422,925)
Net fair value gains recognized in profit or loss (Note 9 and 10)	<u>15,075,115</u>	<u>5,013,080</u>
Balance at 31 December	<u>142,607,166</u>	<u>103,779,210</u>

The details of the subsidiaries are as follows:

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	Pavalia Enterprises Ltd	Rodomontas Investments Ltd	Oblinarius Holdings Ltd	Gravitousia Holdings Ltd	Random S.M.S.A.	Kartonera Ltd	Arcele Fiance Ltd	Magromell Ltd	Severdor Ltd	Alabama 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	Agchialos S.M.S.A. (ex. 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)	-	-	-	-	-	-	-	-	-	-	(2,948,617)
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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	Pavalia Enterprises Ltd	Rodomontas Investments Ltd	Oblinarius Holdings Ltd	Gravitousia Holdings Ltd	Random S.M.S.A.	Kartonera Ltd	Arcele Fiance Ltd	Magromell Ltd	Severdor Ltd	Alabana Holdings Ltd
Country of incorporation	Cyprus	Cyprus	Cyprus	Cyprus	Greece	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
% shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Balance at 1 January 2023	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
Incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	-	-
Additions (increases of share capital in subsidiaries)	-	-	700,000	5,170,000	535,000	980,000	-	3,000,000	15,200,000	-
Reductions (Reductions of share capital in subsidiaries)	(410,000)	(7,679,200)	-	-	-	-	(472,000)	-	-	(490,000)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-
FV gain/ (loss) on investments recognised in P&L										
- at disposal	-	-	-	-	-	-	-	-	-	-
- at year end	1,423,567	(2,335,215)	(283,288)	(1,793)	64,974	2,139,247	(8,249)	7,852,792	55,283	1,120,127
Transfer to Joint Venture	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	3,862,838	19,934	3,851,194	10,112,970	8,552,460	7,329,587	5,160	21,633,384	26,278,838	11,949,373

	Afflade Holdings Ltd	Alkanor S.M.S.A	Filma Estate S.M.S.A	Darmenia Ltd	Pefkor S.M.S.A	Dramar S.M.S.A	Nea Peramos Side Port S.M.S.A	Mandalinar Ltd	Agchialos S.M.S.A. (ex. Apellou Estate S.M.S.A.)	Citrus S.M.S.A.	Iovis S.M.S.A.	Total
Country of incorporation	Cyprus	Greece	Greece	Cyprus	Greece	Greece	Greece	Cyprus	Greece	Greece	Greece	
Principal activities	Investment Holding	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 2023	-	13,839,162	11,096,309	-	306,326	353,417	81,755	-	9,030,113	2,019,805	17,560	103,779,210
Incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Additions (acquisition of subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-
Additions (increases of share capital in subsidiaries)	-	5,000,000	2,230,000	-	3,110,000	220,000	725,000	-	2,133,000	150,000	500,000	39,653,000
Reductions (Reductions of share capital in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	(9,051,200)
Disposal of subsidiaries	-	-	-	-	(3,545,876)	-	(2,814,689)	-	-	-	(488,392)	(6,848,959)
FV gain/ (loss) on investments recognised in P&L												
- at disposal	-	-	-	-	129,550	-	2,007,934	-	-	-	(29,168)	2,108,315
- at year end	-	1,283,559	804,420	-	-	(245,322)	-	-	(424,912)	1,521,608	-	12,966,800
Transfer to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	-	20,122,721	14,130,729	-	-	328,095	-	-	10,738,201	3,691,413	-	142,607,166

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On 11 January 2023, Pavalia Enterprises Ltd decreased its share premium by the amount of €410,000, with the approval of a court order.

On 23 January 2023, Gravitousia Holdings Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €5,169 each.

On 21 February 2023, Severdor Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €15,199 each.

On 20 March 2023, Kartonera Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €429 each. Also, on 26 September 2023, Kartonera Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €549 each.

On 10 April 2023, Rodomontas Investments Ltd decreased its share premium by the amount of €7,679,200, with the approval of a court order.

On 15 May 2023, Nea Peramos Side Port S.M.S.A. issued additional 7,250 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 19 May 2023, the Company sold its 100% holding in Nea Peramos Side Port S.M.S.A. for the consideration price of €3,412,729.

On 14 June 2023, Magromell Ltd issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €2,999 each.

On 6 September 2023, Oblinarium Holdings Ltd issued additional 100 ordinary shares with a nominal value of €1 and at a premium of €6,999 each.

On 10 November 2023, Pefkor S.M.S.A. issued additional 31,100 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 15 November 2023, the Company sold its 100% holding in Pefkor S.M.S.A. for the consideration price of €4,310,794.

On 5 December 2023, Citrus S.M.S.A. issued additional 1,500 ordinary shares with a nominal value of €10 and at a premium of €90 each. In 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 5 December 2023, Iovis S.M.S.A. issued additional 5,000 ordinary shares with a nominal value of €10 and at a premium of €90 each. On 21 December 2023, the Company sold its 100% holding in Iovis S.M.S.A for the consideration price of € 525,000.

On 6 December 2023, Alabana Holdings Ltd decreased its share premium by the amount of €490,000, with the approval of a court order.

On 12 December 2023, Arcela Finance Ltd decreased its share premium by the amount of €472,000, with the approval of a court order.

On 14 December 2023, Dramar S.M.S.A. issued additional 22,000 ordinary shares with a nominal value of €10 each.

On 14 December 2023, Agchialos S.M.S.A. (ex. Apellou Estate S.M.S.A.) issued additional 21,330 ordinary shares with a nominal value of €10 and at a premium of €90 each. In 2022, Agchialos 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 21 December 2023, Random S.M.S.A. issued additional 5,350 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 the Municipality of Athens. The development plan for the project provides for the renovation and upgrading of the property into a bioclimatic building of modern offices, for the purpose of lease.

On 21 December 2023, Filma Estate S.M.S.A. issued additional 22,300 ordinary shares with a nominal value of €10 and at a premium of €90 each. In 2022, Filma Estate S.M.S.A. acquired the 75% of a plot of land with a complex of industrial buildings

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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.

On 21 December 2023, Alkanor S.M.S.A. issued additional 50,000 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.

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. On 07 March 2023, the subsidiary Hub 204 S.M.S.A., was awarded as the preferred bidder in the context of the public tender conducted on 08 September 2022, for the acquisition by TAHDIK of a property to house the Piraeus Judicial Services, for a consideration of €80,900,000. The New Courthouse will be developed on a plot of land owned by Hub 204 S.M.S.A. in the area of St. Dionysios of the Municipality of Piraeus. The project will be configured according to the standards of the 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 13.11.2023, and according to the terms of the contract, Hub 204 S.M.S.A. transferred the property to TAHDIK for a consideration of €8,000,000.

- 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 December 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. On 30 January 2024, subsidiary Pavalia Ltd, proceeded to the signing of an agreement for the sale of 60% of the shares held in the Joint Venture Ependitiki Chanion S.A. for a total consideration of €4,069,132.

- 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 2023. On 20 May 2024, subsidiary Oblinarius Holdings Ltd, proceeded to the sale of its 100% share interest in the subsidiary Kalliga Estate S.M.S.A. for a consideration of €3,157,169.

- Magromell Ltd has a 100% ownership in IQ Athens S.M.S.A. On 28 March 2023, IQ Athens S.M.S.A. acquired an industrial complex (former premises of the factory of "Athens Papermill") on a plot of land of c.49,340 sq.m. located on Hartergakon street, Iera Odos and Agios Polykarpou street in the area of Elaionas, in the block 35 of the Municipality of Athens. According to the business plan, a modern mixed-use complex will be developed in accordance with the standards of the LEED certificate for bioclimatic buildings of high energy class.

- Gravitousia Ltd has a 65% ownership in Ourania Ependitiki S.A. The latter owns four (4) plots of land with a total surface area of 7,704 sq.m. in the "FIX" area on the west side of the city of Thessaloniki. The joint venture is implementing a business plan which provides the development of a modern design office complex for lease.

- 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, based on the principles of sustainability and bioclimatic design, with special emphasis on a friendly, flexible and creative working environment. The complex is aiming for WELL certification 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 company .

- Alabama Holdings Ltd has a 57.263% ownership in 3V Development of Construction, Urban Planning and Touristic Projects S.A (the "3V S.A."). The 3V S.A. owns a property (plot) of approximately 19,517 sqm. in Neo Faliro, where plans to develop a mixed-use bioclimatic complex.

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On 22 February 2023, the Company has entered into a Share Pledge Agreement, with Eurobank S.A., as amended on 29 January 2024, for further securing the claims of Eurobank, as they arise from the Pre-Agreement and agreed to register a 1st ranking pledge over 4.000 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.

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 dated 12 June 2020. On 11 June 2024, the Company has entered into an Open (Current) Account, between RANDOM S.M.S.A., as the Creditor, Attica Bank S.A., and the Company as the Guarantor. With the execution of the Credit Agreement, Attica Bank S.A. agrees to provide to RANDOM S.M.S.A. credit up to the amount of €5.400.000,00 and the Company undertakes to provide guarantee to Attica Bank S.A. for the security of the full settlement of the financial obligations of RANDOM towards to Attica Bank S.A. by virtue of the Credit Agreement and shares joint liability with RANDOM as a co-debtor, in accordance with the terms specified in the Credit Agreement.

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. Thus, pursuant to Share Pledge Agreement dated 27 May 2021, and with the execution of the Share Pledge Agreement dated 5 December 2023, the Company also agreed and created a 1st ranking pledge to the new share title (6,000 common registered shares). The pledge automatically extends to any benefit of the pledged shares, to the dividends of the pledged shares and to any new shares that may be issued due to an increase in the share capital of IQ KARELA S.A., owned by the Company.

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. Pursuant to the pledge agreement Share Pledge Agreement dated 24 May 2024 entered into between the Company as Pledgor, ALKANOR and Alpha Bank S.A., Arcela Investments Limited secured the repayment of €28.000.000 and any claims of Alpha Bank S.A. towards ALKANOR M.A.E arising from the Bond Loan dated 24 May 2024, as well from the Interest Rate Risk Hedging Agreements, dated 24 May 2024. Arcela Investments Limited applied a 3rd ranking pledge in favor of Alpha Bank S.A. to total 208.500 shares that it holds in ALKANOR S.M.S.A.. By means of (a) the Share Pledge Release Agreement dated 23 September 2023, which released the Share Pledge Agreement dated 22 December 2021, and (b) the Share Pledge Release Agreement dated 23 September 2023, which released the Share Pledge Agreement dated 10 November 2022, the subject third-ranking pledge has been automatically elevated to a first-ranking pledge.

On 17 July 2023, the Company entered to a pledge agreement "Agreement for the Creation of a Pledge on Common Nominal Shares to Secure a Credit from an Open (Mutual) Account between ARCELA INVESTMENTS LIMITED, Piraeus Bank ("Piraeus Bank") and FILMA S.M.S.A., The Company secured any claims of Piraeus Bank arising from the Credit Agreement with an Open (Mutual) Account, regarding the provision of credit to the former (FILMA) with an open current account, up to the amount of €4,200,000, and in accordance with the specific terms and conditions specified in the Pledge Agreement dated 17 July 2023. For the security of the above obligations, the Company applied a 1st ranking pledge in favor of Piraeus Bank to 108.800 common shares.

16. Investments in joint ventures

	2023	2022
	€	€
Opening Balance	24,574,586	23,627,483
Transfer from investment in subsidiary	-	4,422,925
Additions	8,274,100	1,659,000
Net fair value losses recognized in profit or loss (Note 9)	(462,729)	(5,134,822)
Balance at 31 December	<u>32,385,957</u>	<u>24,574,586</u>

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

The details of the joint ventures are as follows:

	Cante Ltd	IQ Karela S.A.	Di Terna S.A.	YITC Ltd	Total
Country of incorporation	Cyprus	Greece	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

	Cante Ltd	IQ Karela S.A.	Di Terna S.A.	YITC Ltd	Total
Country of incorporation	Cyprus	Greece	Greece	Cyprus	
Principal activities	Investment Holding	Holding of investment property		Investment Holding	
% shareholding	65%	60%	51%	20%	
Balance at 1 January 2023	20,169,712	4,404,874	-	-	24,574,586
Additions (acquisition in joint venture)	-	-	25,500	-	25,500
Additions (increases of share capital in joint ventures)	6,565,000	153,600	1,530,000	-	8,248,600
FV gain/ (loss) on investments recognised in P&L					
- at year end	(724,900)	287,654	(25,482)	-	(462,729)
Balance at 31 December 2023	26,009,811	4,846,128	1,530,018	-	32,385,957

On 5 May 2023, Cante Holdings Ltd issued additional 36,400 ordinary shares with a nominal value of €1 and at a premium of €99 each. Also, on 21 December 2023, Cante Holdings Ltd issued additional 29,250 ordinary shares with a nominal value of €1 and at a premium of €99 each.

On 15 December 2023, the Company acquired the 51% holding in Di Terna S.A. for the consideration price of €25,500. On 12 December 2023, Di Terna S.A issued additional shares for the amount of €4,000,000 and for a share premium of €1,500,000, which are partially paid by shareholders. On 15 December 2023, Di Terna S.A. issued additional shares for the amount of €10,000,000 which are partially paid by shareholders in 2024. As of 31.12.2023, the paid share capital and share premium amounted to €3,000,000 (Arcela participation 51%: €1,530,000).

On 21 December 2023, IQ Karela S.A. issued additional 15,360 ordinary shares with a nominal value of €10.

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 and the shareholder agreement. The shareholders' agreement was between the Company, Cante Holdings Ltd, Dimand S.A., the European Bank for Reconstruction and Development (EBRD) and D. Andriopoulos.

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

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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 (Note 25)

			2023	2022
Name	Interest rate	Maturity date	€	€
Citrus S.M.S.A.	3 months Euribor plus 3.85%	31/12/2024	2,020,939	-
YITC European Trading Ltd (Joint Venture)	0.5%	30/06/2024	200,334	153,488
Venadektos Holdings Ltd (related party)	0.5%	30/06/2024	<u>122,504</u>	<u>121,904</u>
			<u>2,343,777</u>	<u>275,392</u>
Less current portion			<u>(2,343,777)</u>	-
Non-current portion			<u>-</u>	<u>275,392</u>

The loans are repayable as follows:

	2023	2022
	€	€
Within one year	2,343,777	-
Between one and five years	<u>-</u>	<u>275,392</u>
	<u>2,343,777</u>	<u>275,392</u>

In accordance with the loan agreement dated 21 June 2019 up to the amount of 250,000 the Company lent the amount of € 197,000 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 10 November 2023 up to the amount of 2,000,000 the Company lent the amount of € 2,000,000 to Venadektos Holdings Ltd.

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

18. Accounts receivable

	2023	2022
	€	€
Trade receivables from subsidiaries (Note 25)	449,150	810,958
Receivable from joint venture (Note 25)	60	60
Receivables from related companies (Note 25)	11,904	36,820
Receivables from subsidiaries (Note 25)	417,719	-
Shareholder's receivable due to sale of investment (Note 25)	525,000	-
Shareholder's current account (Note 25)	<u>1,452,725</u>	<u>600,000</u>
	<u>2,856,558</u>	<u>1,477,838</u>

ARCELA INVESTMENTS LTD

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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 2024 (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

	2023	2022
	€	€
Guarantees	2,150	2,150
Prepayments	8,815	4,080
Accrued income (Note 25)	634,511	243,676
Refundable VAT	<u>110,222</u>	<u>83,972</u>
	<u>755,698</u>	<u>333,877</u>
<hr/>		
Non-current assets	-	-
Current assets	<u>755,698</u>	<u>333,877</u>

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

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20. Cash and cash equivalents

Cash balances are analysed as follows:

	2023	2022
	€	€
Cash in transit	103,611	-
Cash at bank (EUR)	<u>713,100</u>	<u>1,577,526</u>
	<u><u>816,711</u></u>	<u><u>1,577,526</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.

21. Share capital

	2023	2023	2022	2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>39,000</u>	<u>39,000</u>	<u>36,000</u>	<u>36,000</u>

Issued and fully paid	Number of shares	Ordinary shares	Share premium	Total
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><u>36,000</u></u>	<u><u>36,000</u></u>	<u><u>61,995,000</u></u>	<u><u>62,031,000</u></u>
1 January 2023	36,000	36,000	61,995,000	62,031,000
Increase of share capital	<u>3,000</u>	<u>3,000</u>	<u>8,997,000</u>	<u>9,000,000</u>
31 December 2023	<u><u>39,000</u></u>	<u><u>39,000</u></u>	<u><u>70,992,000</u></u>	<u><u>71,031,000</u></u>

Authorised capital

On 20 March 2023, the authorised share capital of the Company was increased from 36,000 ordinary shares to 37,000 ordinary shares.

On 2 October 2023, the authorised share capital of the Company was increased from 37,000 ordinary shares to 38,000 ordinary shares.

On 20 December 2023, the authorised share capital of the Company was increased from 38,000 ordinary shares to 39,000 ordinary shares.

Issued capital

On 20 March 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €4,999 each.

On 2 October 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,999 each.

On 20 December 2023, the Company issued additional 1,000 ordinary shares with a nominal value of €1 and at a premium of €1,999 each. The amount of €1,452,725 remained receivable as at 31 December 2023 and received during 2024.

ARCELA INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22. Borrowings

	2023	2022
	€	€
Current borrowings		
Bank overdrafts	-	-
Loan from related party (Note 25)	<u>23,505,184</u>	<u>30,490</u>
	23,505,184	30,490
Non-current borrowings		
Loan from related party (Note 25)	<u>-</u>	<u>23,720,704</u>
Total	<u>23,505,184</u>	<u>23,751,194</u>

Maturity of non-current borrowings:

	2023	2022
	€	€
Between one to two years	-	23,720,704
Between two and five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>23,720,704</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 an 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. The amount was fully settled on 30 June 2023.

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 the Company has used the average rates (on a 3month basis) of the lenders borrowing costs as a variable interest to calculate the loan interest varied from 7.70% to 8.34%. The amount of €23,505,184 includes the accrued interest from the beginning of the loan. On 1 January 2023, the accrued interest amounting to €5,626,059 was capitalized to the principal amount.

23. Lease liability

	2023	2022
	€	€
Balance at 1 January	-	7,967
Additions	32,008	-
Repayments	(2,835)	(8,100)
Interest for the year	<u>312</u>	<u>133</u>
Balance at 31 December	<u>29,485</u>	<u>-</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. On 21 September 2023, the lease was renewed for a period of 3 years with an expiry date at 30.09.2026. The monthly rental installment would increase from €900 to €945.

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24. Accounts payable

	2023	2022
	€	€
Shareholder's Contribution towards Share Capital Increase (Note 25)	2,151	2,151
Trade payables to Shareholder (Note 25)	270,000	-
Accruals	27,944	13,600
Accruals related to Shareholder (Note 25)	510,000	270,000
Other creditors	22,340,260	1,796
Advances from customers	-	-
Payable to joint venture (Note 25)	4,355,000	4,355,000
Payables to subsidiaries (Note 25)	3,438,732	1,921,305
Payable to related party (Note 25)	-	272
	<u>30,944,087</u>	<u>6,564,125</u>

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

On 17 February 2023, the Company entered into a preliminary sale agreement with Eurobank S.A. for the sale of Severdor Ltd and its subsidiary Insignio S.M.S.A.. The consideration price will be determined according to the adjusted equity method based on the value of the property €74,444,444 for which the amount of €15,200,000 will be given as a first advance payment and the amount of €7,133,333 as a second advance payment. The above mentioned sale of the subsidiary Severdor Ltd took place at 16.12.2024.

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 2025. The said amount is not considered to carry liquidity risk. Line "Payable to subsidiaries" includes contributions toward Share capital increase. 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

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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.

The related party balances and transactions are as follows:

Related Party Transactions

	2023					2022				
	Nature of transactions					Nature of transactions				
	Dividend income (Note 8) €	Interest income (Note 12, 17) €	Interest expense (Note 12, 22) €	Other Professional Fees (Note 11) €	Rendering of services (Note 8) €	Dividend income (Note 8) €	Interest income (Note 12, 17) €	Interest expense (Note 12, 22) €	Other Professional Fees (Note 11) €	Rendering of services (Note 8) €
Cante Holdings Ltd	-	-	-	-	-	4,920,500	-	-	-	-
YITC European Trading Ltd	-	846	-	-	-	-	735	-	-	-
Venadektos Holdings Ltd	-	600	-	-	-	-	600	-	-	-
Oblinarium Holdings Ltd	-	-	-	-	-	-	660	-	-	-
Dimand S.A.	-	-	1,784,480	510,000	-	-	-	7,354,215	270,000	-
Kartonera Ltd	-	-	2	-	-	-	-	110	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-	-	-	-	-	-	15,750
Dramar S.M.S.A	-	-	-	-	13,500	-	-	-	-	15,750
Pefkor S.M.S.A	-	-	-	-	-	-	-	-	-	33,676
Filma Estate S.M.S.A	-	-	-	-	128,252	-	-	-	-	-
Alkanor S.M.S.A	-	-	-	-	74,251	-	-	-	-	52,500
Severdor Ltd	-	-	-	-	-	-	-	-	-	-
Citrus S.M.S.A.	-	20,939	-	-	102,602	-	-	-	-	21,000
Insignio S.M.S.A.	-	-	-	-	54,001	-	-	-	-	26,250
Kalliga Estate S.M.S.A.	-	-	-	-	-	-	-	-	-	26,250
Agchialos Akinita S.M.S.A.	-	-	-	-	27,001	-	-	-	-	52,500
IQ Athens S.M.S.A.	-	-	-	-	133,652	-	-	-	-	-
HUB 204 S.M.S.A.	-	-	-	-	101,252	-	-	-	-	-
Di Terna S.M.S.A.	-	-	-	-	231,600	-	-	-	-	-
Rodomontas Investments Ltd	2,310,000	-	-	-	-	-	-	-	-	-
	2,310,000	22,385	1,784,482	510,000	866,111	4,920,500	1,995	7,354,325	270,000	243,676

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NOTES TO THE FINANCIAL STATEMENTS

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Related Party Balances

A. Receivables

	2023						2022				
	Receivables						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)	Payment for purchase of share capital (Note 18)	Sale of subsidiary (Note 18)	Other	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.	1,452,725	-	-	525,000	-	-	600,000.00	-	-	-	
Kartonera Ltd	-	-	-	-	-	-	384,958	-	-	-	
Emid Holdings Ltd	-	-	-	-	-	-	-	-	-	-	
Pavalia Enterprises Ltd	60	-	-	-	-	-	60.00	-	-	-	
Stivaleous Holdings Ltd	10,560.00	-	-	-	-	-	10,560.00	-	-	-	
Rodomontas Investments Ltd	60	-	-	-	-	-	-	-	-	-	
YITC European Trading Ltd	60	200,334	-	-	-	-	60.00	153,488	-	-	
Venadektos Holdings Ltd	-	122,504	-	-	-	-	-	121,904	-	-	
Gravitousia Holdings Ltd	347,260	-	-	-	-	-	-	-	-	-	
Oblinarium Holdings Ltd	-	-	-	-	-	-	60.00	-	-	-	
Dimand Real Estate (Cyprus) Ltd	-	-	-	-	-	-	60.00	-	-	-	
Magromell Ltd	-	-	-	-	-	-	37,338.45	-	-	-	
Severdor Ltd	2,338	-	-	-	-	-	2,338.45	-	-	-	
IQ Athens S.M.S.A	-	-	-	-	-	133,652	-	-	-	-	
Afflade Ltd	16,000.00	-	-	-	-	-	16,000.00	-	-	-	
Darmenia Ltd	37,000.00	-	-	-	-	-	37,000.00	-	-	-	
Nea Peramos Side Port S.M.S.A	-	-	-	-	-	-	-	-	10,526	15,750	
Dramar S.M.S.A	-	-	26,276	-	-	13,500	-	-	10,526	15,750	
Pefkor S.M.S.A	-	-	-	-	-	-	-	-	10,526	33,676	
Filma Estate S.M.S.A	-	-	51,053	-	-	128,252	-	-	51,053	-	
Alkanor S.M.S.A	-	-	293,071	-	-	74,251	-	-	240,571	52,500	
Mandalinar Ltd	15,000	-	-	-	-	-	10,000.00	-	-	-	
3V S.A	-	-	-	-	-	-	-	-	25,000	-	
Insignio S.M.S.A	-	-	-	-	-	54,001	-	-	-	26,250	
Kalliga S.M.S.A.	-	-	26,250	-	-	-	-	-	-	26,250	
Agchialos Akinita S.M.S.A	-	-	52,500	-	-	27,001	-	-	-	52,500	
Citrus S.M.S.A.	-	2,020,939	-	-	-	102,602	-	-	-	21,000	
HUB 204 S.M.S.A.	-	-	-	-	-	101,252	-	-	-	-	
Other related parties	-	-	-	-	1,344	-	-	-	1,200	-	
	1,881,063	2,343,777	449,150	525,000	1,344	634,511	1,098,435	275,392	349,403	243,676	

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B. Payables

2023 Payables

	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)
	€	€	€	€
Cante Ltd	-	-	-	4,355,000
YITC European Trading Ltd	-	-	-	-
Gravitousia Holdings Ltd	-	-	-	-
Oblinarium Holdings Ltd	589,940	-	-	-
Pavalia Enterprises Ltd	-	-	-	-
Kartoner Ltd	2,217,005	-	-	-
Arcela Finance Ltd	19,125	-	-	-
Alabana Holdings Ltd	-	-	-	-
Afflade Holdings Ltd	-	-	-	-
Rodomontas Investments Ltd	-	-	-	-
Gravitousia Holdings Ltd	-	-	-	-
Dimand S.A.	2,151	-	23,505,184	780,000
Magromell Ltd	612,662	-	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-
Dramar S.M.S.A	-	-	-	-
Pefkor S.M.S.A	-	-	-	-
Other related party	-	-	-	-
	3,440,883	-	23,505,184	5,135,000

2022 Payables

	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)
	€	€	€	€
Cante Ltd	-	-	-	4,355,000
YITC European Trading Ltd	-	-	-	-
Gravitousia Holdings Ltd	-	-	-	-
Oblinarium Holdings Ltd	-	-	-	-
Pavalia Enterprises Ltd	-	-	-	410,000
Kartoner Ltd	-	-	30,490	-
Arcela Finance Ltd	491,125	-	-	-
Alabana Holdings Ltd	290,000	-	-	-
Afflade Holdings Ltd	-	-	-	-
Rodomontas Investments Ltd	50,440	-	-	-
Gravitousia Holdings Ltd	679,740	-	-	-
Dimand S.A.	2,151	-	23,720,704	270,000
Magromell Ltd	-	-	-	-
Nea Peramos Side Port S.M.S.A	-	-	-	-
Dramar S.M.S.A	-	-	-	-
Pefkor S.M.S.A	-	-	-	-
Other related party	-	-	-	272
	1,513,456	-	23,751,194	5,035,272

C. Compensation paid to Key management and Administrative Executives

	2023	2022
Short term benefits	26,400	30,166
Total	26,400	30,166

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023.

28. Events after the reporting period

The following significant events have taken place following year 2023 end:

On 14 December 2023, Stivaleous Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €5,943,000 which was approved by the court of Nicosia on 25 January 2024.

On 10 January 2024, the subsidiary Citrus S.M.S.A., executed a contract for the transfer of a turnkey property to the Black Sea Trade and Development Bank – BSTDB for a total consideration of €15,250,000. The property will serve as the new headquarters of the Bank at the western entrance of Thessaloniki.

On 16 January 2024, the common bond loan with bondholder the Company and issuer the subsidiary Citrus S.M.S.A., for an amount of up to €2,000,000 was fully repaid.

On 25 January 2024, Pavalia Enterprises Ltd decided to proceed with the reduction of the share premium for the amount of €1,500,000 which approved by the court of Nicosia on 14 March 2024.

On 30 January 2024, Pavalia Enterprises Ltd proceeded with the signing of an agreement for the disposal of 60% of the shares held in the Joint Venture Ependitiki Chanion S.A. for a total consideration of €4,069,132.

On 21 March 2024, a common bond loan was signed with bondholder the subsidiary Citrus S.M.S.A. and issuer the company Arcela Investments Ltd, for an amount of up to €2,000,000. Until the issuance of the Company's financial statements the amount of €410,000 has been repaid.

On 29 March 2024, the subsidiary Alkanor S.M.S.A., following the notarial pre-agreement dated 28.12.2023, proceeded with the acquisition of 6 horizontal properties in Building A of the former "MINION" property, with a total area of 129.48 sq.m., for a consideration of €360,000. Of this amount, €50,000 was paid as an advance by 31.12.2023, in the context of the preliminary agreements, and €310,000 was paid upon signing the final purchase agreement. Additionally, on 28 June 2024, Alkanor acquired the last horizontal property, with a total area of 76 sq.m., in Building B of the former "MINION" property, for a consideration of €100,000. The payment was completed upon signing the final purchase agreement. Also, on 27 September 2024, Alkanor acquired 2 horizontal properties, in Building A for a consideration of €140,000.

On 08 April 2024, the subsidiary Filma S.M.S.A., following the notarial preliminary agreement dated 24 April 2023, proceeded with the acquisition of a land plot with a total area of c. 2,699 sq.m., located in the municipal unit of Thessaloniki at the site "Sellanes." Of the total purchase price of €630,000, €150,000 was paid as an advance by 31.12.2023 in the context of the preliminary agreement, and €480,000 was paid upon signing the final purchase agreement.

On 09 April 2024, a common bond loan was signed with bondholder the Company and issuer the subsidiary HUB 204 S.M.S.A., for an amount of up to €1,500,000 in order to finance the issuer's activities. On 16 September 2024, the common bond loan was fully repaid.

On 09 April 2024, the subsidiary Dramar S.M.S.A., following the notarial preliminary agreement dated 09.12.2022, proceeded with the acquisition of three land plots with a total area of c. 304,038 sq.m., located in Drama for a consideration of €380,000. Of the total consideration,

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€70,000 was paid as an advance by 31.12.2022 in the context of the preliminary agreement, while €310,000 was paid upon signing the final agreement. Additionally, within 2024, a notarial preliminary agreement was signed extending the deadline for the signing of the final agreement for the purchase of the fourth land.

On 09 May 2024, Pavalia Enterprises Ltd decided to proceed with the reduction of the share premium for the amount of €442,400 which approved by the court of Nicosia on 26 June 2024.

On 10 May 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €29,999 each.

On 13 May 2024, Pavalia Enterprises Ltd declared an interim dividend for the amount of €700,000.

On 13 May 2024, Oblinarius Holdings Ltd issued additional 1,000 ordinary shares of nominal value €1 and at a premium of €1,799 each.

On 15 May 2024, the subsidiary of Oblinarius Holdings Ltd (Kalliga Estate S.M.S.A.) increased its share capital by the amount of €166,500 having issued 16,650 additional ordinary shares of nominal value of €10 by capitalising the share premium account and by the amount of €2,122,000 having issued 212,200 additional ordinary shares of nominal value of €10. The total share capital increase amounted to €2,288,500.

On 20 May 2024, the subsidiary of Oblinarius Holdings Ltd (Kalliga Estate S.M.S.A.), was sold to a third party for the consideration price of €3,157,169.

On 21 May 2024, Oblinarius Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €3,100,000 which was approved by the court of Nicosia on 4 July 2024.

On 24 May 2024, Darmenia Ltd increased its share capital with 1000 ordinary share of nominal value €1 and at a premium of €69.

On 24 May 2024, the subsidiary Alkanor S.M.S.A., entered into a Common Bond Loan Agreement with Alpha Bank S.A. for an amount of up to €28,000,000. The purpose of the bond loan is to refinance existing bridge financing facilities and to finance part of the development costs of the subsidiary's project. The new bond loan bears a floating interest rate based on Euribor 3M + 2.55%. The securities include, among others, the registration of a mortgage pre-notation on part of Alkanor's property (Buildings B,C,D,E) amounting to €40,690,000, as well as a pledge on the subsidiary's entire share capital. On 27.06.2024, the subsidiary issued the first series of bonds, which were utilized to fully repay a) the balance of the Common Bond Loan Agreement dated 22.12.2021, of €11,000, and b) the balance of the open current account agreement, of €5,000,000.

On 11 June 2024, the subsidiary Random S.M.S.A. signed an open current account agreement with Attica Bank for an amount of €5,400,000, with a floating interest rate of Euribor 3M + 2.6%. The purpose of the loan is to refinance the remaining balance of the open current account with Alpha Bank, amounting to €3,790,000, and to finance working capital needs until the signing of the main financing agreement. The securities for this loan include, among others, the signing of a power of attorney for the registration of a mortgage pre-notation on Random S.M.S.A.'s property, as well as a corporate guarantee from Arcela Investments Ltd. On 14.06.2024, the first disbursement of €5,400,000 was made, which was used to fully repay the existing loan.

On 03 July 2024, Pavalia Enterprises Ltd declared an interim dividend for the amount of €1,360,000.

On 04 July 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €29,999 each.

On 16 July 2024, Arcela Finance Ltd proceed with a strike-off application. There are no significant external liabilities and should there be any after eliminating intercompany balances. These liabilities will be settled by the Company.

On 04 September 2024, the subsidiary Random S.M.S.A. entered into a Common Bond Loan agreement with Attica Bank as the bondholder, for an amount of up to €13,700,000. The purpose of the loan is to refinance the open current account agreement dated 11.06.2024, and to finance the investment plan for the renovation of its building. The securities include, among other things, the assignment of the entire share capital of the company and the registration of a mortgage pre-notation on the property.

On 11 October 2024, the subsidiary of Gravitousia Holdings Ltd (Ourania Ependitiki S.A.), issued additional 65,000 shares with a nominal value €10 and a premium of €90 each.

On 22 October 2024, the subsidiary Gravitousia Holdings Ltd, proceeded to the sale of the participation (65% of its share interest) in the joint venture Ourania Ependitiki S.A. for an initial consideration of c. €20,457,807.59, with the consideration to be finalized until 15.06.2025.

On 22 October 2024, Gravitousia Holdings Ltd decided to proceed with the reduction of the share premium for the amount of €14,865,800 with the court order still to be returned.

On 24 October 2024, the company paid an amount of €14,000,000 to Dimand S.A. as a payment to the common bond loan between the two companies. On 30 December 2024, the Company paid the outstanding balance of the above loan amounted to €9,505,184.

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On 25 October 2024, Filma S.M.S.A., signed an amendment to the existing credit agreement with an open current account with Piraeus Bank S.A., for the increase of the credit limit by €3,000,000 (from €4,200,000 to €7,200,000) and agreed the extent of its duration until 31.01.2025.

On 18 November 2024, the Company issued additional 100 ordinary shares of nominal value €1 and at a premium of €9,999 each.

On 29 November 2024, issued the court order for the share premium decrease of €2,215,042 of Kartonera Ltd.

On 16 December 2024, the Company proceeded to the sale of the participation (100% of its share interest) in the subsidiary Severdor Ltd (indirect sale of its subsidiary Insignio S.M.S.A.) for a consideration of €34,046,612.

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

Independent auditor's report on pages 15 to 17.