DOLPHIN CAPITAL INVESTORS LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

DOLPHIN CAPITAL INVESTORS LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

C O N T E N T S

Dolphin Capital Investors Limited

Officers and Professional Advisors

Board of Directors:	Martin Adams (Chairman) (appointed on 30 June 2021)
	Nicholas Paris (appointed on 30 June 2021)
	Nicolai Huls (appointed on 30 June 2021)
	Andrew Coppel (Chairman) (resigned on 30 June 2021)
	Graham Warner (resigned on 30 June 2021)
	Mark Townsend (resigned on 30 June 2021)
	Miltos Kambourides
Independent Auditors:	KPMG Limited 14 Esperidon Street 1087 Nicosia Cyprus
Legal Advisors:	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
Nominated Adviser & Broker:	FinnCap Group 1 Bartholomew Close London EC1A 7BL United Kingdom
Registered office:	Tortola Pier Park Building 1, 2nd floor Wickhams Cay I Road Town, Tortola British Virgin Islands

Dolphin Capital Investors Limited

Directors' report

The Directors present their report together with the audited financial statements of the Company and its subsidiary undertakings (together the "Group") for the twelve months ended 31 December 2021.

Principal Activities

The principal activity of the Group is the development of beachfront properties in the Eastern Mediterranean - Greece, Cyprus and Croatia.

Business Review for the period and Future Developments

The consolidated statement of comprehensive income for the twelve month period and the statement of net assets as at 31 December 2021 are set out under section [G] of the 2022 Annual report available under: www.dolphinci.com. The assets of the Group are principally development properties and these are valued twice a year by the Directors based on recommendations from the Investment Manager. In addition, external valuers are contracted in each relevant country at the financial year end to assess the current value of those properties.

A review of the development and performance of the Group and of expected future developments has been set out in the Chairman's Statement.

No dividends were declared or paid during the financial period under review.

Principal Risks and Uncertainties

The Group's business is property development in the Eastern Mediterranean. Its principal risks are therefore related to the property market in these countries in general, and also the particular circumstances of the property development projects that it is undertaking.

The Directors seek to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. They also regularly monitor the economic and investment environment in countries that the Group operates in and the management of the Group's property development portfolio.

Directors

The Directors of the Company who held office throughout the financial period and up to the date of this report were as follows:

- Andrew Coppel – appointed 5 October 2015, resigned 30 June 2021
- Miltos Kambourides
- Mark Townsend – appointed 24 February 2015, resigned 30 June 2021
- Graham Warner – appointed 24 February 2015, resigned 30 June 2021
- Martin Adams – appointed 30 June 2021
- Nicolai Huls – appointed 30 June 2021
- Nicholas Paris – appointed 30 June 2021

On 30 June 2021, Andrew Coppel resigned as Chairman of the Board of Directors and Martin Adams was elected to that role.

All Directors are or were independent non-executive Directors except Miltos Kambourides, who is considered to be non-independent because of his role as the founder and majority owner of Dolphin Capital Partners Limited, the Company's Investment Manager.

Dolphin Capital Investors Limited

Directors' remuneration during the twelve months ended 31 December 2021

The Directors remuneration details during the period of this report were as follows:

Director	Director's fees (€)	Termination payment (€)	Total (€)
Martin Adams	37,500	n/a	37,500
Andrew Coppel *	85,746	32,155	117,901
Nicolai Huls	30,000	n/a	30,000
Miltos Kambourides **	--	--	--
Nick Paris	32,500	n/a	32,500
Mark Townsend *	30,011	2,540	32,551
Graham Warner *	64,310	8,039	72,349

*Andrew Coppel, Mark Townsend and Graham Warner resigned as Directors on 30 June 2021 and the Board on which they served awarded them termination payments in exchange for each of them waiving any rights that they had to make claims against the Company.

**Miltos Kambourides continued to waive his right to collect a Director's fee from the Company in light of his involvement as the founder and majority owner of the Company's Investment Manager.

*** Martin Adams, Nicolai Huls and Nicholas Paris were appointed as Directors by the outgoing Directors on 30 June 2021. On 1 July 2021, the new Directors announced that the aggregate remuneration henceforth of all Directors would be limited to Euros 200,000 compared to remuneration paid of Euros 379,000 in the year ended 31 December 2020 and Euros 496,000 in the year ended 31 December 2019.

Directors' interests

The interests of the Directors in the Company's shares as at 27 June 2022 were as follows**:**

Director	Numbers of Common Shares of Euros 0.01 each held
Nicolai Huls	
– direct shareholding	775,000
– Director of Discover Investment Company which owns 30,026,849 shares	
Miltos Kambourides	66,019,006
– indirect shareholding*	
*75% shareholder of Dolphin Capital Partners that owns 88,025,342 shares	

Board committees

The Directors have appointed an Audit Committee to oversee the financial reporting of the Group and ensure that adequate internal controls are in place to manage the risks associated with the business. Until their resignation as Directors on 30 June 2021, Graham Warner and Mark Townsend served on the Audit Committee with Graham Warner being the Chair of it. Since 1 July 2021, Nicholas Paris and Nicolai Huls have served on the Audit Committee with Nicholas Paris being its Chair.

In addition, the Directors have appointed a Nomination & Corporate Governance Committee to review the effectiveness of the Board and recommend any changes to it and oversee the corporate governance policies of the Company. Until their resignations as Directors, Mark Townsend and Andrew Coppel served on the Committee with Mark Townsend being the Chairman. Since 1 July 2021, Nicolai Huls, Martin Adams and Nicholas Paris have served on the Committee with Nicolai Huls being the Chairman.

Management of the Group

The Directors delegated the investment management of the Group to Dolphin Capital Partners Limited in accordance with an agreement dated 1 January 2022. Details of the terms of this agreement are set out in Note 28.2 of these accounts.

Dolphin Capital Investors Limited

Board of Directors

The Board of Dolphin Capital Investors Ltd fully endorses the importance of good corporate governance and applies the QCA Corporate Governance Code, published in April 2018 by the Quoted Companies Alliance (the "QCA Code"), which the Board believes to be the most appropriate recognised governance code for a company of the Company's size with shares admitted to trading on the AIM market of the London Stock Exchange. This is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK and which provides the Company with the framework to help ensure that a strong level of governance is maintained.

Responsibilities of the Board

The Board is responsible for the determination of the investment policy of the Company and for its overall supervision via the investment policy and objectives that it has been set out. The Board is also responsible for the Company's day-to-day operations. In order to fulfil these obligations, the Board has delegated operations through arrangements with the Investment Manager, Dolphin Capital Partners and the Administrator FIM Capital Limited.

MARTIN ADAMS

Independent Non-Executive Chairman

Martin has served for over 30 years in executive and non-executive capacities, both as chairman and director of over 20 closed-end funds and fund-invested operating companies listed on European stock exchanges; and on the boards of fund management companies. His investment experience encompasses private equity, property, infrastructure and renewables assets, predominantly in Asia and Europe. In his capacity as chairman of various fund boards, he has both renegotiated management contracts and implemented strategies to realise illiquid assets over time in order to return capital to shareholders.

Martin is currently the Chairman of Eastern European Property Fund Limited, senior independent director of Marwyn Value Investors Limited and a non-executive director of National Investment and Infrastructure Fund Limited in India, Metage Funds Limited, Vietnam Phoenix Fund Limited, VFMC Service Company Limited, Armadillo Investments Limited and BRX Research and Development Company Limited,. He started his career with the Lloyds Bank group, where he was based in the UK, Hong Kong, Portugal and the Netherlands. He is resident in Portugal.

NICHOLAS PARIS

Independent Non-executive Director and chairman of the Audit Committee

Nick is a Fellow of the Institute of Chartered Accountants in England and Wales, a Member of the Chartered Alternative Investment Analysts Association and a Fellow of the Chartered Institute for Securities & Investment. He has more than 30 years' experience in closed end funds. In his career, he has developed significant expertise in analysing, launching and investing in such funds and he has acted as an independent non-executive Director of a number of stock exchange listed funds.

Nick is a very experienced shareholder in, and director of, funds holding illiquid assets in challenging markets. He was a portfolio manager within the LIM Advisors Group until September 2020 where he was responsible for their investments in closed end funds. He is also the Managing Director of Myanmar Investments International Limited, a London listed closed end fund, Non-Executive Chairman of ASEANA Properties Limited and is a member of the Board of Nominees of Fondul Proprietatea S.A. which is listed in both Romania and London. He was formerly a director of Global Resources Investment Trust plc, RDL Realisation PLC and TAU Capital PLC which were all listed in London. He is resident in the UK.

NICOLAI HULS

Independent Non-executive Director and chairman of the Nomination & Corporate Governance Committee

Nicolai is an experienced investment analyst and fund manager with more than 20 years' experience and a particular focus on researching investment funds having worked for a number of leading private banks in Europe including Bank Insinger de Beaufort, Schretlen & Co, Rabobank Private Banking and LCF Edmond de Rothschild. Currently he is a director and sits on the investment committee of Discover Investment Company Betsy Innovations B.V and PBB Holding B.V.

Dolphin Capital Investors Limited

Nicolai has worked for more than 10 years supporting shareholders and investors in the analysis of international listed funds' holdings of alternative assets and subsequently monitoring and advising boards and management teams on the monetisation of their investment portfolios. He is resident in The Netherlands.

MILTOS KAMBOURIDES

Non-executive Director, Founder and Managing Partner of the Investment Manager and its subsidiaries. Dolphin Capital Ventures Limited, Dolphin Capital Finance Limited and other non-real estate related private investment companies.

Miltos was previously a founding partner of Soros Real Estate Partners (SREP), a global real estate private equity business formed in 1999 by George Soros, which executed a number of complex real estate transactions in Western Europe and Japan.

While at SREP, he was primarily responsible for investments relating to property outsourcing in the UK and for the SREP investment strategy in Southeast Europe. He was the deal leader and founder of Mapeley Ltd, which went on to become the second largest real estate outsourcing company in the UK after winning two major 20-year multi-billion-GBP contracts: one with the Inland Revenue and Custom & Excise Departments of the UK and one with the Abbey National Bank.

Prior to joining Soros, Miltos spent two years at Goldman Sachs working on real estate private equity transactions in the UK, France and Spain. In 1998, he received a Goldman Sachs Global Innovation Award for his work at Trillium, the largest real estate outsourcing company in the UK.

He graduated from the Massachusetts Institute of Technology with a BS and MS in Mechanical Engineering and a BS in Mathematics. He has received several academic honours and participated twice in the International Math Olympiad (Beijing 1990, Moscow 1992) and once in the Balkan Math Olympiad (Sofia 1990) where he received a bronze medal.

The Directors skills are kept up to date by attending seminars, conferences and specialized courses from advisers as well as personal reading into the subjects of real estate management and development as well as corporate finance. The Directors also receive ad hoc guidance on certain matters, for example, the AIM Rules for Companies from the Company's Nominated Adviser as well as receiving updates on the regulatory environment from FIM, who provide specialist fund administration services to a variety of closed ended funds and collective investment schemes.

The role and responsibilities of the Directors are set out in Statement of Directors' Responsibilities and the Terms of Reference of the Audit Committee are summarised at the foot of this document.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Six formal Board meetings (including Board calls) were held in the year since 1 of July 2021 to 22 December 2021. A summary of Board and Committee meetings attended in the 6 months to 22 December 2021 is set out below:

	Board Meetings		**Audit Committee**		**Nomination & Corporate Governance Committee**	
Director	Attended	Eligible	Attended	Eligible	Attended	Eligible
Mr M. Adams	6	6	-	-	1	1
Mr N Huls	6	6	2	2	1	1
Mr N Paris	6	6	2	2	1	1
Mr M Kambourides	6	6	-	-	-	-

Audit Committee:

The Audit Committee is chaired by Nick Paris and its other member is Nicolai Huls and aims to meet at least three times a year.

The Committee provides oversight and review of the financial reporting process, the audit process, the system of internal controls, the accounting policies, principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls, and overall compliance with laws and regulations and review the budgetary process.

Dolphin Capital Investors Limited

Substantial Shareholders

The Directors are aware of the following direct and indirect interests comprising more than 3% of the issued share capital of the Company as at 27 June 2022, which is the latest practicable date before the publication of this report:

	Number of Common Shares held	Percentage of issued Share Capital (%)
JO Hambro Capital Mgt Ltd	93,386,413	10.32
Fortress Investment Group	89,922,801	9.94
Dolphin Capital Holdings*	88,025,342	9.73
683 Capital Mgt LLC	83,210,181	9.20
Peter Gyllenhammar	70,000,000	7.74
Forager Funds Mgt	64,100,000	7.09
Progressive Capital Partners Ltd	53,787,814	5.95
Lars Bader	50,480,600	5.58
Oak Hill Advisors	39,924,828	4.41
Discover Investment Company**	30,026,849	3.32
Alina Holdings PLC	28,983,930	3.20

*Miltos indirectly holds 66,019,006 shares

**Nicolai Huls is a Director of Discover Investment Company

Continuation of the Company

At an Extraordinary General Meeting ("EGM") of Shareholders held on 11 December 2021, Shareholders approved the continuation of the Company with no set end date in order that the Company could pursue the New Investment Policy and Realisation Strategy. In addition, they approved a revised Investment Management Agreement ("IMA") eliminating the fixed management fees of €3.6 million per annum and introducing quarterly advances of incentive fees whose level would be tied to distributions made to Shareholders.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHIN CAPITAL INVESTORS LIMITED

Report on the audit of the consolidated financial statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Dolphin Capital Investors Limited (the 'Company'), and its subsidiaries (together with the Company, the 'Group'), which are presented on pages 11 to 60 and comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

Basis for Qualified Opinion

As described in Note 34, an amount of €5.1 million is included in Investment Property as of 31 December 2021 relating to land acquired or leased by its subsidiary company Golfing Development S.A. in prior years at Nies (Sourpi, Thessaly), for which a fair value adjustment of €13.2 million was recorded as loss in 2021 in profit or loss. The respective land is disputed by the Greek State as to its private character, for which various legal actions are in progress by the Group's component, Golfing Development S.A., claiming its ownership and legal rights. The outcome of these legal actions cannot be reliably determined at this stage.

Based on the above, we were unable to obtain sufficient and appropriate audit evidence in relation to the ownership and fair value of the Investment Property of total amount of €5.1 million representing approximately 2.7% of the total assets of the Group. Consequently, we were unable to determine whether and to what extent any adjustments to the fair value of this property were necessary.

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the consolidated financial statements, 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 qualified opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHIN CAPITAL INVESTORS LIMITED

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of immovable property

(Refer to notes 15 to 16, and 19 to the consolidated financial statements)

The risk	Our response
The Group has a significant portfolio of immovable properties which is classified, depending on the case, as investment property, property, plant and equipment and trading properties. The total carrying amount of the aforementioned immovable properties as at 31 December 2021 was €107 million, not including the amount of €5.1 million for which reference is made in the Basis for Qualified Opinion paragraph above. Investment properties are measured at fair value, property, plant and equipment at revalued amounts, which are based on fair value and trading properties at the lower of cost and net realisable value. In determining fair values the Group utilises in most cases independent professional valuers. There are significant judgements and estimates inherent in estimating fair value and net realisable value (which is based on the intended development and future selling price of these properties). The existence of significant estimation uncertainty coupled with the fact that only a small percentage change in the assumptions can have a significant impact on the valuation is why we have given specific audit focus and attention to this area.	Our audit procedures in relation to the valuation of immovable properties included among others: - evaluating the competence, capabilities and objectivity of the external valuation specialists engaged by the Company. - challenging the appropriateness of the valuation methodology and assumptions used. Assumptions, such as those relating to the discount rates used and the amounts and timing of forecasted cash inflows and outflows, as well as the comparables used and adjustments made in valuations were challenged based on industry norms and external data. Internal valuation specialists were used within this process. Explanations were sought for significant movements in value. - reperforming specialists' calculations. - assessing the adequacy of the disclosures around the valuation of property assets.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's annual report but does not include the consolidated financial statements and our auditors' report thereon (which is expected to be made available to us after the date of this auditor's report) and the Directors' report (which we obtained prior to the date of this auditor's report).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHIN CAPITAL INVESTORS LIMITED

Other information (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS-EU, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 there is an intention to either liquidate the Company or to cease Group's operations, or there is no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHIN CAPITAL INVESTORS LIMITED

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with Governance 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.

We also provide those charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body 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. These financial statements have not been prepared for the purpose of complying with the legal requirements of the British Virgin Islands Law.

The engagement partner on the audit resulting in this independent auditors' report is Demetris S. Vakis.

Demetris S. Vakis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors

14 Esperidon Street
1087 Nicosia
Cyprus

28 June 2022

Dolphin Capital Investors Limited

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	31 December 2021 €'000	31 December 2020 €'000
Revenue	6	4,703	3,570
Cost of sales	7	(2,786)	(2,170)
Gross profit		**1,917**	**1,400**
Gain on disposal of investment in subsidiaries	29	5,898	336
Change in valuations	8a	(24,648)	(10,229)
Other gains	8b	-	1,654
Investment Manager remuneration	28.2	(3,600)	(3,600)
Directors' remuneration	28.1	(323)	(379)
Professional fees	10	(2,149)	(2,199)
Administrative and other expenses	11	(1,269)	(1,303)
Depreciation charge	15	(48)	(44)
Total operating and other expenses		**(26,139)**	**(15,764)**
Results from operating activities		**(24,222)**	**(14,364)**
Finance income		16	-
Finance costs		(3,010)	(822)
Net finance costs	12	**(2,994)**	**(822)**
Share of profits/(losses) on equity-accounted investees, net of tax	18	5,973	(8,892)
Loss before taxation		**(21,243)**	**(24,078)**
Taxation	13	1,270	2,985
Loss		**(19,973)**	**(21,093)**
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	12	(2,245)	104
Reclassification of foreign currency translation differences on loss of control	29	(5,784)	-
Share of revaluation on equity-accounted investees	18	(278)	208
Other comprehensive income, net of tax		**(8,307)**	**312**
Total comprehensive income		**(28,280)**	**(20,781)**
Loss attributable to:			
Owners of the Company		(21,343)	(21,142)
Non-controlling interests		1,370	49
		(19,973)	**(21,093)**
Total comprehensive income attributable to:			
Owners of the Company		(29,561)	(20,899)
Non-controlling interests		1,281	118
		(28,280)	**(20,781)**
LOSS PER SHARE			
Basic and diluted loss per share (€)	14	**(0.02)**	**(0.02)**

The notes on pages 15 to 60 are an integral part of these consolidated financial statements.

Dolphin Capital Investors Limited

Consolidated statement of financial position

As at 31 December 2021

	Note	31 December 2021 €'000	31 December 2020 €'000
ASSETS			
Property, plant and equipment	15	9,069	4,855
Investment property	16	52,188	76,303
Equity-accounted investees	18	65,555	60,674
Other investments	17	-	655
Non-current assets		**126,812**	**142,487**
Trading properties	19	56,516	59,769
Receivables and other assets	20	1,092	1,330
Other investments	17	99	-
Cash and cash equivalents	21	4,575	1,661
Current assets		**62,282**	**62,760**
Total assets		**189,094**	**205,247**
EQUITY			
Share capital	22	9,046	9,046
Share premium	22	569,847	569,847
Retained deficit		(460,390)	(439,047)
Other reserves		584	8,802
Equity attributable to owners of the Company		**119,087**	**148,648**
Non-controlling interests		8,942	6,523
Total equity		**128,029**	**155,171**
LIABILITIES			
Loans and borrowings	23	20,125	2,802
Lease liabilities	25	3,331	3,376
Deferred tax liabilities	24	6,609	8,000
Trade and other payables	26	20,089	20,366
Contract liabilities	6	-	109
Non-current liabilities		**50,154**	**34,653**
Loans and borrowings	23	4,743	6,244
Lease liabilities	25	89	29
Trade and other payables	26	6,079	9,150
Current liabilities		**10,911**	**15,423**
Total liabilities		**61,065**	**50,076**
Total equity and liabilities		**189,094**	**205,247**
Net asset value ('NAV') per share (€)	27	**0.13**	**0.16**

The notes on pages 15 to 60 are an integral part of these consolidated financial statements.

Dolphin Capital Investors Limited
Consolidated statement of changes in equity
For the year ended 31 December 2021

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2020	9,046	569,847	8,233	326	(417,905)	169,547	5,681	175,228
TOTAL COMPREHENSIVE INCOME								
(Loss)/profit	-	-	-	-	(21,142)	(21,142)	49	(21,093)
Other comprehensive income								
Share of revaluation on equity-accounted investees	-	-	-	139	-	139	69	208
Foreign currency translation differences	-	-	104	-	-	104	-	104
Total other comprehensive income	-	-	104	139	-	243	69	312
Total comprehensive income	**-**	**-**	**104**	**139**	**(21,142)**	**(20,899)**	**118**	**(20,781)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests in subsidiaries								
Disposal of interests without a change in control	-	-	-	-	-	-	724	724
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**724**	**724**
Balance at 31 December 2020	**9,046**	**569,847**	**8,337**	**465**	**(439,047)**	**148,648**	**6,523**	**155,171**
Balance at 1 January 2021	9,046	569,847	8,337	465	(439,047)	148,648	6,523	155,171
TOTAL COMPREHENSIVE INCOME								
(Loss)/profit	-	-	-	-	(21,343)	(21,343)	1,370	(19,973)
Other comprehensive income								
Share of revaluation on equity-accounted investees	-	-	-	(186)	-	(186)	(92)	(278)
Foreign currency translation differences	-	-	(2,248)	-	-	(2,248)	3	(2,245)
Translation differences to profit or loss due to disposal of subsidiary	-	-	(5,784)	-	-	(5,784)	-	(5,784)
Total other comprehensive income	-	-	(8,032)	(186)	-	(8,218)	(89)	(8,307)
Total comprehensive income	**-**	**-**	**(8,032)**	**(186)**	**(21,343)**	**(29,561)**	**1,281**	**(28,280)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests in subsidiaries								
Disposal of interests without a change in control	-	-	-	-	-	-	1,138	1,138
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**1,138**	**1,138**
Balance at 31 December 2021	**9,046**	**569,847**	**305**	**279**	**(460,390)**	**119,087**	**8,942**	**128,029**

The notes on pages 15 to 60 are an integral part of these consolidated financial statements.

Dolphin Capital Investors Limited

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	31 December 2021 €'000	31 December 2020 €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss		(19,973)	(21,093)
Adjustments for:			
Loss in fair value of investment property	8a	24,240	18,295
Impairment loss on trading properties	8a	-	1,269
Impairment loss on other investments	8a	209	-
Gain on disposal of investment in subsidiaries	29	(5,898)	(336)
(Reversal of)/impairment loss on property, plant and equipment	15	(615)	80
Impairment loss/(reversal of) on equity-accounted investees	8a	814	(9,415)
Depreciation charge	15	48	44
Interest expense	12	1,812	649
Interest income	12	(16)	-
Exchange difference		(2,175)	352
Share of (profits)/losses on equity-accounted investees, net of tax	18	(5,973)	8,892
Taxation	13	(1,270)	(2,985)
		(8,797)	(4,248)
Changes in:			
Receivables		(618)	122
Payables		(2,212)	1,027
Trading properties		3,253	(212)
Deferred revenue		(109)	(324)
Cash used in operating activities		(8,483)	(3,635)
Tax (paid)/received		(193)	15
Interest paid		-	(217)
Net cash used in operating activities		**(8,676)**	**(3,837)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiaries, net of cash disposed of	29	(208)	(1)
Acquisitions of investment property	16	(21)	92
Disposals of investment property	16	-	1,697
Acquisitions of property, plant and equipment		(3,651)	(1,979)
Proceeds from other investments		326	160
Interest received		16	-
Net cash used in investing activities		**(3,538)**	**(215)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings		(3,611)	(250)
New loans		14,063	-
Proceeds from issue of redeemable preference shares		5,500	3,500
Transaction costs related to loans and borrowings		(90)	(105)
Payment of lease liabilities		(8)	(8)
Interest paid		(726)	(278)
Net cash from financing activities	23	**15,128**	**2,859**
Net increase/(decrease) in cash and cash equivalents		**2,914**	**(1,193)**
Cash and cash equivalents at 1 January		1,661	2,854
Cash and cash equivalents at 31 December		**4,575**	**1,661**
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of the following:			
Cash in hand and at bank (see note 21)		4,575	1,661
Cash and cash equivalents at the end of the year		**4,575**	**1,661**

The notes on pages 15 to 60 are an integral part of these consolidated financial statements.

Dolphin Capital Investors Limited

Notes to the consolidated financial statements

For the year ended 31 December 2021

1. REPORTING ENTITY

Dolphin Capital Investors Limited (the 'Company') was incorporated and registered in the British Virgin Islands ('BVI') on 7 June 2005. The Company is a real estate investment company focused on the early-stage, large-scale leisure-integrated residential resorts in south-east Europe, and managed by Dolphin Capital Partners Limited (the 'Investment Manager'), an independent private equity management firm that specialises in real estate investments, primarily in south-east Europe. The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 8 December 2005.

The consolidated financial statements of the Company as at 31 December 2021 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in equity-accounted investees.

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 are available at www.dolphinci.com.

2. BASIS OF PREPARATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The consolidated financial statements were authorised for issue by the Board of Directors on 28 June 2022.

b. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities in the normal course of business.

On 22 December 2021, an Extraordinary General Meeting was held and the Shareholders approved a continuation of the Company without setting a termination date or a date for a further continuation vote in order to provide time to optimise for Shareholders the value that can be realised from the Company's investments by removing potentially commercially prejudicial deadlines from negotiations with potential buyers. Notwithstanding the absence of a formal date for Shareholders to consider a continuation of the Company, the Board may, at any time, propose a further continuation vote to Shareholders.

The Group's cash flow forecasts for the foreseeable future involve uncertainties related primarily to the exact disposal proceeds and timing of disposals of the assets expected to be disposed of. Management believes that the proceeds from forecast asset sales will be sufficient to maintain the Group's cash flow at a positive level. Should the need arise, management will take actions to reduce costs and is confident that it can secure additional loan facilities and/or obtain repayment extension on existing ones, until planned asset sales are realised and proceeds received.

If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

c. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, with the exception of property (investment property and property, plant and equipment), which are stated at their fair values.

d. Adoption of new and revised standards and interpretations

As from 1 January 2021, the Group adopted all changes to IFRS which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Group.

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2021. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. The Group continues to assess the potential impact on its consolidated financial statements resulting from the application of the following standards.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

2. BASIS OF PREPARATION CONTINUED

d. Adoption of new and revised standards and interpretations continued

(i) Standards and interpretations adopted by the EU

IFRS 3 Business Combinations (Amendments) (effective for annual periods beginning on or after 1 January 2022)

The amendments to IFRS 3 relate to an update of a reference to the Conceptual Framework of Financial Reporting without changing the accounting requirements for business combinations.

IAS 16 Property, Plant and Equipment (Amendments) (effective for annual periods beginning on or after 1 January 2022)

The amendments to IAS 16 prohibit a company from deducting, from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds together with the costs of producing those items in profit or loss. The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) (effective for annual periods beginning on or after 1 January 2022)

The amendments to IAS 37 specify what is included in the costs to fulfil a contract when assessing whether a contract is onerous. The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

IAS 1 Presentation of Financial Statements (Amendments) and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)

The amendments to IAS 1 and the update to IFRS Practice Statement 2 aim to help companies on the application of materiality to the disclosure of accounting policies. The key amendments to IAS 1 include: (1) requiring companies to disclose their material accounting policies rather than their significant accounting policies, (2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and (3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The amendments to IFRS Practice Statement 2 are to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material i.e. 'Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements'. The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments): Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)

The amendments to IAS 8 are issued to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: (1) selecting a measurement technique (estimation or valuation technique), and (2) choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

2. BASIS OF PREPARATION CONTINUED

d. Adoption of new and revised standards and interpretations continued

(ii) Standards and interpretations not adopted by the EU

IAS 1 Presentation of Financial Statements (Amendments): Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

IAS 12 Income Taxes (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

Targeted amendments to IAS 12 clarify how companies should account for deferred tax on certain transactions (e.g. leases and decommissioning provisions). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

IFRS 10 Consolidated Financial Statements (Amendments) and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely; early adoption continues to be permitted)

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

e. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Material valuation uncertainty

Due to market conditions as formed by the COVID-19 pandemic, management's estimates of the fair value of the assets valued at fair value have increased valuation uncertainty compared to previous years.

Impairment of investment in equity-accounted investees

The Company follows the requirements of IAS 36 to determine whether the investments in equity-accounted investees are impaired and calculates the amount of the impairment. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount of the asset. The recoverable amount is the greater of the fair value less costs to sell and value in use. As at 31 December 2021, the Group assessed whether the carrying amount of equity-accounted investees is impaired, by comparing it with its fair value less cost to sell.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

2. BASIS OF PREPARATION CONTINUED

e. Use of estimates and judgements continued

Measurement of fair values
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Significant unobservable inputs and valuation adjustments are regularly reviewed and changes in fair value measurements from period to period are analysed.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

When applicable, further information about the assumptions made in measuring fair values is included in the notes specific to that asset or liability.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 3 and 15: property, plant and equipment;
- Note 3 and 16: investment property.

f. Functional and presentation currency

These consolidated financial statements are presented in Euro (€), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. MEASUREMENT OF FAIR VALUES

Properties

The fair value of investment property and land and buildings classified as property, plant and equipment is determined at the end of each reporting period. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, value the Group's properties at the end of each year and where necessary, semi-annually.

The Directors have appointed American Appraisal, Colliers International and HVS (for One&Only Kea Resort), three internationally recognised firms of surveyors, to conduct valuations of the Group's acquired properties to determine their fair value. These valuations are prepared in accordance with generally accepted appraisal standards, as set out by the Royal Institute of Chartered Surveyors ('RICS'). Furthermore, the valuations are conducted on an 'as is condition' and on an open market comparative basis.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

3. DETERMINATION OF FAIR VALUES CONTINUED

Properties continued

The valuation analysis of properties is based on all the pertinent market factors that relate both to the real estate market and, more specifically, to the subject properties. The valuation analysis of a property typically uses four approaches: the cost approach, the direct sales comparison approach, the income approach and the residual value approach. The cost approach measures value by estimating the Replacement Cost New or the Reproduction Cost New of property and then determining the deductions for accrued depreciation that should be made to reflect the age, condition and situation of the asset during its past and proposed future economic working life. The direct sales comparison approach is based on the premise that persons in the marketplace buy by comparison. It involves acquiring market sales/offerings data on properties similar to the subject property. The prices of the comparables are then adjusted for any dissimilar characteristics as compared to the subject's characteristics. Once the sales prices are adjusted, they can be reconciled to estimate the fair value for the subject property. Based on the income approach, an estimate is made of prospective economic benefits of ownership. These amounts are discounted and/or capitalised at appropriate rates of return in order to provide an indication of value. The residual value approach is used for the valuation of the land and depends on two basic factors: the location and the total value of the buildings developed on a site. Under this approach, the residual value of the land is calculated by subtracting the development cost from the estimated sales value of the completed development.

Each of the above-mentioned valuation techniques results in a separate valuation indication for the subject property. A reconciliation process is then performed to weigh the merits and limiting conditions of each approach. Once this is accomplished, a value conclusion is reached by placing primary weight on the technique, or techniques, that are considered to be the most reliable, given all factors.

4. PRINCIPAL SUBSIDIARIES

The Group's most significant subsidiaries were the following:

Name	Project	Country of incorporation	Shareholding interest 2021	2020
Scorpio Bay Holdings Limited	Scorpio Bay Resort	Cyprus	100%	100%
Scorpio Bay Resorts S.A.	Scorpio Bay Resort	Greece	100%	100%
Xscape Limited	Lavender Bay Resort	Cyprus	100%	100%
Golfing Developments S.A.	Lavender Bay Resort	Greece	100%	100%
MindCompass Overseas One Limited ('MCO 1')	Kilada Hills Golf Resort	Cyprus	88%	96%
MindCompass Overseas S.A.	Kilada Hills Golf Resort	Greece	88%	96%
MindCompass Overseas Two S.A.	Kilada Hills Golf Resort	Greece	100%	100%
MindCompass Parks S.A.	Kilada Hills Golf Resort	Greece	100%	100%
Dolphin Capital Greek Collection Limited	Kilada Hills Golf Resort	Cyprus	100%	100%
DCI Holdings One Limited *	Aristo Developers	BVIs	100%	100%
D.C. Apollo Heights Polo and Country Resort Limited	Apollo Heights Resort	Cyprus	100%	100%
Symboula Estates Limited ('Symboula')	Apollo Heights Resort	Cyprus	100%	100%
Azurna Uvala D.o.o. ('Azurna')	Livka Bay Resort	Croatia	100%	100%
Eastern Crete Development Company S.A.	Plaka Bay Resort	Greece	100%	100%
Single Purpose Vehicle Ten Limited ('SPV 10')**	One&Only Kea Resort	Cyprus	67%	67%
DolphinLux 2 S.a.r.l.	La Vanta- Mediterra Resorts	Luxembourg	-	100%
Kalkan Yapi ve Turizm A.S. ('Kalkan')***	La Vanta- Mediterra Resorts	Turkey	-	100%

The above shareholding interest percentages are rounded to the nearest integer.

*This entity holds 48% shareholding interest in DCI Holdings Two Ltd ('DCI H 2' owner of Aristo Developers Ltd)

** This entity holds 50% shareholding interest in Single Purpose Vehicle Fourteen Limited (owner of 'One&Only Kea Resort')

*** Disposed in 2021

Dolphin Capital Investors Limited

Notes to the consolidated financial statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

5.2 Non-controlling interests ('NCI')

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

5.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

5.4 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5.5 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 5.1). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

5.6 Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

After application of the equity method, the Group assess the recoverable amount for each associate or joint venture, unless the associate or joint venture does not generate cash inflows from continuing use that are largely independent of those from other assets of the entity. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount of the equity-accounted investees. The recoverable amount is the greater of the fair value less costs to sell and value in use.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or for administration purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

5.8 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent accumulated depreciation for buildings and the subsequent accumulated impairment losses. Revaluations are carried out at the end of each year and where necessary, semi-annually. Properties under construction are stated at cost less any accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to fair value reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are recognised in profit or loss. Increase is recognised to the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use.

Depreciation charge is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Freehold land is not depreciated.

The annual rates of depreciation are as follows:

Buildings	3%
Machinery and equipment	10% - 33.33%
Motor vehicles and other	10% - 20%

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

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.9 Trading properties

Trading properties (inventory) are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of trading properties is determined on the basis of specific identification of their individual costs and represents the fair value paid at the date that the land was acquired by the Group.

5.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Dolphin Capital Investors Limited
Notes to the consolidated financial statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.10 Leases continued

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.11 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.11 Financial instruments continued

Classification and subsequent measurement continued

Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and bank overdrafts repayable on demand. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.11 Financial instruments continued

Classification and subsequent measurement continued

Financial assets - Subsequent measurement and gains and losses

- *Financial assets at FVTPL:* These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- *Financial assets at amortised cost:* These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- *Debt investments at FVOCI:* These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- *Equity investments at FVOCI:* These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Group are measured as follows:

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.11 Financial instruments continued

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5.12 Share capital and premium

Share capital represents the issued amount of shares outstanding at their par value. Any excess amount of capital raised is included in share premium. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in share premium from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

5.13 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved and are subtracted directly from retained earnings.

5.14 Contract liabilities

Payments received in advance on development contracts for which no revenue has been recognised yet are recorded as contract liabilities as at the statement of financial position date.

5.15 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.16 Expenses

Investment Manager remuneration, Directors' remuneration, operational expenses, professional fees, administrative and other expenses are accounted for on an accrual basis. Expenses are charged to profit or loss, except for expenses incurred on the acquisition of an investment property, which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

5.17 Impairment

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:
- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.17 Impairment continued

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and trading properties) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.17 Impairment continued

Financial instruments and contract assets continued

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's rating agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5.18 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue at a point in time, which is when it transfers control over the property to the buyer. The buyer obtains control when the sale consideration is fully settled, and the ownership of the property is then transferred to the buyer.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.19 Finance income and costs

The Group's finance income and finance costs include:

– interest income;

– interest expense;

– dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

5.20 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

5.21 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Euro at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

5.22 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (operating segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.23 Earnings per share

The Group presents basic and diluted (if applicable) earnings per share ('EPS') data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares.

5.24 NAV per share

The Group presents NAV per share by dividing the total equity attributable to owners of the Company by the number of shares outstanding as at the statement of financial position date.

5.25 Taxation

Income tax

Taxation comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable or receivable in respect of previous years. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.26 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (Note 2e).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.27 Comparatives

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

6. REVENUE

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Revenue from contracts with customers:		
Sale of trading properties	3,845	1,443
Sale of investment properties	-	1,500
Other revenue		
Income from DCI H2 (see note 18)	-	500
Other income	858	127
Total	**4,703**	**3,570**

The amount of €109 thousand included in contract liabilities at 31 December 2020 has been recognised as revenue in 2021 (2020: Nil).

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7. COST OF SALES

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Sales of trading properties	2,786	473
Sales of investment properties	-	1,697
Total	**2,786**	**2,170**

8. INCOME AND EXPENSES

a. Change in valuations

	Note	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Loss in fair value of investment property	16	(24,240)	(18,295)
Impairment loss on trading properties	19	-	(1,269)
Impairment loss/(reversal of) on equity-accounted investees	18	(814)	9,415
Reversal of/(impairment loss) of property, plant and equipment	15	615	(80)
Impairment of other investments		(209)	-
Total		**(24,648)**	**(10,229)**

b. Other gains

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Other gains	-	1,654
Total	**-**	**1,654**

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9. SEGMENT REPORTING

As at 31 December 2021 and 31 December 2020, the Group is not considered to have reportable operating segments that require disclosure. The Group has one business segment focusing on achieving capital growth through investing in residential resort developments primarily in south-east Europe.

The geographic information analyses the Group's non-current assets by the Company's country of domicile. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Non-current assets

	31 December 2021 €'000	31 December 2020 €'000
Greece	55,935	65,460
Croatia	18,482	22,372
Cyprus	52,395	54,655
At end of year	**126,812**	**142,487**

Country risk developments

According to OECD, the GDP of Greece was projected to increase by 6.7% in 2021, just under 3% in 2022 and 2.5% in 2023. As containment measures eased in April 2021, economic activity rebounded, supported by a stronger-than-expected summer tourist season. By September, business confidence had recovered to post-financial crisis highs as businesses re-opened. International air arrivals during July-August reached more than 60% of the 2019 peak.

According to the Bank of Greece, in 2021, the balance of travel services showed a surplus of €9.5bn vs surplus of €3.5bn in 2020 and €15.4bn in 2019.

The government's recovery and resilience plan is expected to boost activity and productivity through investments in green transition, upgrading digital infrastructure and skills, and supporting private firms' investments. However, further to the unfolding developments with the Ukraine-Russia current situation, inflation in Greece is now estimated at 6.1% in 2022 and to 1.2% in 2023 according to the IMF. Besides the inflationary pressure, a very strong tourism season is expected. According to the President of the Greek Tourism Confederation (SETE), the revenues from Greek tourism this season may reach or even exceed 2019 levels

Even though Cyprus' economy was negatively affected by rising Covid infection rates at the end of 2020, a strong recovery of the economy was recorded by the end of 2021. According to IMF forecasts, a 4.8% increase in GDP was expected during 2021, reaching almost pre-crisis levels.

Despite the disruption caused by the pandemic and the termination of the Cyprus Investment Program (CIP), the Real Estate & Construction sector maintained its position as one of the fastest growing sectors of the economy, highlighting its resilience and importance to the overall economy according to the PWC Real Estate Market Report.

However, the current situation in Ukraine has had an impact on the Russian demand, which has been drastically reduced. This also results in a reduction of tourism, which is a lead-in for interest in real estate. In addition, the rising inflation and petrol prices, which resulted to the increase of the cost in travel and materials by c.10%, as well as the pending VAT charge, will affect the Cyprus market.

2021 was defined by a gradual return to normality in Croatia, after the dual crises of the Covid-19 pandemic and an earthquake in the previous year. According to the European Commission the economic developments in 2021 point to a full V-shaped recovery of the Croatian economy. After a drop of 8.1% in 2020, real GDP is forecast to have grown by 10.4% in 2021, reaching the pre-crisis level of economic activity.

In any case management continues to closely monitor developments in this sphere and will adjust its operational processes and divestment strategies accordingly so that it can successfully navigate the business through the coming months.

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10. PROFESSIONAL FEES

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Legal fees	398	466
Auditors' remuneration (see below)	328	353
Accounting expenses	200	197
Appraisers' fees	24	30
Project design and development fees	607	738
Consultancy fees	218	120
Administrator fees	136	58
Other professional fees	238	237
Total	**2,149**	**2,199**

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Auditors' remuneration comprises the following fees:		
Audit and other audit related services	328	353
Total	**328**	**353**

11. ADMINISTRATIVE AND OTHER EXPENSES

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Travelling and accommodation	102	88
Insurance	58	27
Marketing and advertising expenses	50	104
Personnel expenses (see below)	633	547
Immovable property and other taxes	205	222
Rents	91	71
Other	130	244
Total	**1,269**	**1,303**

Personnel expenses

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Wages and salaries	476	398
Compulsory social security contributions	51	51
Other personnel costs	106	98
Total	**633**	**547**
The average number of employees employed by the Group during the year was	27*	20

**The vast majority consists of workers/archaeologists at Kilada project*

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12. FINANCE COSTS

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
RECOGNISED IN PROFIT OR LOSS		
Interest income	16	-
Finance income	**16**	**-**
Interest expense	(1,812)	(649)
Transaction costs and other financing expenses	(1,139)	-
Bank charges	(43)	(31)
Exchange difference	(16)	(142)
Finance costs	**(3,010)**	**(822)**
Net finance costs recognised in profit or loss	**(2,994)**	**(822)**

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	(2,245)	104
Finance costs recognised in other comprehensive income	**(2,245)**	**104**

13. TAXATION

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
RECOGNISED IN PROFIT OR LOSS		
Income tax expense		
Current year	10	5
Other	119	-
	129	**5**
Deferred tax expense		
On valuation loss of investment properties (see note 24)	(1,399)	(2,990)
	(1,399)	**(2,990)**
Taxation recognised in profit or loss	**(1,270)**	**(2,985)**

Reconciliation of taxation based on taxable (loss)/profit and taxation based on accounting (loss)/profit:

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Loss before taxation	(21,243)	(24,078)
Taxation using domestic tax rates	(3,442)	(3,859)
Effect of valuation loss on properties	(1,379)	(2,990)
Non-deductible expenses	3,186	4,252
Tax-exempt income	-	(388)
Current year losses for which no deferred tax is recognised	240	5
Other	125	(5)
Total	**(1,270)**	**(2,985)**

As a company incorporated under the BVI International Business Companies Act (Cap. 291), the Company is exempt from taxes on profits, income or dividends. Each company incorporated in BVI is required to pay an annual government fee, which is determined by reference to the amount of the company's authorised share capital. In Greece, the corporation tax rate applicable to profits is 22% (24% in 2020). Tax losses of Greek companies are carried forward to reduce future profits for a period of five years.

The profits of the Cypriot companies of the Group are subject to a corporation tax rate of 12.50% on their total taxable profits. Tax losses of Cypriot companies are carried forward to reduce future profits for a period of five years. In addition, the Cypriot companies of the Group are subject to a 3% special contribution on rental income. Under certain conditions, interest income may be subject to a special contribution at the rate of 30%. In such cases, this interest is exempt from corporation tax.

In Croatia, the corporation tax rate is 18%. Tax losses of Croatian companies are carried forward to reduce future profits for a period of five years.

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14. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of common shares outstanding during the year.

	From 1 January 2021 to 31 December 2021 '000	From 1 January 2020 to 31 December 2020 '000
Loss attributable to owners of the Company (€)	(21,343)	(21,142)
Number of weighted average common shares outstanding	904,627	904,627
Basic loss per share (€)	**(0.02)**	**(0.02)**

Loss attributable to owners of the Company

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Loss attributable to owners of the Company	(21,343)	(21,142)
Profit attributable to non-controlling interests	1,370	49
Total	**(19,973)**	**(21,093)**

Weighted average number of common shares outstanding

	From 1 January 2021 to 31 December 2021 '000	From 1 January 2020 to 31 December 2020 '000
Outstanding common shares at the beginning and end of the year	**904,627**	**904,627**

Diluted loss per share

Diluted loss per share is calculated by adjusting the loss attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. As of 31 December 2021 and 31 December 2020, the diluted loss per share is the same as the basic loss per share, due to the fact that no dilutive potential ordinary shares were outstanding during these years.

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15. PROPERTY, PLANT AND EQUIPMENT

	Under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2021					
Cost or revalued amount					
At beginning of year	2,054	20,445	361	39	22,899
Direct acquisitions	3,629	6	10	6	3,651
Disposals through subsidiary disposal	-	(6)	(5)	-	(11)
At end of year	**5,683**	**20,445**	**366**	**45**	**26,539**
Depreciation and impairment losses					
At beginning of year	-	17,665	349	30	18,044
Depreciation charge for the year	-	36	11	1	48
Disposals through subsidiary disposal	-	(6)	(3)	-	(9)
Reversal of impairment loss (see note 8a)	-	(615)	-	-	(615)
Exchange difference	-	-	-	2	2
At end of year	**-**	**17,080**	**357**	**33**	**17,470**
Carrying amounts	**5,683**	**3,365**	**9**	**12**	**9,069**
2020					
Cost or revalued amount					
At beginning of year	117	20,064	350	36	20,567
Direct acquisitions	1,937	381	11	3	2,332
At end of year	**2,054**	**20,445**	**361**	**39**	**22,899**
Depreciation and impairment losses					
At beginning of year	-	17,550	340	30	17,920
Depreciation charge for the year	-	35	9	-	44
Impairment loss (see note 8a)	-	80	-	-	80
At end of year	**-**	**17,665**	**349**	**30**	**18,044**
Carrying amounts	**2,054**	**2,780**	**12**	**9**	**4,855**

The carrying amount at year end of land and buildings, if the cost model was used, would have been €3.3 million (2020: €2.8 million).

Land and buildings include right-of-use assets of €442 thousand (2020: €442 thousand) related to leased properties that do not meet the definition of investment property.

Fair value hierarchy

The fair value of land and buildings, amounting to €3,365 thousand (2020: €2,780 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows a reconciliation from opening to closing balances of Level 3 fair value.

	31 December 2021 €'000	31 December 2020 €'000
At beginning of year	2,780	2,514
Acquisitions	6	381
Gains/(losses) recognised in profit or loss		
Reversal of/(impairment loss and write offs) in 'Change in valuations'	615	(80)
Depreciation in 'Depreciation charge'	(36)	(35)
At end of year	**3,365**	**2,780**

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15. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring land and buildings, as well as the significant unobservable inputs used.

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece – Hotel complexes	Income approach	Room occupancy rate (annual):	2021: 45% to 52% (weighted average: 51%) (2020: 45% to 52% (weighted average: 51%))	The estimated fair value would increase/(decrease) if: Room occupancy rate was higher/(lower); Average daily rate per occupied room was higher/(lower); Gross operating margin was higher/(lower); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher).
		Average daily rate per occupied room:	2021: €546 to €738 (weighted average: €673) (2020: €546 to €738 (weighted average: €673))	
		Gross operating margin rate:	2021: 24% to 38% (weighted average: 36%) (2020: 24% to 38% (weighted average: 36%))	
		Terminal capitalisation rate:	2021: 8% (2020: 8%)	
		Risk-adjusted discount rate:	2021: 11% (2020: 11%)	
	Combined approach (Income and Cost)	*Income approach (for land components)*		The estimated fair value would increase/(decrease) if: Net operating income per m2 was higher/(lower); Cash flow velocity was shorter/(longer); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher); Replacement cost (new) per m2 was higher/(lower); Entrepreneurial profit rate was higher/(lower); Depreciation rate was lower/(higher).
		Net operating income per m^2:	2021: €53 to €328 (2020: €33 to €205)	
		Cash flow velocity (years):	2021: 11 (2020: 11)	
		Terminal capitalisation rate:	2021: 9% (2020: 11%	
		Risk-adjusted discount rate:	2021: 11% (2020: 11%)	
		Cost approach (for building components)		
		Replacement cost (new) per m^2:	2021: €500 - €1,100 (2020: €500 - €1,100)	
		Entrepreneurial profit rate:	2021: 20% (2020: 20%)	
		Depreciation rate:	2021: 38% (2020: 37%)	
		Useful life (years):	2021: 60 (2020: 60)	
Property in Greece – Golf course*	Income approach	Number of members:	2021: 5 to 30 (weighted average: 25) (2020: 5 to 30 (weighted average: 20))	The estimated fair value would increase/(decrease) if: Number of members was higher/(lower); Membership fees per year per member was higher/(lower); Number of rounds played by visitors was higher/(lower); Average green fee was higher/(lower); Gross operating margin was higher/(lower); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher).
		Membership fees per year per member:	2021: €5,000 to €11,046 (weighted average: €9,762) (2020: €5,000 to €11,046 (weighted average: €9,086))	
		Number of rounds played by visitors:	2021: 1,762 to 6,793 (weighted average: 5,319) (2020: 881 to 6,793 (weighted average: 5,319))	
		Average green fee:	2021: €90 to €199 (average: €176) (2020: €90 to €199 (average: €170))	
		Gross operating margin rate:	2021: -2% to 1.4% weighted average: 0.6% (2020: -2% to 1.4% weighted average: 0.6%)	
		Terminal capitalisation rate:	2021: 11% (2020: 11%)	
		Risk-adjusted discount rate:	2021: 11% (2020: 11%)	

* Relates to property under construction which is measured at cost. The above table is for information purposes.

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16. INVESTMENT PROPERTY

	Note	31 December 2021 €'000	31 December 2020 €'000
At beginning of year		76,303	96,601
Capital subsequent expenditure		21	92
Disposals		-	(1,697)
Fair value adjustment	8a	(24,240)	(18,295)
Exchange differences		104	(398)
At end of year		**52,188**	**76,303**

As at 31 December 2021 and 31 December 2020, part of the Group's immovable property is held as security for bank loans (see note 23).

As mentioned in note 34, investment properties including the land at Lavender Bay which was acquired from Archdiocese of Dimitriada for which there is a dispute with the Greek State in relation to its ownership. Its fair value as at 31 December 2021 is €5.1 million and its fair value loss recognised in profit or loss in 2021 amounts to €13.2 million.

Changes in fair values are recognised as gains/(losses) in profit or loss and included in 'Change in valuations' (see note 8a). All such gains/(losses) are unrealised.

Fair value hierarchy

The fair value of investment property, amounting to €52,188 thousand (2020: €76,303 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

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16. **INVESTMENT PROPERTY** CONTINUED

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Property location	**Valuation technique (see note 3)**	**Significant unobservable inputs**		**Inter-relationship between key unobservable inputs and fair value measurement**
Property in Greece	Combined approach (Market and Income)	*Market approach - 60% weight*		The estimated fair value would increase/(decrease) if:
		Asking prices per m^2:	2021: €8 to €26	Asking prices per m^2 were higher/(lower);
			(2020: €7 to €30)	Premiums were higher/(lower);
		Premiums/(discounts) on the following:		Discounts were lower/(higher);
		Location:	2021: -10% to 0%	Weights on comparables with premiums were higher/(lower);
			(2020: 0%)	Weights on comparables with discounts were lower/(higher);
		Site size:	2021: -10% to 0%	Quantity of villas was higher/(lower);
			(2020: -10% to 0%)	Selling price per m^2 was higher/(lower);
		Asking vs transaction:	2021: -30% to -20%	Expected annual growth in selling price was higher/(lower);
			(2020: -30% to 0%)	Cash flow velocity was shorter/(longer);
		Frontage sea view:	2021: 0%	Risk-adjusted discount rate was lower/(higher).
			(2020: 0% to +20%)	
		Maturity/development potential:	2021: +10% to +30%	
			(2020: 0% to +50%)	
		Weight allocation:	2021: +5% to +25%	
			(2020: 0% to +20%)	
		Discount on market approach value:		
		Legal status:	2021: -80% (2020: -10%)	
		Income approach - 40% weight		
		Quantity of villas:	2021: 447 (2020: 447)	
		Selling price per m^2:	2021: €2,800	
			(2020: €2,800)	
		Expected annual growth in selling price:	2021: from year 3: 3%	
			(2020: from year 3: 3%)	
		Cash flow velocity (years):	2021:13 (2020: 13)	
		Risk-adjusted discount rate:	2021: 14% (2020: 14%)	
		Discount on combined approach value:		
		Legal status:	2021: -80% (2020: -10%)	

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16. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs *continued*

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece	Market approach	Asking prices per m²:	2021: €1 to €94 (2020: €1 to €69)	The estimated fair value would increase/(decrease) if: Asking prices per m² were higher/(lower);
		Premiums/(discounts) on the following:		Premiums were higher/(lower);
		Location:	2021: -40% to +10% (2020: -40% to +10%)	Discounts were lower/(higher); Weights on comparables with premiums were higher/(lower);
		Site size:	2021: -50% to +10%) (2020: -50% to +30%)	Weights on comparables with discounts were lower/(higher).
		Asking vs transaction:	2021: -30% to 0% (2020: -30% to 0%)	
		Frontage sea view:	2021: 0% to +30% (2020: -10% to +30%)	
		Maturity/development potential:	2021: -20% to +50% (2020: -35% to +50%)	
		Zoning:	2021: -30% (2020: -30% to 0%)	
		Other:	2021: -20% to +30% (2020: -10% to +50%)	
		Strategic investment approval:	2021: 20% (2020: 0% to +20%)	
		Weight allocation:	2021: +5% to +60% (2020: 0% to +40%)	
		Discount on market approach value:		
		Legal status:	2021: -80% (2020: -10%)	
Property in Cyprus	Market approach	Asking prices per m²:	2021: €1 to €349 (2020: €1 to €349)	The estimated fair value would increase/(decrease) if: Asking prices per m² were higher/(lower);
		Premiums/(discounts) on the following:		Premiums were higher/(lower);
		Location:	2021: -10% to +20% (2020: -10% to +20%)	Discounts were lower/(higher); Weights on comparables with premiums were higher/(lower);
		Site size:	2021: -40% to 0% (2020: -40% to 0%)	Weights on comparables with discounts were lower/(higher).
		Asking vs transaction:	2021: -15% to 20% (2020: -15% to 0%)	
		Frontage sea view:	2021: -10% to +30% (2020: -10% to +30%)	
		Maturity/development potential:	2021: -20% to 50% (2020: -20% to 50%)	
		Weight allocation:	2021: +10% to 40% (2020: +5% to 50%)	

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16. INVESTMENT PROPERTY CONTINUED

***Valuation techniques and significant unobservable inputs** continued*

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Croatia	Market approach	Asking prices per m^2:	2021: €3 to €96	The estimated fair value would increase/(decrease) if:
			(2020: €3 to €126)	Asking prices per m^2 were higher/(lower);
		Premiums/(discounts) on the following:		Premiums were higher/(lower);
		Location:	2021: -5% to 0%	Discounts were lower/(higher);
			(2020: -5% to 0%)	Weights on comparables with premiums were higher/(lower);
		Site size:	2021: -15% to -10%	Weights on comparables with discounts were lower/(higher).
			(2020: -15% to 0%)	
		Asking vs transaction:	2021: 0%	
			(2020: 0%)	
		Quality factor:	2021: -5% to 15%	
			(2020: -5% to 15%)	
		Capacity:	2021: -5% to +10%	
			(2020: -5% to +8%)	
		Weight allocation:	2021: +25% to +33%	
			(2020: +15% to +35%)	

17. OTHER INVESTMENTS

Other investments consists of the valuation of the Company’s holding of 9.6 million shares, equivalent to 13% of Itacare’s share capital. Itacare is a real estate investment company formerly listed on AIM. Itacare’s shareholders have decided to dispose of all its assets and after a series of asset sales/swaps, Itacare has managed to sell all of its real estate assets. During the year 2021 Itacare has paid interim dividend of US$0.04 per share of a total of €326 thousand to the Group.

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18. EQUITY-ACCOUNTED INVESTEES

	Note	DCI H2 €'000	Single Purpose Vehicle Fourteen Limited ('SPV 14') €'000	Total €'000
2021				
At beginning of year		**42,694**	**17,980**	**60,674**
Share of profits, net of tax		814	5,159	5,973
Share of revaluation surplus		-	(278)	(278)
Impairment loss	8a	(814)	-	(814)
At end of year		**42,694**	**22,861**	**65,555**
2020				
At beginning of year		42,694	17,249	59,943
Share of (losses)/profits, net of tax		(9,415)	523	(8,892)
Share of revaluation surplus		-	208	208
Reversal of impairment loss	8a	9,415	-	9,415
At end of year		**42,694**	**17,980**	**60,674**

SPV14

In 2019, SPV 10 entered into a joint venture agreement pursuant to which the Group's shareholding interest in SPV 14 (owner of 'One&Only Kea Resort') was decreased from 67% to 33%, as a result of dilution. The Group accounted for the remaining 33% interest as an equity-accounted investee.

DCI H2

As at 31 December 2020, the Company's holding of 47.9% in DCI H2 (owner of Aristo Developers Ltd, 'Aristo'), has been classified as an associate. An impairment loss was recognised in 2016, based on an agreement to dispose of the entire 49.75% shareholding in DCI H2 then owned, for the amount of €45 million. The Group subsequently disposed of 1.82% and as a result the Company's investment in DCI H2 reduced to 47.9% at a value of €42.7 million, which the Group estimates to be the recoverable amount as at the end of the reporting period. The recoverable amount is calculated based on the NAV of DCI H2 group at the reporting date adjusted by approximately 30% discount on the DCI H2 group's real estate properties. The fair value of the investment in DCI H2 has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Pursuant to the terms of the transaction executed in August 2019, for the sale of 37 hectares in the area referred to as 'Atlantis', in the north of the Venus Rock project which was formerly owned by Aristo, to Aristo Ktimatiki (an entity controlled by Mr. Theodoros Aristodemou, chairman of Aristo), the Company as of 31 December 2021 did not receive any cash consideration from Aristo Ktimatiki (31 December 2020: €0.5 million). The remaining €3.5 million that was due by 30 June 2020 is expected to be received during 2022. The corresponding preferred shares are being transferred by the Company to Aristo Ktimatiki on a prorated basis in line with the receipt of the commensurate instalment.

The details of the above investments are as follows:

Name	Country of incorporation	Principal activities	Shareholding interest 31 December 2021	31 December 2020
SPV 14	Cyprus	Development of Kea Resort	33%*	33%*
DCI H2	BVIs	Acquisition and holding of real estate investments in Cyprus	48%	48%

*This represents the indirect shareholding % in SPV14. The Group has 67% shareholding interest in its subsidiary SPV 10 which owns 50% shareholding interest in SPV 14.

The above shareholding interest percentages are rounded to the nearest integer.

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18. EQUITY-ACCOUNTED INVESTEES CONTINUED

The valuation techniques and significant unobservable inputs used in DCI H2 and Kea property valuation in years 2021 and 2020 are shown below:

Property	Valuation technique (see note 3)	Significant unobservable inputs	
Kea, Greece	Income approach	Room occupancy rate (annual):	2021: 25% to 41% (weighted average: 34%) (2020: 32% to 39% (weighted average: 37%))
		Average daily rate per occupied room:	2021: €990 to €1,034 (weighted average €1,018) (2020: €990 to €1,378 (weighted average €1,237))
		Gross operating margin rate:	2021: 16% το 43%) (weighted average 33%) (2020: 9% το 35% (weighted average 27%))
		Terminal capitalisation rate:	2021: 8% (2020: 11%)
		Quantity of villas:	2021: 37 (2020: 39)
		Selling price per m^2:	2021: €8,700 (2020: €7,500)
		Expected annual growth in selling price:	2021: 0% to 3% (2020: 0% to 3%)
		Cash flow velocity (years):	2021: 5 (2020: 10)
		Risk-adjusted discount rate:	2021: 9% (2020: 10%)
Property in Famagusta, Cyprus	Market approach (sales comparison approach)	Asking prices per m2:	2021: €28 to €135 (2020: €24 to €106)
		Premiums/(discounts) on the following:	
		Location:	2021: 0% (2020: 0%)
		Site size:	2021: 0% to +20% (2020: 0% to +20%)
		Asking vs transaction:	2021: -15% to +25% (2020: -20% to +15%)
		Frontage view:	2021: -20% to +10% (2020: 0% to +30%)
		Maturity/development potential:	2021: -20% to +20% (2020: only 0%)
		Weight allocation:	2021: +10% to +25% (2020: +10% to +25%)
Property in Larnaca, Cyprus	Market approach (sales comparison approach)	Asking prices per m2:	2021: €138 to €210 (2020: €71 to €281)
		Premiums/(discounts) on the following:	
		Location:	2021: 0% (2020: 0%)
		Site size:	2021: 0% to +30% (2020: 0% to +30%)
		Asking vs transaction:	2021: -15% to +0% (2020: -20% to -15%)
		Frontage view:	2021: -10% to +10% (2020: -20% to 0%)
		Maturity/development potential:	2021: -10% to +20% (2020: only 0%)
		Weight allocation:	2021: +10% to +30% (2020: +15% to +40%)
Property in Limassol, Cyprus	Market approach (sales comparison approach)	Asking prices per m2:	2021: €5 to €980 (2020: €1 to €294)
		Premiums/(discounts) on the following:	
		Location:	2021: -50% to +30% (2020: -50% to 20%)
		Site size:	2021: -10% to +40% (2020: -40% to +40%)
		Asking vs transaction:	2021: -15% to +25% (2020: -20% to +25%)
		Frontage view:	2021: -30% to +50% (2020: -20% to +50%)
		Maturity/development potential:	2021: -20% to +20% (2020: -50% to +30%)
		Weight allocation:	2021: 5% to +45% (2020: +5% to +30%)

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18. EQUITY-ACCOUNTED INVESTEES CONTINUED

Property	Valuation technique (see note 3)	Significant unobservable inputs	
Property in Nicosia, Cyprus	Market approach (sales comparison approach)	Asking prices per m2:	2021: €7 to €136 (2020: €2 to €54)
		Premiums/(discounts) on the following:	
		Location:	2021: -30% to +10% (2020: -30% to +10%)
		Site size:	2021: -20% to +0% (2020: -20% to 0%)
		Asking vs transaction:	2021: -25% to +25% (2020: 0% to +25%)
		Frontage view:	2021: -20% to +50% (2020: -50% to +50%)
		Maturity/development potential:	2021: 0% to +50% (2020: 0% to +50%)
		Weight allocation:	2021: 10% to +40% (2020: +5% to +50%)
Property in Paphos, Cyprus	Market approach (sales comparison approach)	Asking prices per m2:	2021: €6 to €2,331 (2020: €1 to €1.233)
		Premiums/(discounts) on the following:	
		Location:	2021: -30% to +30% (2020: -30% to +30%)
		Site size:	2021: -50% to +40% (2020: -40% to +40%)
		Asking vs transaction:	2021: -20% to +25% (2020: -30% to +25%)
		Frontage view:	2021: -50% to +50% (2020: -50% to +50%)
		Maturity/development potential:	2021: -40% to +30% (2020: -30% to +50%)
		Weight allocation:	2021: 10% to +50% (2020: +5% to +60%)
Golf Resort, Cyprus	Income approach	Quantity of villas: (174 sq.m each)	2021: 676 (2020: 676)
		Quantity of appartments: (100 sq.m each)	2021: 231 (2020: 231)
		Expected annual growth in selling price:	2021: 1% and 2% (2020: 1% and 2%)
		Cash flow velocity (years):	2021: 12 (2020: 11)
		Risk-adjusted discount rate:	2021: 9,10% (2020: 9,10%)
		Total NPV of project:	2021: €74,080,000 (2020: €72,700,000)
		average rate per sq.m of Villas:	2021: €4,200 (2020: €3,000)
		average rate per sq.m of Apartments	2021: €3,600 (2020: €2,100)

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18. EQUITY-ACCOUNTED INVESTEES CONTINUED

As at 31 December 2021, SPV 14 had €23,432 thousand (31 December 2020: €33,060 thousand) contractual capital commitments on property, plant and equipment. Also, as at 31 December 2021, DCI H2 had €3,500 thousand (31 December 2020: €3,500 thousand) contractual capital commitments on investment property.

The following table summarises the financial information of DCI H2 and SPV 14 as included in their own financial statements, the table also reconciles the summarised financial information to the carrying amount of the Group's interest in equity-accounted investees:

	DCI H2 €'000	SPV 14 €'000	Total €'000
Percentage ownership interest	**48%**	**50%**	
31 December 2021			
Current assets (1)	123,989	40,658	164,647
Non-current assets	204,403	32,305	236,708
Total assets	**328,392**	**72,963**	**401,355**
Current liabilities (2)	84,357	13,832	98,189
Non-current liabilities (3)	56,368	13,409	69,777
Total liabilities	**140,725**	**27,241**	**167,966**
Net assets	**187,667**	**45,722**	**233,389**
Group's share of net assets	90,080	22,861	112,941
Impairment	(47,386)	-	(47,386)
Carrying amount of interest in investee	**42,694**	**22,861**	**65,555**
Revenues	37,917	-	37,917
Profit (4)	1,699	10,317	12,016
Other comprehensive income	-	(555)	(555)
Total comprehensive income	**1,699**	**9,762**	**11,461**
Group's share of profit and total comprehensive income	**814**	**4,881**	**5,695**
31 December 2020			
Current assets (1)	142,254	5,713	147,967
Non-current assets	206,065	33,937	240,002
Total assets	**348,319**	**39,650**	**387,969**
Current liabilities (2)	105,357	1,513	106,840
Non-current liabilities (3)	57,447	2,178	59,625
Total liabilities	**162,804**	**3,691**	**166,495**
Net assets	**185,515**	**35,959**	**221,474**
Group's share of net assets	89,047	17,980	107,027
Impairment	(46,353)	-	(46,353)
Carrying amount of interest in investee	**42,694**	**17,980**	**60,674**
Revenues	13,158	-	13,158
(Loss)/profit (4)	(19,643)	1,045	(18,598)
Other comprehensive income	-	416	416
Total comprehensive income	**(19,643)**	**1,461**	**(18,182)**
Group's share of (loss)/profit and total comprehensive income	**(9,415)**	**731**	**(8,684)**

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18. EQUITY-ACCOUNTED INVESTEES CONTINUED

The financial information of SPV 14, includes the following:

(1) Cash and cash equivalents – 2021: €6,020 thousand, 2020: €1,290 thousand

(2) Non-current financial liabilities excluding trade and other payables and provisions – 2021: €8,578 thousand, 2020: Nil

(3) Current financial liabilities excluding trade and other payables and provisions – 2021: €769 thousand, 2020: Nil

(4) Depreciation – 2021: €29 thousand, 2020: €30 thousand, Finance expense – 2021: €16 thousand, 2020: €11 thousand and Income tax expense – 2021: €20 thousand, 2020: €20 thousand

19. TRADING PROPERTIES

	Note	31 December 2021 €'000	31 December 2020 €'000
At beginning of year		59,769	60,826
Additions		-	685
Disposals		(3,253)	(473)
Impairment loss	8a	-	(1,269)
At end of year		**56,516**	**59,769**

Trading properties mainly comprise of land and construction costs of villas and holiday homes, in Kilada Hills Golf Resort in Peloponnese, Greece.

20. RECEIVABLES AND OTHER ASSETS

	31 December 2021 €'000	31 December 2020 €'000
Trade receivables	45	122
VAT receivables	859	771
Other receivables	176	425
Total trade and other receivables (see note 31)	**1,080**	**1,318**
Prepayments and other assets	12	12
Total	**1,092**	**1,330**

21. CASH AND CASH EQUIVALENTS

	31 December 2021 €'000	31 December 2020 €'000
Bank balances (see note 31)	4,565	1,652
Cash in hand	10	9
Total	**4,575**	**1,661**

During the year, the Group had no fixed deposits.

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22. CAPITAL AND RESERVES

Capital

Authorised share capital

	31 December 2021		31 December 2020	
	'000 of shares	€'000	'000 of shares	€'000
Common shares of €0.01 each	2,000,000	20,000	2,000,000	20,000

Movement in share capital and premium

	Shares in issue '000	Share capital €'000	Share premium €'000
Capital at 1 January 2020 and up to 31 December 2021	**904,627**	**9,046**	**569,847**

Reserves

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment from both subsidiaries and equity-accounted investees, net of any deferred tax.

23. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years	
	2021	2020	2021	2020	2021	2020
	€'000	€'000	€'000	€'000	€'000	€'000
Loans in Euro	17,391	6,244	4,743	6,244	12,648	-
Redeemable preference shares	7,477	2,802	-	-	7,477	2,802
Total	**24,868**	**9,046**	**4,743**	**6,244**	**20,125**	**2,802**

Loans in Euro

On 3 June 2021 the Company entered into a €15 million senior secured term loan facility agreement with two institutional private credit providers acting on behalf of their managed and advised funds. The nominal interest rate is 12.5% and the initial maturity date falls 18 months from the loan draw-down and is subject to a six-month extension at Company's option with a 2% interest step-up. The facility agreement includes mandatory prepayment clauses with regard to revenues realised by the Company from the disposal of its assets as well as standard event of default provisions including, inter alia, borrower change of control, termination of investment management agreement and cancelation of existing borrower securities listing. As of 31 December 2021, an amount of €14,063 thousand has been drawn down and arrangement and commitment fees amounting to €651 thousand have been prepaid. €810 thousand was drawn down on 4 March 2022 and transferred to an interest reserve account less €16 thousand arrangement fees.

During the year, the maturity date of the outstanding loan of Azurna (the owner of "LivkaBay") has been extended to 31 December 2022. During the year an amount of €1,891 thousand was paid in regard to Azurna loan including principal and interest (2020: €536 thousand).

Redeemable preference shares

On 18 December 2019, the Company signed an agreement with an international investor for a €12 million investment in the Kilada Hills Project. The investor has agreed to subscribe for both common and preferred shares. The total €12 million investment is payable in 24 monthly instalments of €500 thousand each. Under the terms of the agreement, the investor will be entitled to a priority return of the total investment amount from the net disposal proceeds realised from the project and will retain a 15% shareholding stake in Kilada. As of 31 December 2021, 11.58% (2020: 4.38%) of the ordinary shares have been transferred to the investor.

As of 31 December 2021, 9,000 redeemable preference shares (2020: 3,500) were issued as fully paid with value of €1,000 per share. The redeemable preference shares are issued with a zero-coupon rate and are discounted with a 0.66% effective monthly interest rate, do not carry the right to vote and are redeemable when net disposal proceeds are realised from the Project. As at 31 December 2021, the fair value of the redeemable preference shares was €7,477 thousand (2020: €2,802 thousand).

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23. LOANS AND BORROWINGS CONTINUED

Terms and conditions of the loans

The terms and conditions of outstanding loan were as follows:

Description	Currency	Interest rate	Maturity dates	31 December 2021 €'000	31 December 2020 €'000
Secured loan	Euro	Euribor plus 4.25%	2022	4,743	6,244
Secured loan	Euro	Fixed rate of 12.5% with a 2% additional interest if extended	2023	12,648	-
Total interest-bearing liabilities				**17,391**	**6,244**

Security given to lenders

As at 31 December 2021, the Group's loans and borrowings were secured as follows:

- Regarding the senior term loan facility, fixed and floating charges over all of the Company's assets including all of the shares in DCI Holdings One Limited, fixed charge over the interest reserve account, pledges over the shares of DolphinCI Twenty-Four Limited and the subsidiaries in Kilada Hills and Apollo Project and assignments and charges over intercompany loans.

- In regard to Kilada preference shares, upon transfer of the entire amount of €12 million from the investor in accordance with the terms of the agreement, a mortgage will be set against the immovable property of the Kilada Hills Project, in the amount of €15 million (2020: €15 million).

- With respect to Azurna loan, mortgage against the immovable property of the Croatian subsidiary, Azurna (the owner of "Livka Bay"), with a carrying value of €17 million (2020: €20.9 million), two promissory notes, a debenture note and a letter of support from its parent company Single Purpose Vehicle Four Limited.

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23. LOANS AND BORROWINGS CONTINUED

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings €'000	Lease liabilities €'000	Non-controlling interests €'000	Total €'000
2021				
Balance at the beginning of the year	**9,046**	**3,405**	**6,523**	**18,974**
Changes from financing cash flows:				
Proceeds from issue of redeemable preference shares	5,500	-	-	5,500
New loans	14,063	-	-	14,063
Transaction costs related to loans and borrowings	(90)	-	-	(90)
Repayment of loans and borrowings	(3,611)	-	-	(3,611)
Payment of lease liability	-	(8)	-	(8)
Interest paid	(726)	-	-	(726)
Other movements	(1,138)	-	1,138	-
Total changes from financing cash flows	**13,998**	**(8)**	**1,138**	**15,128**
Other changes- Liability-related				
Interest expense	1,682	23	-	1,705
Other movements	142	-	1,281	1,423
Total liability-related other changes	**1,824**	**23**	**1,281**	**3,128**
Balance at the end of the year	**24,868**	**3,420**	**8,942**	**37,230**
2020				
Balance at the beginning of the year	6,644	3,036	5,681	15,361
Changes from financing cash flows:				
Proceeds from issue of redeemable preference shares	3,500	-	-	3,500
Transaction costs related to loans and borrowings	(105)	-	-	(105)
Repayment of loans and borrowings	(250)	-	-	(250)
Payment of lease liability	-	(8)	-	(8)
Interest paid	(278)	-	-	(278)
Other movements	(724)	-	724	-
Total changes from financing cash flows	**2,143**	**(8)**	**724**	**2,859**
Other changes- Liability-related				
New leases	-	353	-	353
Interest expense	408	24	-	432
Other movements	(149)	-	118	(31)
Total liability-related other changes	**259**	**377**	**118**	**754**
Balance at the end of the year	**9,046**	**3,405**	**6,523**	**18,974**

24. DEFERRED TAX LIABILITIES

	31 December 2021 €'000	31 December 2020 €'000
Balance at the beginning of the year	8,000	11,027
Recognised in profit or loss (see note 13)	(1,399)	(2,990)
Exchange differences	8	(37)
Balance at the end of the year	**6,609**	**8,000**

Deferred tax liabilities are attributable to the following:

	31 December 2021 €'000	31 December 2020 €'000
Investment properties	2,247	3,638
Trading properties	4,299	4,299
Property, plant and equipment	63	63
Total	**6,609**	**8,000**

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25. LEASE LIABILITIES

	31 December 2021			31 December 2020		
	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	91	2	89	30	1	29
Between two and five years	284	14	270	283	10	273
More than five years	4,278	1,217	3,061	4,302	1,199	3,103
Total	**4,653**	**1,233**	**3,420**	**4,615**	**1,210**	**3,405**

The major lease obligations comprise leases in Greece with 99-year lease terms, for which, as mentioned in note 34, the Greek State disputed the ownership rights of the lessor.

26. TRADE AND OTHER PAYABLES

	31 December 2021 €'000	31 December 2020 €'000
Land creditors	20,752	20,758
Investment Management fees (see note 28.2)	1,301	3,498
Other payables and accrued expenses	4,115	5,260
Total	**26,168**	**29,516**

	31 December 2021 €'000	31 December 2020 €'000
Non-current	20,089	20,366
Current	6,079	9,150
Total	**26,168**	**29,516**

Land creditors relate to contracts in connection with the purchase of land at Lavender Bay. The above outstanding amount bears an annual interest rate equal to the inflation rate, which cannot exceed 2%. Full settlement is due on 31 December 2025. As mentioned in note 34, the Group is in negotiations with land creditors with a view to ensuring that no additional funds are paid to them under the sale and purchase contracts until the resolution of the legal dispute with the Greek State and, also to reduce the overall quantum of Group's deferred liabilities to them, potentially swapping all or part of the deferred payments against equity in the project.

27. NAV PER SHARE

	31 December 2021 '000	31 December 2020 '000
Total equity attributable to owners of the Company (€)	119,087	148,648
Number of common shares outstanding at end of year	904,627	904,627
NAV per share (€)	**0.13**	**0.16**

28. RELATED PARTY TRANSACTIONS

28.1 Directors' interest and remuneration

Directors' interests

Miltos Kambourides is the founder and managing partner of the Investment Manager.

On 30 June 2021, Mr. Martin Adams, Mr. Nicholas Paris and Mr. Nicolai Huls joined the Board as non-executive Directors, with Mr. Martin Adams becoming Chairman. On the same date, Mr. Andrew Coppel, Mr.Graham Warner and Mr. Mark Townsend stepped down from the Board as non-executive Directors.

The interests of the Directors as at 31 December 2021, all of which are beneficial, in the issued share capital of the Company as at this date were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	66,019
Nicolai Huls	775

Save as disclosed, none of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Group.

Directors' remuneration

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Remuneration	323	379
Total remuneration	**323**	**379**

The Directors' remuneration details for the years ended 31 December 2021 and 31 December 2020 were as follows:

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Martin Adams	37	-
Nicholas Paris	33	-
Nicolai Huls	30	-
Andrew Coppel (stepped down on 30 June 2021)	118	179
Graham Warner (stepped down on 30 June 2021)	72	134
Mark Townsend (stepped down on 30 June 2021)	33	66
Total	**323**	**379**

Miltos Kambourides has waived his fees.

28.2 Investment Manager remuneration

	From 1 January 2021 to 31 December 2021 €'000	From 1 January 2020 to 31 December 2020 €'000
Fixed management fee	3,600	3,600
Total remuneration	**3,600**	**3,600**

As at 31 December 2021 and 31 December 2020, the amount payable to the Investment Manager amounted to €1,301 thousand and €3,498 thousand, respectively.

On 9 April 2019, the Company signed an Amended and Restated Investment Management Agreement ('IMA'), which was effective from 1 January 2019, as follows:

i. Fixed investment management fee

The annual investment management fees for 2020 and 2021 were €3.6 million per annum.

Additionally, the IMA would have expired at the earlier of 31 December 2021 or the sale of all of the Company's assets. No fixed management fee was due after 31 December 2021.

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28. RELATED PARTY TRANSACTIONS

28.2 Investment Manager remuneration continued

ii. Variable investment management fee

The variable investment management fee for the period from 1 January 2020 to 31 December 2021 would have been equal to a percentage of the actual distribution made by the Company to its shareholders, as shown below:

Aggregate Shareholder Distributions	% applied on Distributions
Up to but excluding €30 million	Nil
€30 million up to but excluding €50 million	2.0%
€50 million up to but excluding €75 million	3.0%
€75 million up to but excluding €100 million	4.0%
€100 million up to but excluding €125 million	5.0%
€125 million or more	6.0%

The Investment Manager was entitled to a performance fee payable subject to certain conditions, under the terms of the IMA. However, any performance fees earned under this arrangement would have been fully deducted from any future annual investment management fees and variable management fees payable over the term of the IMA. No performance fee was payable to the Investment Manager for the year ended 31 December 2021 (31 December 2020: € Nil).

On 22 December 2021, a new IMA was approved by the Shareholders at the Extraordinary General Meeting, which is effective from 1 January 2022, as follows:

A. INCENTIVE FEES AND BONUS

I. The Investment Manager shall be entitled to be paid Incentive Fees which shall be calculated as follows based on the aggregate Distributions made by the Company to its Shareholders:

Aggregate Distributions(1)	Incentive Fees (as a percentage of Aggregate Distributions)
Up to an including €40 million	0%
In excess of €40 million	15%

(1) For the avoidance of doubt, the different percentages set out below shall be applied incrementally and not as against the total aggregate Distributions.

II. In addition to the fees payable pursuant to paragraph A.I above, and subject to paragraphs B and C once aggregate Distributions of €80 million have been made, the Investment Manager shall be entitled to be paid a further bonus (the "**Bonus**") on the following basis:

Aggregate Distributions	Bonus payment
€80 million	€1 million
For each amount of €5 million of Distributions paid in excess of €80 million up to and including €100 million(1)	€1 million

(1) For the avoidance of doubt, the total aggregate Bonus payments which may be paid to the Investment Manager shall not exceed a maximum of €5 million.

III. Any Incentive Fees and/or Bonus payable by the Company to the Investment Manager shall be set off against and shall be reduced (to not less than zero) by the amount of any fees (including but not limited to asset management fees and villa sales fees) collected in cash by the Investment Manager under the terms of the Kea Asset Management Agreement accruing from 1 January 2022 onwards (to the extent that these have not already been off set against the Incentive Fee Advance Payments pursuant to paragraph B.II. below).

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28. RELATED PARTY TRANSACTIONS

28.2 Investment Manager remuneration continued

B. INCENTIVE FEE ADVANCE PAYMENTS

I. As an advance against future Incentive Fees, the Investment Manager shall be entitled to receive the following annual advances, which shall be payable in equal quarterly instalments in advance:

Year	Incentive Fee Advance Payment
2022	€2.4 million
2023	€2.3 million
2024	€1.3 million

II. The Incentive Fee Advance Payments payable by the Company to the Investment Manager shall, (i) be set off against and shall reduce (to not less than zero) the entitlement of the Investment Manager to any Incentive Fees and/or Bonus payable pursuant to paragraphs A.I and A.II above, and (ii) be set off against and shall be reduced (to not less than zero) by the amount of any fees (including but not limited to asset management fees and villa sales fees) collected in cash by the Investment Manager under the terms of the Kea Asset Management Agreement accruing from 1 January 2022 onwards.

III. For the avoidance of doubt, the Company shall not be obliged to take active steps to generate funding to pay any Incentive Fee Advance Payments and, consequently, the payment of any Incentive Fee Advance Payments shall be deferred, partly or wholly as required, by the Company in the case where:

(i) the Company does not have freely transferable funds available to pay such Incentive Fee Advance Payments due, or

(ii) the Company's readily accessible consolidated cash balance (excluding (a) cash that is not readily available to the Company, (b) cash held at Kilada and the One&Only at Kea, and (c) any cash deposited in the interest retention account in connection with the CastleLake Loan Agreement or any subsequent lender to the Company) after the payment of any Incentive Fee Advance Payments due would be less than €1 million.

C ESCROW ACCOUNT

I. An amount equal to 25 per cent of the aggregate of any Incentive Fees and/or Bonus in excess of the aggregate Incentive Fee Advance Payments to which the Investment Manager may become entitled shall be placed in the Escrow Account.

II. The amount held in the Escrow Account from time to time shall become payable to the Investment Manager on the earlier to occur of:

(i) the date of completion of the disposal of the last Relevant Investment;

(ii) the date of commencement of the formal liquidation of the Company under BVI law; and

(iii) the date of effective termination of this Agreement by the Company.

III. If the Investment Manager serves notice to terminate this Agreement, any amounts held in the Escrow Account shall be forfeited and shall become due and payable to the Company.

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28. RELATED PARTY TRANSACTIONS

28.3 Other related parties

The Investment Manager owns an effective 5% equity interest in SPV14 Ltd (an equity-accounted investee and the holding company of the OOKI project). Under the relevant shareholders agreement dated 27 May 2019, the Investment Manager, One&Only and Exactarea have priority returns for an amount equal to 75% of their equity investment, following the payment of which the Company becomes entitled to a priority catch-up for the same amount. The investment Manager also has an asset management agreement dated 1 November 2017 with OOKI and provided management services during the year amounting to €240 thousand (31 December 2020: €790 thousand).

The Investment Manager retains a 4.8% equity interest in AZOE Holdings Ltd, the company that owns Amanzoe resort and it also has an asset management agreement dated 3 October 2018 for the resort. Amanzoe Resort S.A. entered on 2 August 2021 into a contract to buy 24 founder plots in the Company's Kilada project for a price of €10 million payable in instalments subject to the achievement of certain construction milestones.

AXIA Ventures Group Limited, which is 20% owned by an affiliate of the Investment Manager and on whose Board of Directors Miltos Kambourides serves, was appointed by the Company to undertake a process for the sale of Company's equity interest in OOKI dated 29 September 2020. No transaction was concluded and therefore no fee was due or paid.

29. BUSINESS COMBINATIONS

During the year ended 31 December 2021, the Group disposed of its entire stake in Kalkan Yapi ve Turism A.S ('Kalkan', the owner of LaVanta project), as follows:

	Kalkan €'000
Property, plant and equipment	(2)
Other receivables	(856)
Cash and cash equivalents	(243)
Trade and other payables	1,180
Net liabilities	**79**
Net assets disposed of – 100%	79
Net proceeds on disposal	35
Reclassification of translation reserve from other comprehensive income to profit or loss	5,784
Gain on disposal recognised in profit or loss	**5,898**
Cash effect on disposal:	
Net proceeds on disposal	35
Cash and cash equivalents	(243)
Net cash outflow on disposal	**(208)**

On 30 January 2020, the Group finalised the sale of the one remaining Seafront Villa (owned by the Collection Group), creating a net gain on disposal of €336 thousand.

	Collection €'000
Trading properties	(1,124)
Cash and cash equivalents	(1)
Trade and other payables	1,461
Net liabilities	**336**
Net assets disposed of – 100%	336
Net proceeds on disposal	-
Gain on disposal recognised in profit or loss	**336**
Cash effect on disposal:	
Net proceeds on disposal	-
Cash and cash equivalents	(1)
Net cash outflow on disposal	**(1)**

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30. NON-CONTROLLING INTERESTS

The following tables summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

31 December 2021	MCO 1 (Kilada) €'000	SPV 10 (Kea Resort) €'000
Non-controlling interests' percentage	**11.58%**	**33.33%**
Non-current assets	12,008	22,861
Current assets	57,382	-
Non-current liabilities	(52,930)	-
Current liabilities	(4,477)	(199)
Net assets	11,983	22,662
Carrying amount of non-controlling interests	**1,389**	**7,553**
Revenue	-	-
(Loss)/profit	(2,832)	5,156
Other comprehensive income	-	(278)
Total comprehensive income	(2,832)	4,878
(Loss)/profit allocated to non-controlling interests	**(348)**	**1,718**
Other comprehensive income allocated to non-controlling interests	**-**	**(92)**
Cash flow used in operating activities	(1,298)	(1)
Cash flow used in investing activities	(3,629)	-
Cash flow from financing activities	4,316	-
Net decrease in cash and cash equivalents	**(611)**	**(1)**

31 December 2020	MCO 1 (Kilada) €'000	SPV 10 (Kea Resort) €'000
Non-controlling interests' percentage	**4.38%**	**33.33%**
Non-current assets	7,869	17,980
Current assets	57,658	16
Non-current liabilities	(47,694)	-
Current liabilities	(4,157)	(212)
Net assets	13,676	17,784
Carrying amount of non-controlling interests	**598**	**5,927**
Revenue	-	-
(Loss)/profit	(3,594)	517
Other comprehensive income	-	208
Total comprehensive income	(3,594)	725
(Loss)/profit allocated to non-controlling interests	**(126)**	**172**
Other comprehensive income allocated to non-controlling interests	**-**	**69**
Cash flow from operating activities	(295)	(1)
Cash flow used in investing activities	(2,330)	-
Cash flow from financing activities	1,918	-
Net decrease in cash and cash equivalents	**(707)**	**(1)**

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31. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to credit risk, liquidity risk and market risk from its use of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall strategy remains unchanged from last year.

(i) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group's trade receivables are secured with the property sold. Cash balances are mainly held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

	Carrying amount	
	31 December 2021	31 December 2020
	€'000	€'000
Trade and other receivables (see note 20)	1,080	1,318
Cash and cash equivalents (see note 21)	4,565	1,652
Total	**5,645**	**2,970**

Trade and other receivables

Credit quality of trade and other receivables

The Group's trade and other receivables are unimpaired.

Cash and cash equivalents

Exposure to credit risk

The table below shows an analysis of the Group's bank deposits by the credit rating of the bank in which they are held:

		31 December 2021		31 December 2020
	No. of Banks	€'000	No. of Banks	€'000
Bank group based on credit ratings by Moody's				
Rating Aaa to A	2	4,104	1	267
Rating Baa to B	4	461	3	501
Rating Caa to C	-	-	3	884
Total bank balances		**4,565**		**1,652**

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31. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables present the contractual maturities of financial liabilities. The tables have been prepared based on contractual undiscounted cash flows of financial liabilities, and on the basis of the earliest date on which the Group might be forced to pay.

	Carrying amounts €'000	Contractual cash flows €'000	Within one year €'000	One to two years €'000	Three to five years €'000	Over five years €'000
31 December 2021						
Loans and borrowings	24,868	(27,895)	(7,849)	(15,846)	(4,200)	-
Lease obligations	3,420	(4,653)	(91)	(71)	(213)	(4,278)
Land creditors	20,752	(23,661)	(1,280)	(1,265)	(21,116)	-
Trade and other payables	4,413	(4,413)	(4,413)	-	-	-
	53,453	**(60,622)**	**(13,633)**	**(17,182)**	**(25,529)**	**(4,278)**
31 December 2020						
Loans and borrowings	9,046	(9,983)	(6,483)	(2,400)	(1,100)	-
Lease obligations	3,405	(4,615)	(30)	(71)	(212)	(4,302)
Land creditors	20,758	(24,957)	(1,295)	(1,280)	(22,382)	
Trade and other payables	7,752	(7,752)	(7,752)	-	-	-
	40,961	**(47,307)**	**(15,560)**	**(3,751)**	**(23,694)**	**(4,302)**

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group'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:

	31 December 2021 €'000	31 December 2020 €'000
Fixed rate instruments		
Financial liabilities	20,125	2,802
Variable rate instruments		
Financial liabilities	4,743	6,244
	24,868	**9,046**

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €47 thousand (2020: €62 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit or loss and other equity.

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31. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(iii) Market risk continued

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while improving the return to shareholders. The Board of Directors is committed to implementing a package of measures that is expected to focus on the achievement of the Group's investment objectives, achieve cost efficiencies and strengthen its liquidity. Notably, these measures include the completion of certain Group asset divestment transactions, as well as the conclusion of additional working capital facilities at the Group and/or Company level.

32. COMMITMENTS

As of 31 December 2021, the Group had a total of €17,972 thousand contractual capital commitments on property, plant and equipment (2020: €1,395 thousand).

33. CONTINGENT LIABILITIES

Companies of the Group are involved in pending litigation. This principally relates to day-to-day operations as a developer of second-home residences and largely derives from certain clients and suppliers. Based on advice from the Group's legal advisers, the Investment Manager believes that there is sufficient defence against any claim and does not expect that the Group will suffer any material loss. All provisions in relation to these matters which are considered necessary have been recorded in these consolidated financial statements.

In addition to the tax liabilities that have already been provided for in the consolidated financial statements based on existing evidence, there is a possibility that additional tax liabilities may arise after the examination of the tax and other matters of the companies of the Group in the relevant tax jurisdictions.

The Group, under its normal course of business, guaranteed the development of properties in line with agreed specifications and time limits in favour of other parties.

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34. SUBSEQUENT EVENTS

Part of investment property includes land acquired by Golfing (subsidiary company, owner of Lavender Bay Resort) from third parties and also right-of-use assets on land leased by third parties. It should be noted that in 2010, the Greek State Real Estate Service disputed part of this land of Golfing as belonging to the Greek State. In 2011, the vendor of the land lodged an objection (administrative appeal) to the Directorate of Public Property of the Ministry of Finance, requesting the review of the conclusion of the Real Estate Service report, as well as the Final report of the inspector of the Ministry of Finance. Golfing proceeded to various legal actions in order to indicate its ownership of the land at that time. As part of these legal proceedings, the Courts had issued a decision in 2019 as part of a criminal law procedure, indicating that there were no grounds indicating the public nature of the Golfings's land.

In September 2021, the Greek Council for Public Properties issued an Opinion claiming that a part of the overall land comprising 843.114,42 m2, amounting to EUR 3.2 million and included in Investment Property as of 31 December 2021 that was sold from Archdiocese of Dimitriada ('vendor') to Golfing in 2006 and 2007, belonged to the Greek State disputing the private character of the land. This Opinion was adopted by the Ministry of Finance in January 2022, who has since taken steps to register the property in the name of the Greek State at the local land registries in April and May 2022. This adoption constitutes a unilateral administrative act and if it is found to be incorrect or illegal, it can be revoked. The Company intends to proceed to an appeal to the Greek courts claiming its ownership of the disputed land, based on Golfing's and Company's relevant Board of Directors decision that was taken at its 15 June 2022 and 22 June 2022, respectively.

In addition, the Greek Council for Public Properties disputed the ownership rights of the vendor on the land leased to Golfing in 2006 and 2007 of 2.097.443m2, from which 1.746.334 m2 are activated leased contracts, of an amount of EUR 1.9 million included in Investment Property as of 31 December 2021, for which, though, no final opinion was issued by this Council. Golfing and vendor have proceeded to legal actions relating to this dispute as well in January 2022.

The Group believes, based on legal assessments, that the unilateral registration of the property in the name of the Greek State, does not establish and does not constitute a title deed or a court decision and, therefore does not lead to the loss of property rights of Golfing but the Greek State disputes the private character of the above land of 843.114,42 m2 of Golfing, indicating its public character.

Although the dispute is considered as a significant obstacle to the continuation of the investment in the project, Golfing continues to recognize the respective land under the assets-investment property-of Golfing, on the basis of legal evidence of ownership of the land as described above.

Golfing, based on third party valuation experts, proceeded to the assessment of fair value of the respective land included in investment property and recorded an adjustment of €13.2 million in 'Loss in fair value of investment property' in profit or loss in 2021 including a significant downward adjustment to account for the estimation uncertainty relating to the above case.

In view of these developments, Golfing is in negotiations with the original vendor with a view to ensuring that both no additional deferred payments are made to them under the relevant sale and purchase contracts until the resolution of this legal dispute with the Greek State and also to reduce the overall quantum of Golfing's deferred liabilities to them, potentially swapping all or part of the deferred payments against equity in the project.

There were no other material events after the reporting period except those described above and in note 28.2, which have a bearing on the understanding of the consolidated financial statements as at 31 December 2021.