



DOLPHIN  
CAPITAL  
INVESTORS

ANNUAL REPORT  
YEAR ENDED 31 DECEMBER 2019












## Welcome to Dolphin Capital Investors Annual Report 2019.

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## Financial highlights as at 31 December 2019

### GROSS ASSETS

€226m

2018	€244m
2019	€226m

### TOTAL GROUP NET ASSET VALUE ('NAV')

€181m

before deferred income tax liabilities ('DTL')

2018	€178m
2019	€181m

### STERLING NAV PER SHARE

17p

before deferred income tax liabilities ('DTL')

2018	18p
2019	17p

### TOTAL DEBT

€7m

Group total debt to gross assets ratio of 3%

2018	€25m
2019	€7m

- Gross Assets of €226 million (31 December 2018: €244 million).
- Total Group Net Asset Value ('NAV') of €181 million and €170 million before and after Deferred Tax Liabilities ('DTL') respectively. This represents an increase of €3 million and €5 million (1.5% and 3.1%) respectively, against the 2018 year-end figures. NAV uplift is principally due to a gain of €9.6 million from the discounted prepayment of the €15.7 million Apollo Heights loan for €6.1 million and the €5.0 million sale of preferred shares relating to the Venus Rock project. This is counterbalanced by valuation write-downs on certain portfolio assets, depreciation charges and other operational, corporate, finance and management expenses as detailed on page 22.
- Sterling NAV per share as at 31 December 2019 stood at 17p before DTL and 16p after DTL, versus 18p and 16.4p, a 3.8% and 2.3% decrease before and after DTL respectively, compared to 31 December 2018. The Sterling NAV per share reduction is attributable to the 5.2% appreciation of Sterling versus the Euro during the period, which fully offset the Euro increase in NAV.
- Total debt of €7 million with a Group total debt to gross asset ratio of 3% (2018: 10%). DCI itself does not have any borrowings. The Group debt is at a project level on a non-recourse basis.
- Reflecting a continued focus on reducing overhead costs, the Group's professional and administrative expenses for the year of €4 million showed a decline of €1.7 million (approximately 30%) compared to 2018.
- Total Group cash as at 31 December 2019 stood at €3 million.

## Our portfolio



PROJECTS ➞ <i>page 09</i>	Land site (hectares)	DCI's stake
#1 One&Only Kéa Island	65	33%
#2 Kilada Hills Golf Resort	235	100%
#3 Scorpio Bay Resort	172	100%
#4 Lavender Bay Resort	310	100%
#5 Plaka Bay Resort	442	100%
#6 Apollo Heights Polo Resort	447	100%
#7 Livka Bay Resort	63	100%
#8 La Vanta	8	100%
● Aristo	481	47.9%
<b>TOTAL</b>	<b>2,223</b>	



# Hotspot

*With all the Greek charm, but with none of the crowds, Kéa island is already on our list of 2021 hot-spots.*

**CITIZEN  
FEMME**

March 2020

[www.citizen-femme.com](http://www.citizen-femme.com)



## Chairman's statement

*“The development progress made both in One&Only at Kéa Island (‘OOKI’) and Kilada during 2019 is encouraging, as it enhances both their tangible value and divestment potential. Whilst the impact of the COVID-19 pandemic will likely slow immediate progress across a number of projects, we believe that the quality of our portfolio will enable us to deliver the implementation of the Company’s divestment strategy.”*

**Andrew M. Coppel**

I am pleased to report Dolphin’s financial results for the year ended 31 December 2019 and to provide a trading update.

### Results

Total Group NAV as at 31 December 2019 was €181 million and €170 million before and after DTL respectively. This represents an increase of €3 million (1.5%) and €5 million (3.1%), respectively, from the 31 December 2018 figures.

The profit for the year was mainly due to the €9.6 million gain realised through the Apollo loan discounted repayment deal and the €5 million collected during 2019 for the sale of DCI’s 47.9% share in certain land parcels at Venus Rock which were partly offset by €2 million in valuation reductions and impairment charges, as well as the Company’s ongoing overhead and finance expenses.

Further details on the financial performance of the Company during the period are included in the Financial Position on page 22.

### Portfolio

During 2019:

- we initiated construction of the OOKI;
- we received the construction permit for the Kilada golf course and completed the project’s financing sources through a €12 million preferred investment, thus paving the way for the commencement of the project construction during Q2 2020; and
- we achieved permitting advances in the remaining portfolio of assets.

In parallel, we concluded:

- the sale of our share of c. 37 hectares owned by an Aristo subsidiary for €9 million in cash, of which €5 million has been collected, while the remainder will be paid by 30 June 2020 without diluting in any way our common overall shareholding and voting rights in Aristo;
- the sale of c. 135,000m<sup>2</sup> of land within the Apollo Heights project for €0.6 million and three residences in La Vanta for €0.7 million; and
- the discounted pre-payment of the Apollo Heights loan for €6.15 million against a nominal value of €15.7 million, resulting in a €9.6 million gain.

### Strategy

Our portfolio comprises two basic categories:

- Kilada, OOKI and Aristo, the three projects that we predominantly rely upon to facilitate material distributions to shareholders; and
- our remaining asset portfolio, which we intend to opportunistically monetise as soon as practicable taking into account, inter alia, permitting and zoning status as well as overall market conditions.



*“Our attention is now focussed on the timely and on budget construction of OOKI and the first phase of Kilada which, together with the Company's strategic shareholding in Aristo Developers, are considered critical in our efforts to realise tangible value for our shareholders.”*

**Andrew M. Coppel**

In relation to our two projects under development, OOKI and Kilada, the Board believes that in order to maximise our divestment returns, we should aim to sell our share of these assets when their construction has made significant progress in order to minimise development risk and be able to appeal to a larger investment audience.

Our shareholding position in Aristo, although representing a significant underlying value in a leading development company with a substantial property portfolio and growing sales, remains a minority stake in a privately held company and, as such, has proven difficult to monetise. We have been able to receive over the past two years a total of €11 million through distributions and the sale of our stake in our share of c. 37 hectares owned by an Aristo subsidiary; however, to date, we have not been able to monetise our overall position in Aristo. We are continuing our efforts to structure and implement a divestment transaction either with our partner at Aristo or with potential third party investors.

Our remaining portfolio includes Scorpio Bay, Lavender Bay and Plaka Bay in Greece, Apollo Heights in Cyprus, Livka Bay in Croatia and La Vanta in Turkey.

- Scorpio Bay, Lavender Bay, Plaka Bay and Apollo Heights have not reached permitting maturity as yet and remain essentially greenfield projects. We have been working to achieve planning and permitting advances in all four projects and market them to other developers and/or land investors.
- Livka Bay and La Vanta are fully permitted and are currently being marketed through local and international real estate agents to potential acquirers.

### COVID-19 impact

COVID-19 is having and will continue to have an impact on our business activities. The main areas of concern are the following:

- a. weaker Aristo sales;
- b. delay in the ongoing construction and permitting activities;
- c. postponement of sales & marketing activities; and
- d. a deferment of certain disposal conversations.

We are closely monitoring the situation and will adjust our strategies as well as implement any necessary measures that may be required over the coming months. The Board will continue to keep shareholders informed as appropriate.

### Outlook

We made significant progress in advancing our portfolio assets during the year. Our attention is now focussed on the timely and on budget construction of OOKI and the first phase of Kilada which, together with the Company's strategic shareholding in Aristo Developers, are considered critical in our efforts to realise tangible value for our shareholders.

We will continue to work with the Investment Manager and the Company's advisers to explore opportunities to monetise all our assets and take advantage of any opportunistic deals as they may arise.

**Andrew M. Coppel CBE**, Chairman

Dolphin Capital Investors

# Investment Manager's Report

*Unlocking value for shareholders and implementing the new asset strategy are our key areas of focus.*

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# Investment Manager's Report

*"We are pleased to have finally reached the construction stage for both OOKI and Kilada. We remain focussed on the completion of their development as, together with the Company's strategic shareholding in Aristo Developers, their monetisation is of fundamental importance for generating distributions to shareholders."*

**Miltos Kambourides**  
Founder of Dolphin  
and Managing Partner  
of DCP

Unlocking value for shareholders and implementing the new asset strategy are our key areas of focus.

## Business overview

During 2019 we focussed on making progress on certain key portfolio assets, namely:

- the commencement of construction at OOKI;
- the permitting of the first phase of Kilada and securing the financing for its development;
- the structuring and implementation of the €9 million transaction at Aristo; and
- the discounted final settlement of the Group's €15.7 million outstanding loan facility at Apollo Heights.

We continue to focus on the implementation of the Company's strategy to realise the value of our diverse asset portfolio in order to maximise cash returns for our shareholders.

## Operations and finance

- The COVID-19 outbreak is having a significant impact across our business activities, affecting the pace of our construction progress, our ability to market and sell plots and villas in our development projects and Aristo as well as undermining our potential to execute portfolio asset disposals. The extent of the disruption that it will cause in our operations cannot be quantified at this stage. We are monitoring the situation and will adjust our strategies, as well as implement any necessary measures, such as further reducing our corporate costs and temporarily suspending development expenses, as may be required over the coming months.
- Construction works at One&Only at Kéa Island ('OOKI') commenced in the second half of 2019 and were progressing on schedule, until travel restrictions to all Greek islands were adopted by the government on 20 March 2020. These measures will cause delays to the construction progress and, should they persist beyond 30 April 2020, could create uncertainty over the planned resort opening during the 2021 season. To date, contractor mobilisation has been completed, all internal roads have been opened, and construction of approximately a third of the guest rooms and the main building is in progress. A marketing campaign for the resort has been planned and will be initiated during the season, depending on market circumstances.
- On 18 December 2019, Dolphin signed an agreement with an international investor for a €12 million preferred equity investment into Kilada Hills Golf Resort ('Kilada'). The total €12 million investment is payable in 24 monthly instalments, of which an amount of €1.5 million has been received to date. 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. Together with the €10 million commitment from Grivalia Hospitality to acquire 20 founder lots in Kilada, the project's first phase development is now fully financed.

*“Whilst mindful of the impact of COVID-19 in the short term, the Board is continuing its strategy of optimising the disposal of the Company's asset portfolio in order to return capital to shareholders.”*

**Miltos Kambourides**  
Founder of Dolphin  
and Managing Partner  
of DCP

- The construction permit for the Kilada golf course was issued on 1 November 2019. This was the first construction permit to be issued in Greece for a real estate project falling within the ambit of the Strategic Development legislation. It is expected that the project tendering process for the golf course and site infrastructure works, which are fully permitted, will take place during Q2 2020 with works commencing shortly thereafter. Site clearing and rough earthworks in the area of the front nine holes of the golf course commenced on site in March 2020. The club house and other components of the project will proceed once the design is complete and the relevant permit issued. The target opening date for the project is the summer season of 2022.
- On 25 September 2019, the Group completed the discounted repayment of the Apollo Heights loan for €6.15 million against a nominal value of €15.7 million, which resulted in a €9.6 million gain.
- Gross sales of Aristo Developers Ltd ('Aristo'), a 47.9% DCI affiliate, during the 12 months to December 2019 increased by 21% on a year-on-year basis representing total sales revenue of €66 million. In August 2019, Dolphin entered into a preferred share transaction with Aristo Ktimatiki (an entity controlled by Theodore Aristodemou, chairman of Aristo) through which DCI sold its 47.9% share of the beneficial ownership and control over 37 hectares in the area referred to as 'Atlantis' in the north of the Venus Rock project for a €9 million cash consideration, of which an amount of €5 million has been paid, with the balance due by 30 June 2020. Following the execution of this transaction, DCI fully retains its 47.9% common shareholding and its respective voting rights in the Aristo Group.
- On 6 September 2019, the Company executed the sale of a land parcel comprising c. 135,000m<sup>2</sup> within the Group's Apollo Heights project for €0.6 million.
- Three villa sales were made during the year at La Vanta, Turkey for consideration of €0.7 million.

## Strategy

Whilst mindful of the impact of COVID-19 in the short term, the Board is continuing its strategy of optimising the disposal of the Company's asset portfolio in order to return capital to shareholders.

Since the adoption of the initial disposal strategy in 2016, DCI has been able to execute six significant asset disposals at an aggregate enterprise value of c. €344 million, reduce Group debt by more than €210 million and achieve important permitting and entitlements decisions for its remaining asset portfolio. The extension of the Company's divestment period to 31 December 2021, as approved by the shareholders on 2 May 2019, has enabled the Board and the Investment Manager to design and implement a divestment strategy on an asset by asset basis, in the light of prevailing market conditions and circumstances, which will maximise returns to shareholders.

The Board anticipates that meaningful distributions for shareholders can be achieved, predominantly from the sale of the Company's three major projects: Kilada, OOKI and Aristo. The Board intends to make distributions on the receipt of the net proceeds of sale of each of these three major assets.



## Market dynamics



The COVID-2019 outbreak has been declared a pandemic by the World Health Organization and is already having a major effect on the travel, real estate and hospitality industry. We have witnessed a significant reduction in foreign travel intent, governmental lock-down measures imposed on hotels and resorts in Greece and supply chain delays which impact our ongoing construction activities.

Measures including the suspension of immediate tax and loan payments and the provision of share terms financing for companies affected have been announced by the governments of Greece, Cyprus, Croatia and Turkey. Notwithstanding these measures, the slowdown in economic activity – and transportation restrictions – in all the countries where the DCI group operates will likely have an impact on both our ability to complete the construction of our ongoing projects in a timely manner as well as hinder our efforts to realise transactions for the disposal of our portfolio assets in the planned timescale.

The extent of the impact is uncertain at this stage and will depend on how quickly the outbreak fades and the disruption that it will cause in our operations in the interim. We are, of course, closely monitoring the situation and will adjust our strategies, as well as implement any necessary measures that may be required over the coming months.

# Portfolio review

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## One&Only Kéa Island

### *Tzia, Greece*

**DOLPHIN STAKE:** 33%

**AREA SIZE:** 65 hectares,  
circa. 1 km of coastline

**STATUS:** The project is  
under construction

#### COMPOSITION

75 stand-alone hotel guest  
rooms with private pools, two  
restaurants, an extensive  
beach club, spa facilities and  
boat pier as well as a number  
of villas, which will be sold on  
an off-plan basis

#### PARTNERS

*One&Only*  
KÉA ISLAND  
Greece

[www.oneandonlyresorts.com](http://www.oneandonlyresorts.com)

**Heah & Co**

One&Only Kéa Island is Dolphin's third resort in Greece to be constructed on the island of Kéa, the closest Cycladic island to Athens. Surrounded by dramatic sea views and a spectacular sandy beach offering a natural harbour and a safe shelter from the Aegean wind, One&Only Kéa Island is accessible through a 15-minute drive from Athens International Airport to Lavrio Harbour, followed by a 30-minute boat ride.

#### OPERATIONS UPDATE

Following a competitive tender process a prominent local contractor, Redex SA, was appointed in August 2019 for the construction works at OOKI. The contractor mobilised immediately upon contract signing and proceeded initially with excavating internal roads and, subsequently, foundations for the main building and the guest rooms. To date, progress has been recorded on approximately one third of the guest room foundations and the main building. The contractor will subsequently proceed with superstructure works in all buildings and accelerate the construction of one guest room, to be completed towards the end of Q2 2020 which will serve as the project's Mock-Up Room for villa sales. Works have been progressing on schedule in order for the resort to open in time for the 2021 season. However, the effect of the COVID-19 pandemic began to have a direct impact on the progress of the works as on 20 March 2020, the government imposed measures restricting access to the Greek islands solely to permanent residents, so as to prevent the spread of the virus and protect the local residents. This will directly prevent the contractor bringing labour and material to the project site, thus preventing the ability to advance the construction works. The restriction is for 30 days and we are working closely with the contractor to ensure compliance with all government ordinances and be prepared to resume normal operations when restrictions are lifted.

The creation of awareness for the project and more specifically the One & Only Kéa Island Private Homes ('OOKI PH') continues in close co-operation with the One&Only sales and marketing teams and through a number of marketing activities. A website has been created within the general One&Only website, including online enquiries, alongside a series of marketing collateral (printed and digital) showcasing the OOKI PH available for sale as well as the destination. An international PR campaign commenced in October 2019, which has resulted in extensive publicity in a number of highly prestigious international publications, including The Times, Vogue and Tatler. Sotheby's Realty UK has been appointed as an advisor and a series of actions are underway in collaboration with them. Targeted promotional sales actions are also underway, including social media promotion of the OOKI PHs, newsletters and one-on-one meetings with potential clients.







## Kilada Hills Golf Resort

### *Peloponnese, Greece*

#### DOLPHIN STAKE: 100%

**AREA SIZE:** 235 hectares,  
0.1 km coastline

#### COMPOSITION

Phase 1 – Golf residential  
community permitted to  
start construction

18-hole Jack Nicklaus  
Signature Golf Course

Golf clubhouse

c.230 golf residences

Beach club

#### Phase 2

100-room luxury hotel

Beach club expansion

c.86 branded villas & residences

#### STATUS

Current permits in place to  
allow commencement of the  
Golf phase construction

One of the first projects in  
Greece to receive 'Strategic  
Investment' status and  
permit, which gives significant  
residential building density  
advantages and removes  
the requirement of building  
a hotel

#### PARTNERS



[www.nicklaus.com](http://www.nicklaus.com)



[www.denniston.com.my](http://www.denniston.com.my)

[www.amanzoe.com](http://www.amanzoe.com)

Kilada Hills Golf Resort represents the development of the most exclusive golf residential community in Greece, a few minutes' drive from Amanzoe, to include the first Jack Nicklaus championship golf course in the country, together with over 230 luxury serviced residences. There is an impressive array of archaeological sites locally, as well as the cosmopolitan islands of Spetses and Hydra just a stone's throw away.

#### OPERATIONS UPDATE

The final construction permit for the first phase of the project, including the Jack Nicklaus Signature Golf Course and infrastructure for the first residential lots, was issued on 1 November 2019. The issuance of the construction permit enables us to start the pre-sale process of the residential lots, which at full development will comprise c. 230 units. Together with the golf course, a luxury Country Club with amenities to cater for the entire family, such as restaurants, a gym, spa and swimming pool, will be built and an exclusive Beach Club will also be available for the lot owners of the golf community.

On 18 December 2019, Dolphin signed an agreement with an international investor for a €12 million preferred equity investment into Kilada. The total €12 million investment is payable in 24 monthly instalments, of which an amount of €1.5 million has been received to date. Under the terms of the agreement, the investor would 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. Together with the €10 million commitment from Grivalia Hospitality to acquire 20 founder lots in Kilada, the project development is now fully financed.

The project tendering process for the golf course and site infrastructure works is underway so that construction works can commence shortly thereafter. The club house and other components of the project will proceed in a subsequent phase, once design is complete.

The construction strategy includes commencement of bulk earthworks for the golf course through a large earthworks contractor and, subsequently, appointment of a golf course construction specialist, while in parallel proceeding with the infrastructure works through local contractors.

The targeted commencement of operations is during 2022.

The project's PR, sales and marketing activities are underway with the assistance of strategic consultants. A branding /marketing firm is currently creating all marketing and sales collateral and a PR agency has been engaged. A series of specific sales activities are in planning and will commence once the material is ready and the project is officially launched.







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## Scorpio Bay Resort

*Viotia, Greece*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 172 hectares, approximately 2 km of seafront

**LOCATION:** Skorponeri, Viotia region, making this probably the closest luxury seaside residential resort to Athens

**ACCESS:** A 1-hour drive from Athens International Airport

**SPECIAL FEATURES:** A mountainous peninsula of unspoilt natural beauty overlooking a secluded bay and the island of Evoia, and within a 1-hour drive from the ski resort of Mount Parnassus

**COMPOSITION:** Luxury wellness resort with full service spa and sea related facilities

**DESIGN:** Hotel and villa designed by Heah & Co, led by John Heah

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## Lavender Bay Resort

*Magnesia, Greece*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 310 hectares, 2 km of seafront

**LOCATION:** Near the town of Volos, in the region of Thessalia, at the mouth of Pagasitikos Gulf

**ACCESS:** Approximately 2.5-hour drive from both Athens and Thessaloniki International Airports, also 20-minute drive from new Aghialos International Airport

**SPECIAL FEATURES:** Unspoilt, undulating hills fronted by a 2 km beach and surrounded by forest

### COMPOSITION

A 180-room hotel

More than 220 branded residential units

More than 390 non-branded residential units

An 18-hole Gary Player Signature golf course

Beach club and other leisure facilities

**DESIGN:** Masterplan by EDSA, golf design by Gary Player and hotel and residences design by Chad Oppenheim (Oppenoffice)

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## Plaka Bay Resort

*Crete, Greece*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 442 hectares, 7 km of seafront

**LOCATION:** The island of Crete

**ACCESS:** A 40-minute drive east from Sitia International Airport, a 2-hour drive east from Heraklion International Airport and in close proximity to Sitia Harbour

**SPECIAL FEATURES:** Easternmost point of Crete

### COMPOSITION

A residential development of over 70,000m<sup>2</sup>

One or more 5-star hotels

Other supporting recreational facilities and potentially an 18-hole golf course

**DESIGN:** Masterplan prepared by Hart Howerton

### OPERATIONS UPDATE

Plaka Bay received pre-approval of the Special Spatial Planning on 14 October 2019, which represents a major step towards its permitting advancement.

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## Apollo Heights Polo Resort

*Cyprus*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 447 hectares

**LOCATION:** Near the town of Limassol

**ACCESS:** Less than 1-hour drive from both of the island's international airports

### SPECIAL FEATURES

With excellent views of the sea, the mountains and neighbouring villages, the site also lies adjacent to a number of polo fields and an 18-hole golf course, and is 500m away from the beach

### COMPOSITION

Hotel facilities  
Residential units  
Polo fields  
18-hole golf course

**DESIGN:** Masterplan by EDSA and golf course design by Tony Jacklin Design

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## Livka Bay Resort

*Solta, Croatia*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 63 hectares, 1.6 km of seafront

**LOCATION:** The bay of Livka on the south end of the island of Solta, off the Dalmatian Coast

**ACCESS:** 20 km boat ride from Split International Airport

**SPECIAL FEATURES:** One of the first luxury residential resorts on the Dalmatian Coast

### COMPOSITION

Luxury hotel with 100 rooms and suites  
Approximately 200 private, serviced residences  
120-berth marina  
Other supporting recreational, sports and retail facilities

**DESIGN:** WATG

➤ [www.livka.com](http://www.livka.com)

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## La Vanta – Mediterra Resorts

*Antalya, Turkey*



**DOLPHIN STAKE:** 100%

**AREA SIZE:** 8 hectares

**LOCATION:** The Antalya region of southern Turkey

**ACCESS:** A 1.5-hour drive from Dalaman International Airport

### SPECIAL FEATURES

The La Vanta development is very close to the well-known beaches of Kaputas and Patara and within walking distance of Kalkan beach 5-minute drive to the beach

### COMPOSITION

La Vanta is a development of over 25,000m<sup>2</sup>, comprising over 120 villas and townhouses.

Phase 1 was completed in 2009 with 41 units already delivered. Phase 2 is currently under construction

**DESIGN:** Cemal Mutlu & Xavier Bohl

➤ [www.mediterraresorts.com](http://www.mediterraresorts.com)



DCI has a 47.9% stake in  
Aristo Developers Ltd



- Large private landowner and one of the largest holiday home developers in Cyprus
- 30 years of development expertise and market knowledge
- Over 3,000 holiday homes sold since 2004
- Diversified portfolio
- Over 250 projects island wide and 50 projects currently in the market
- Member of the FIABCI International Real Estate Federation & the EU Eco-Management & Audit Scheme (EMAS)
- Extensive international sales network

[www.aristodevelopers.com](http://www.aristodevelopers.com)

## Aristo Developers *Cyprus*

### Operating performance

- 126 homes and plots were sold during 2019, representing total sales of €66 million, up 21% compared to €55 million in 2018.
- 31 homes and plots were sold in total up to the end of February 2020, representing total sales of €9.9 million, down 14.5% compared to €11.5 million for the same period in 2019.
- Strong sales momentum continued from China during 2019, representing c. 58% of sales.

	12 months to 31 December 2019	12 months to 31 December 2018
<b>RETAIL SALES</b>		
New sales booked	€66m	€55m
% change	21%	
Units sold	126	83
% change	51%	
<b>CLIENT ORIGIN</b>		
China	58%	63%
Other Asia	21%	9%
MENA	15%	6%
Cyprus & Other EU	3%	8%
Russia	–	5%
UK	–	1%
Other	4%	8%

The substantial majority of Aristo's sales continue to be under the Cyprus citizenship investment programme, which offers Cypriot citizenship to foreign nationals investing at least €2 million into real estate. Consequently, the bulk of the relevant sales proceeds remains in escrow until the citizenship is awarded to the applying customer and the construction of the relevant property progresses (for off-plan sales); the full sales proceeds release typically ranges between 8 to 20 months from the signing of each sale transaction. Aristo had a total of €18.2 million in blocked/escrowed funds as at 31 December 2019 (€21.5 million at YE 2018).

### Sale of Preferred Shares

- In August 2019, DCI agreed to transfer all its Class A Preferred Shares in DCI Holdings Two Ltd to Aristo Kimatiki Ltd (an entity controlled by Theodore Aristodemou, chairman of Aristo) in consideration for €9 million in cash.
- €5 million has been paid while the remainder is due by 30 June 2020, with the transfer of the corresponding shares being made upon each payment being made.
- The Class A Preferred Shares have the beneficial ownership rights over 37 hectares of land in the north of the Venus Rock project.
- Following the execution of this transaction, DCI fully retains its 47.9% shareholding and its respective voting rights in the Aristo Group.



## Portfolio breakdown

A summary of Dolphin's current investments is presented below.

PROJECTS	Land site (hectares)	DCI's stake	Debt <sup>1</sup> (€m)	Real estate value (€m)	Loan to real estate asset value (%)
➡ #1 One&Only Kéa Island	65	33%	—	—	—
➡ #2 Kilada Hills Golf Resort	235	100%	—	—	—
➡ #3 Scorpio Bay Resort	172	100%	—	—	—
➡ #4 Lavender Bay Resort	310	100%	—	—	—
➡ #5 Plaka Bay Resort	442	100%	—	—	—
➡ #6 Apollo Heights Polo Resort	447	100%	—	—	—
➡ #7 Livka Bay Resort	63	100%	6.6	—	—
➡ #8 La Vanta	8	100%	—	—	—
<b>TOTAL</b>	<b>1,742</b>		<b>6.6</b>	<b>178</b>	<b>4%</b>
🌟 Aristo	481	47.9%	—	43	—
Itacaré Investment	n/a	13%	—	1	—
<b>GRAND TOTAL</b>	<b>2,223</b>		<b>6.6</b>	<b>222</b>	<b>3%</b>

<sup>1</sup> Further details on debt maturities are set out under note 22 of the financial statements.

A breakdown of Dolphin's portfolio, as at 31 December 2019, for certain key metrics is provided below.

COUNTRY	Land size (hectares)	Debt (€m)	Real estate value (€m)	Loan to real estate asset value (%)	Net Asset Value
A Greece	1,224	—	126.6	—	52%
B Cyprus <sup>1</sup>	928	—	63	—	35%
C Other	71	6.6	32.4	20%	13%
<b>GRAND TOTAL</b>	<b>2,223</b>	<b>6.6</b>	<b>222</b>	<b>3%</b>	<b>100%</b>

<sup>1</sup> DCI's portfolio in Cyprus includes its equity investment in Aristo Developers Ltd, which owns assets in Cyprus that are subject to Aristo's debt and other obligations.

## Permitting status update

GREECE	LC	A	MP	PEIS	GNTOS	EIS	AD	GNTOA	CP	UC
➔ One&Only Kéa Island	●	●	●	●	●	●	●	●	●	●
➔ Kilada Hills Golf Resort										
Hotel	●	●	●	●	●	●	●	●	●	○
Residential	●	●	●	●	●	●	●	●	○	○
Golf	●	●	●	●	●	●	●	●	●	○
➔ Scorpio Bay Resort	●	●	●	●	●	●	○	○	○	○
➔ Lavender Bay Resort										
Hotel	●	●	●	●	●	●	●	○	○	○
Golf	●	●	●	○	○	○	○	○	○	○
Residential	●	●	●	●	N/A	●	●	N/A	○	○
➔ Plaka Bay Resort	●	●	●	●	●	○	○	○	○	○
CYPRUS				IMP	MPA	EIS	AD	BP	CP	UC
➔ Apollo Heights Polo Resort				●	○	○	○	○	○	○
CROATIA			IMP	EA	TZ	UP	EIS	LP	CP	UC
➔ Livka Bay Resort										
Phase 1			●	●	●	●	●	●	○	○
Phase 2			●	●	●	●	●	●	○	○
TURKEY						LC	MP	Z	CP	UC
➔ La Vanta										
Phase 1						●	●	●	●	●
Phase 2						●	●	●	●	●
Future phases						●	●	●	○	○

## KEY

- Completed
- In progress
- To be initiated
- N/A Not applicable

## GREECE

- LC Land characterisation
- A Archaeology
- MP Masterplan
- PEIS Preliminary environmental impact study
- GNTOS Greek National Tourism Organisation suitability
- EIS Environmental impact study
- AD Architectural designs
- GNTOA Greek National Tourism Organisation approval
- CP Construction permit
- UC Under construction

## CYPRUS

- IMP Initial masterplan
- MPA Masterplan approved
- EIS Environmental impact study
- AD Architectural design
- BP Building permit
- CP Construction permit
- UC Under construction

## CROATIA

- IMP Initial masterplan
- EA Environmental assessment
- TZ Tourist zoning
- UP Urbanistic plan
- EIS Environmental impact study
- LP Location permit
- CP Construction permit
- UC Under construction

## TURKEY

- LC Land characterisation
- MP Masterplan
- Z Zoning
- CP Construction permit
- UC Under construction

# Greek chic

*In a landscape punctuated by watermills, olive groves and ancient towns, the 148-acre resort will, of course, feature the brand's hallmark blend of relaxed sophistication, will enjoy not only all the benefits of the hotel but also the potential to gain a guaranteed income by putting their property in the rental pool.*

FINANCIAL TIMES  
**how to  
spend it**

March 2020  
[www.howtospendit.ft.com](http://www.howtospendit.ft.com)





# Investment Manager's Report

## *Future objectives*

*The Company's main objectives for the remainder of 2020 are to:*

1. Manage and minimise the adverse effects that COVID-19 will have on our Group business activities;
2. Execute further asset disposals;
3. Progress construction at One&Only Kéa Island and achieve villa sales;
4. Initiate and progress construction at Kilada Hills Golf Resort; and
5. Progress planning and permitting selectively for the remaining portfolio to maximise sales proceeds and expedite divestments.

**Miltos Kambourides**, Managing Partner

**Pierre Charalambides**, Founding Partner

Dolphin Capital Partners

# Splendid shores

*The undiscovered island of Kéa – the closest of the Cycladic islands to mainland Greece – will soon be home to One&Only, a 60-hectare resort home to an enviable collection of private homes.*

COUNTRY & TOWN  
HOUSE

April 2019  
[www.countryandtownhouse.co.uk](http://www.countryandtownhouse.co.uk)





# Financial position

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## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2019

	31 December 2019 €'000	31 December 2018 €'000
<b>CONTINUING OPERATIONS</b>		
Revenue	6,364	4,387
Cost of sales	(1,013)	(2,099)
<b>GROSS PROFIT</b>	<b>5,351</b>	<b>2,288</b>
Disposal of investments	630	(2,229)
Change in valuations	(1,789)	(19,015)
Other gains	11,316	–
Investment Manager fixed remuneration	(4,000)	(5,000)
Directors' remuneration	(496)	(561)
Professional fees	(2,956)	(3,874)
Administrative and other expenses	(1,027)	(1,793)
Depreciation charge	(38)	(45)
<b>Total operating and other expenses</b>	<b>1,640</b>	<b>(32,517)</b>
<b>Results from operating activities</b>	<b>6,991</b>	<b>(30,229)</b>
Finance costs	(1,255)	(6,963)
Share of losses on equity accounted investees, net of tax	(1,478)	–
<b>Profit/(loss) before taxation</b>	<b>4,258</b>	<b>(37,192)</b>
Taxation	(37)	1,614
<b>Profit/(loss) from continuing operations</b>	<b>4,221</b>	<b>(35,578)</b>
<b>DISCONTINUED OPERATION</b>		
Loss from discontinued operation, net of tax	–	(5,593)
<b>Profit/(loss)</b>	<b>4,221</b>	<b>(41,171)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Revaluation of property, plant and equipment	–	11,942
Related tax	–	(2,985)
	–	8,957
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Foreign currency translation differences	667	2,201
Share of revaluation on equity-accounted investees	72	–
	739	2,201
<b>Other comprehensive income, net of tax</b>	<b>739</b>	<b>11,158</b>
<b>Total comprehensive income</b>	<b>4,960</b>	<b>(30,013)</b>
<b>Profit/(loss) attributable to:</b>		
Owners of the Company	4,317	(40,706)
Non-controlling interests	(96)	(465)
	4,221	(41,171)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Owners of the Company	5,031	(29,551)
Non-controlling interests	(71)	(462)
	4,960	(30,013)
<b>EARNINGS/(LOSS) PER SHARE</b>		
<b>Basic and diluted earnings/(loss) per share (€)</b>	<b>0.01</b>	<b>(0.05)</b>
<b>Basic and diluted earnings/(loss) per share – Continuing operations (€)</b>	<b>0.01</b>	<b>(0.04)</b>
<b>Basic and diluted loss per share – Discontinued operation (€)</b>	<b>–</b>	<b>(0.01)</b>

### Financial results

Profit after tax for the period ended 31 December 2019 attributable to owners of the Company amounted to €4 million (2018: loss of €41 million). Profit/ (loss) per share was €0.01 and €(0.05) in 2019 and 2018 respectively. The principal factors affecting the 2019 result were:

- €9.6 million gain achieved through the Apollo loan discounted repayment deal;
- €5 million from the sale of 37 hectares in the north of the Venus Rock project, which was formerly owned by Aristo and represents DCI's 47.9% share;

which were partly offset by:

- the year-end net valuation losses and impairment charges of €2 million; and
- the Group's depreciation costs and other operational, corporate, finance and management expenses as further explained below.

Further analysis of individual revenue and expense items is provided below.

## Consolidated statement of profit or loss and other comprehensive income continued

*For the year ended 31 December 2019*

### Revenue

Revenues from continuing operations of €6.4 million (31 December 2018: €4.4 million), were derived from the following sources:

	31 December 2019 € million	31 December 2018 € million
Sale of trading & investment properties	0.7	2.0
Other income	5.7	2.4
<b>TOTAL</b>	<b>6.4</b>	<b>4.4</b>

Other income in 2019 is mainly attributable to €5 million from the sale of 37 hectares in the north of the Venus Rock project, which was formerly owned by Aristo, while in 2018 a distribution from Aristo of €2 million took place.

### Professional fees

The charge for the period from continuing operations was €3.0 million (31 December 2018: €3.9 million) and comprises the following:

	31 December 2019 € million	31 December 2018 € million
Legal & Administrator fees	0.6	0.7
Auditors' remuneration	0.4	0.4
Accounting expenses	0.2	0.3
Project design and development fees	1.3	1.8
Consultancy fees	0.1	0.1
Other professional fees	0.4	0.6
<b>TOTAL</b>	<b>3.0</b>	<b>3.9</b>

### Administrative and other expenses

The administrative and other expenses from continuing operations amounted to €1.0 million (31 December 2018: €1.8 million) and are analysed as follows:

	31 December 2019 € million	31 December 2018 € million
Travelling and accommodation	0.1	0.1
Repairs and maintenance	0.0	0.1
Marketing and advertising expenses	0.1	0.2
Immovable property and other taxes	0.3	0.5
Rents	0.1	0.1
Other	0.4	0.8
<b>TOTAL</b>	<b>1.0</b>	<b>1.8</b>

### Change in valuations

Change in valuations from continuing operations amounted to €1.8 million (31 December 2018: €19.0 million) and are analysed as follows:

	31 December 2019 € million	31 December 2018 € million
(Gain)/loss in fair value of investment property	(10.1)	13.0
Impairment loss on trading properties	0.8	4.5
Impairment loss on re-measurement of disposal groups	1.3	2.2
Impairment loss/(reversal) of property, plant and equipmentt	9.8	(0.7)
<b>TOTAL</b>	<b>1.8</b>	<b>19.0</b>



## Consolidated statement of financial position

*As at 31 December 2019*

	31 December 2018 €'000	31 December 2017 €'000
<b>ASSETS</b>		
Property, plant and equipment	2,647	12,273
Investment property	69,354	116,391
Equity-accounted investees	17,249	–
<b>Non-current assets</b>	<b>89,250</b>	<b>128,664</b>
Trading properties	60,826	4,699
Receivables and other assets	1,445	2,837
Cash and cash equivalents	2,684	8,076
Assets held for sale	72,257	99,783
<b>Current assets</b>	<b>137,212</b>	<b>115,395</b>
<b>TOTAL ASSETS</b>	<b>226,462</b>	<b>244,059</b>
<b>EQUITY</b>		
Share capital	9,046	9,046
Share premium	569,847	569,847
Retained deficit	(417,905)	(422,222)
Other reserves	8,559	7,845
<b>Equity attributable to owners of the Company</b>	<b>169,547</b>	<b>164,516</b>
Non-controlling interests	5,681	5,752
<b>TOTAL EQUITY</b>	<b>175,228</b>	<b>170,268</b>
<b>LIABILITIES</b>		
Lease liabilities	3,028	3,005
Deferred tax liabilities	8,458	8,444
Trade and other payables	20,529	20,647
Deferred revenue	433	–
<b>NON-CURRENT LIABILITIES</b>	<b>32,448</b>	<b>32,096</b>
Loans and borrowings	–	17,326
Lease liabilities	8	8
Trade and other payables	5,327	6,484
Liabilities held for sale	13,451	17,877
<b>Current liabilities</b>	<b>18,786</b>	<b>41,695</b>
<b>TOTAL LIABILITIES</b>	<b>51,234</b>	<b>73,791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>226,462</b>	<b>244,059</b>
<b>NET ASSET VALUE ('NAV') PER SHARE (€)</b>	<b>0.19</b>	<b>0.18</b>

The reported NAV as at 31 December 2019 is presented below:

	As at 31 December 2019		As at 31 December 2018		Variation since 31 December 2018	
	€	£	€	£	€	£
Total NAV before DTL (million)	181	154	178	160	1.5%	(3.8%)
Total NAV after DTL (million)	170	145	165	148	3.1%	(2.3%)
NAV per share before DTL	0.20	0.17	0.20	0.18	1.5%	(3.8%)
NAV per share after DTL	0.19	0.16	0.18	0.16	3.1%	(2.3%)

Notes:

1. Euro/GBP rate 0.85369 as at 31 December 2019 and 0.90053 as at 31 December 2018.

2. NAV per share has been calculated on the basis of 904,626,856 issued shares as at 31 December 2019 and as at 31 December 2018.

Total Group NAV as at 31 December 2019 was €181 million and €170 million before and after DTL respectively. This represents an increase of €3 million (1.5%) and €5 million (3.1%), respectively, from the 31 December 2018 figures.

Sterling NAV per share as at 31 December 2019 was 17p before DTL and 16p after DTL and decreased by 3.8% and 2.3%, before and after DTL respectively compared to the 31 December 2018 figures. The appreciation of Sterling versus the Euro during the period of approximately 5.2% has fully offset the Euro increase in NAV.

The Company's consolidated assets of €226 million include €133 million of real estate assets, €72 million of assets held for sale, €17 million of equity-accounting investees (which represents the 33% investment in Kéa Resort), €1 million of other assets (trade and other receivables) and €3 million in cash.

The figure of €133 million of real estate assets (property, plant and equipment, trading properties and investment property) represents the independent property valuations conducted as at 31 December 2019 by American Appraisal (for the Greek and Cypriot projects) for both freehold and long leasehold interests of Kilada, Scorpio Bay, Lavender Bay, Apollo Heights and Plaka Bay projects as well as the appraised value of LaVanta (Colliers International conducted the independent property valuation for Turkey).

The €72 million of assets held for sale includes €28 million of real estate assets (investment property and trading properties), €43 million of investment in equity accounted investees (the Company's 47.9% interest in Aristo as at 31 December 2019) and €1 million of available-for-sale financial assets which represents the Company's investment in Itacaré. The €28 million figure comprises the appraised value of Livka Bay (Colliers International conducted the independent property valuation also for Croatia).

The Company's consolidated liabilities (excluding DTL) total €40 million and mainly comprise €10 million of interest bearing loans and finance lease obligations (of which €7 million are classified as liabilities held for sale). All loans are held by Group subsidiaries and are non-recourse to Dolphin. The €30 million of trade and other payables (including €4 million of trade and other payables held for sale) comprise mainly €21 million of option contracts to acquire land in the Company's Lavender Bay project.

The consolidated financial statements have been audited by KPMG.

## Board of Directors

### ROLE

Dolphin's Board of Directors (the 'Board') is the Company's absolute decision-making body, approving and disapproving all investment activity proposed by the Investment Manager. The Board is responsible for acquisitions, divestments and major capital expenditures and focuses on the Company's long-term objectives, strategic direction and dividend policy. The biographical details of all the Directors are given here.

### ANDREW COPPEL

#### Chairman

Andrew Coppel has over 20 years' experience within the hospitality and leisure sectors in chairman, CEO and/or senior board level roles, as well as being a non-executive director of one of the UK's largest residential housebuilders.

Most recently, from 2011 to 2015, Andrew was CEO of De Vere Group, one of the largest hotel and leisure groups in the UK, having joined the business initially as executive chairman in March 2010. As CEO, he led a team in turning round the group, building value through operational and investment initiatives, and crystallising that value principally through the sales of the three main divisions to US private equity firms. This resulted in the repayment to Lloyds Banking Group of over £1bn.

Andrew was chairman and CEO of McCambridge Group from 2008 to 2009 and CEO of Jockey Club Racecourses from 2004 to 2007. In 1993, he joined Queens Moat Houses, one of the largest hotel groups in Europe, where he was group CEO until 2003. From 1990 to 1993 he was chairman and CEO of Sale Tilney.

In a non-executive capacity, he was the first chair of Tourism Ireland for seven years (2001-2007), chair of London Irish Rugby Football Club (2008-2011) and a non-executive director of Crest Nicholson (2009-2011). He also sat on Lloyds Bank's Advisory Board on Ireland. Andrew was awarded a CBE in 2009 for services to Irish tourism.

### MARK TOWNSEND

Mark Townsend has nearly 40 years' experience investing in listed property companies and directly into property markets in Europe.

Mark has managed the French Property Trust and the European Asset Value Fund, along with discretionary US and European mandates, which focused on under researched, undervalued listed property companies throughout Europe. Mark was elected a Fellow of the Royal Institution of Chartered Surveyors in 1990.

### GRAHAM WARNER

Graham Warner has nearly 40 years' experience in banking and financial services, most recently as finance director of J O Hambro Capital Management Group Limited, and extensive experience of statutory reporting and governance of publicly listed entities.

Prior to joining J O Hambro in 2000, Graham worked for Mercury Asset Management (subsequently Merrill Lynch Investment Managers), where he was responsible for Mercury's financial accounting and regulatory reporting. He has also worked for the National Bank of Kuwait Group and Hong Kong & Shanghai Banking Corporation in senior financial management roles.

Graham is a qualified Chartered Accountant.

### MILTOS KAMBOURIDES

Miltos Kambourides is the founder and Managing Partner of Dolphin Capital Partners (DCP), a private equity business founded in 2004, specialising in real estate investments.

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.

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.



# Financial statements

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## Independent Auditors' report *to the Members of Dolphin Capital Investors Limited*

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 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 33 to 77 and comprise the consolidated statement of financial position as at 31 December 2019, 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, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2019, 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 OPINION

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 remained independent of the Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code') together with the ethical requirements 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 opinion.

#### EMPHASIS OF MATTER

We draw attention to Note 2(e) of the consolidated financial statements of the Company for the year ended 31 December 2019, which refers to the significant uncertainties related to the COVID-19 outbreak and particularly the expected difficulties by the Group to dispose of its portfolio assets within the planned timeframe.

We further draw attention to Note 2(b), which explains that the Company's consolidated financial statements have been prepared taking into account the Company's intention to dispose of all of its assets by 31 December 2021. In the event that any assets are still held by the Company shortly before 31 December 2021, the Board will convene a shareholders' meeting at which appropriate resolutions for the future of the Company will be proposed. The basis of preparation used continues to be in accordance with IFRS-EU.

Our opinion is not modified in respect of these matters.

#### 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.

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#### VALUATION OF IMMOVABLE PROPERTY

(Refer to notes 16 to 18, and 20 to the consolidated financial statements)

##### The risk

The Group has a significant portfolio of immovable property which is classified, depending on the case, as investment property, property, plant and equipment, trading properties and disposal groups held for sale. The total carrying amount of the aforementioned immovable properties as at 31 December 2019 was €161 million.

Investment properties are measured at fair value, property, plant and equipment at revalued amounts, which are based on fair value, trading properties at the lower of cost and net realisable value and assets held for sale at fair value less costs to sell. In determining fair values the Company 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 response

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. Our internal valuation specialist was used within this process. Explanations were sought for significant movements in value.
- assessing the sensitivity of the forecasts used in valuations.
- 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 Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### 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 Group or to cease 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 scepticism 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.
- 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, related safeguards.

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 Haris A. Kakoullis.

## Haris A. Kakoullis, CPA

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

3 April 2020

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2019

	Note	31 December 2019 €'000	31 December 2018 €'000
<b>CONTINUING OPERATIONS</b>			
Revenue	6	6,364	4,387
Cost of sales	7	(1,013)	(2,099)
<b>Gross profit</b>		<b>5,351</b>	<b>2,288</b>
Disposal of investments	8A	630	(2,229)
Change in valuations	8B	(1,789)	(19,015)
Other gains	8C	11,316	–
Investment Manager fixed remuneration	30.2	(4,000)	(5,000)
Directors' remuneration	30.1	(496)	(561)
Professional fees	11	(2,956)	(3,874)
Administrative and other expenses	12	(1,027)	(1,793)
Depreciation charge	16	(38)	(45)
<b>Total operating and other expenses</b>		<b>1,640</b>	<b>(32,517)</b>
<b>Results from operating activities</b>		<b>6,991</b>	<b>(30,229)</b>
Finance costs	13	(1,255)	(6,963)
Share of losses on equity-accounted investees, net of tax	19	(1,478)	–
<b>Profit/(loss) before taxation</b>		<b>4,258</b>	<b>(37,192)</b>
Taxation	14	(37)	1,614
<b>Profit/(loss) from continuing operations</b>		<b>4,221</b>	<b>(35,578)</b>
<b>DISCONTINUED OPERATION</b>			
Loss from discontinued operation, net of tax	10	–	(5,593)
<b>Profit/(loss)</b>		<b>4,221</b>	<b>(41,171)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of property, plant and equipment	16	–	11,942
Related tax	14	–	(2,985)
		–	8,957
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences	13	667	2,201
Share of revaluation on equity-accounted investees	19	72	–
		<b>739</b>	<b>2,201</b>
<b>Other comprehensive income, net of tax</b>		<b>739</b>	<b>11,158</b>
<b>Total comprehensive income</b>		<b>4,960</b>	<b>(30,013)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		4,317	(40,706)
Non-controlling interests		(96)	(465)
		<b>4,221</b>	<b>(41,171)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		5,031	(29,551)
Non-controlling interests		(71)	(462)
		<b>4,960</b>	<b>(30,013)</b>
<b>EARNINGS/(LOSS) PER SHARE</b>			
Basic and diluted earnings/(loss) per share (€)	15	0.01	(0.05)
Basic and diluted earnings/(loss) per share – Continuing operations (€)	15	0.01	(0.04)
Basic and diluted loss per share – Discontinued operation (€)	15	–	(0.01)

The notes on ☺ pages 37 to 77 are an integral part of these consolidated financial statements.

## Consolidated statement of financial position

*As at 31 December 2019*

	Note	31 December 2019 €'000	31 December 2018 (Restated) €'000
<b>ASSETS</b>			
Property, plant and equipment	16	2,647	12,273
Investment property	17	69,354	116,391
Equity-accounted investees	19	17,249	–
<b>Non-current assets</b>		<b>89,250</b>	<b>128,664</b>
Trading properties	20	60,826	4,699
Receivables and other assets	21	1,445	2,837
Cash and cash equivalents	22	2,684	8,076
Assets held for sale	18	72,257	99,783
<b>Current assets</b>		<b>137,212</b>	<b>115,395</b>
<b>Total assets</b>		<b>226,462</b>	<b>244,059</b>
<b>EQUITY</b>			
Share capital	23	9,046	9,046
Share premium	23	569,847	569,847
Retained deficit		(417,905)	(422,222)
Other reserves		8,559	7,845
<b>Equity attributable to owners of the Company</b>		<b>169,547</b>	<b>164,516</b>
Non-controlling interests		5,681	5,752
<b>Total equity</b>		<b>175,228</b>	<b>170,268</b>
<b>LIABILITIES</b>			
Lease liabilities	26	3,028	3,005
Deferred tax liabilities	25	8,458	8,444
Trade and other payables	28	20,529	20,647
Deferred revenue	27	433	–
<b>Non-current liabilities</b>		<b>32,448</b>	<b>32,096</b>
Loans and borrowings	24	–	17,326
Lease liabilities	26	8	8
Trade and other payables	28	5,327	6,484
Liabilities held for sale	18	13,451	17,877
<b>Current liabilities</b>		<b>18,786</b>	<b>41,695</b>
<b>Total liabilities</b>		<b>51,234</b>	<b>73,791</b>
<b>Total equity and liabilities</b>		<b>226,462</b>	<b>244,059</b>
<b>Net asset value ('NAV') per share (€)</b>	29	<b>0.19</b>	<b>0.18</b>

The notes on ☺ pages 37 to 77 are an integral part of these consolidated financial statements.



## Consolidated statement of changes in equity

For the year ended 31 December 2019

	Attributable to owners of the Company						Non-controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	Total €'000		
Balance at 1 January 2018	9,046	569,847	5,368	7,544	(397,746)	194,059	4,769	198,828
<b>TOTAL COMPREHENSIVE INCOME</b>								
Loss	–	–	–	–	(40,706)	(40,706)	(465)	(41,171)
<b>Other comprehensive income</b>								
Revaluation of property, plant and equipment, net of tax	–	–	–	8,957	–	8,957	–	8,957
Foreign currency translation differences	–	–	2,198	–	–	2,198	3	2,201
Transfer of revaluation reserve to retained earnings due to disposal	–	–	–	(16,222)	16,222	–	–	–
Total other comprehensive income	–	–	2,198	(7,265)	16,222	11,155	3	11,158
<b>Total comprehensive income</b>	–	–	<b>2,198</b>	<b>(7,265)</b>	<b>(24,484)</b>	<b>(29,551)</b>	<b>(462)</b>	<b>(30,013)</b>
<b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>								
<b>Contributions and distributions</b>								
Non-controlling interests on capital increases of subsidiaries	–	–	–	–	–	–	6,639	6,639
Equity-settled share-based payment arrangements	–	–	–	–	8	8	–	8
Total contribution and distributions	–	–	–	–	8	8	6,639	6,647
<b>Changes in ownership interests</b>								
Disposal of subsidiaries with non-controlling interests	–	–	–	–	–	–	(5,194)	(5,194)
Total changes in ownership interests	–	–	–	–	–	–	(5,194)	(5,194)
<b>Total transactions with owners of the Company</b>	–	–	–	–	<b>8</b>	<b>8</b>	<b>1,445</b>	<b>1,453</b>
<b>Balance at 31 December 2018</b>	<b>9,046</b>	<b>569,847</b>	<b>7,566</b>	<b>279</b>	<b>(422,222)</b>	<b>164,516</b>	<b>5,752</b>	<b>170,268</b>
Balance at 1 January 2019	9,046	569,847	7,566	279	(422,222)	164,516	5,752	170,268
<b>TOTAL COMPREHENSIVE INCOME</b>								
Profit/(loss)	–	–	–	–	4,317	4,317	(96)	4,221
<b>Other comprehensive income</b>								
Share of revaluation on equity-accounted investees	–	–	–	47	–	47	25	72
Foreign currency translation differences	–	–	667	–	–	667	–	667
Total other comprehensive income	–	–	667	47	–	714	25	739
<b>Total comprehensive income</b>	–	–	<b>667</b>	<b>47</b>	<b>4,317</b>	<b>5,031</b>	<b>(71)</b>	<b>4,960</b>
<b>Balance at 31 December 2019</b>	<b>9,046</b>	<b>569,847</b>	<b>8,233</b>	<b>326</b>	<b>(417,905)</b>	<b>169,547</b>	<b>5,681</b>	<b>175,228</b>

The notes on ☺ pages 37 to 77 are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows

For the year ended 31 December 2019

	Note	31 December 2019 €'000	31 December 2018 (Restated) €'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss)		4,221	(41,171)
Adjustments for:			
(Gain)/loss in fair value of investment property		(10,148)	13,039
Impairment loss on trading properties		813	4,530
(Gain)/loss on disposal of investment in subsidiaries		(630)	10,003
Gain on disposal of investment in equity-accounted investees held for sale		–	(516)
Equity-settled share-based payment arrangements		–	8
Impairment loss on re-measurement of disposal groups		1,328	2,187
Impairment loss/(reversal of) property, plant and equipment		9,796	(741)
Gain on extinguishment of loan payable		(9,576)	–
Depreciation charge		38	1,141
Interest expense		460	5,633
Exchange difference		667	2,205
Share of losses on equity-accounted investees, net of tax		1,478	–
Taxation		37	(1,614)
		(1,516)	(5,296)
Changes in:			
Receivables		1,392	(1,080)
Payables		(882)	3,694
Cash used in operating activities		(1,006)	(2,682)
Tax received		17	97
Interest paid		(465)	(329)
<b>Net cash used in operating activities</b>		<b>(1,454)</b>	<b>(2,914)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net proceeds from disposal of subsidiaries, net of cash disposed of		3,577	10,786
Net proceeds from disposal of investment in equity-accounted investees held for sale		–	1,541
Net disposals/(acquisitions) of investment property		669	(51)
Net acquisitions of property, plant and equipment		(119)	(119)
Net change in trading properties		(424)	42
Net change in net assets held for sale		175	(7,692)
<b>Net cash from investing activities</b>		<b>3,878</b>	<b>4,507</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Funds received from non-controlling interests		–	6,639
Repayment of loans and borrowings		(7,522)	–
Change in finance liabilities		(66)	15
Interest paid		(228)	(2,601)
<b>Net cash (used in)/from financing activities</b>	24	<b>(7,816)</b>	<b>4,053</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,392)</b>	<b>5,646</b>
Cash and cash equivalents at 1 January		8,076	2,444
Cash and cash equivalents reclassified to assets held for sale		–	(14)
<b>Cash and cash equivalents at 31 December</b>		<b>2,684</b>	<b>8,076</b>
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 22)		2,684	8,076
<b>Cash and cash equivalents at the end of the year</b>		<b>2,684</b>	<b>8,076</b>

The notes on ☉ pages 37 to 77 are an integral part of these consolidated financial statements.

## Notes to the consolidated financial statements

### 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 2019 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 December 2019 are available at [www.dolphinci.com](http://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 3 April 2020.

Details of the Group's accounting policies are included in note 5.

This is the first set of the Group's annual financial statements in which IFRS 16 'Leases' has been applied. The related changes to significant accounting policies are described in note 2(g).

#### b. Basis of preparation

The consolidated financial statements of the Company for the year ended 31 December 2019 have been prepared taking into account the Company's intention to dispose of all of its assets by 31 December 2021, as further explained below. The basis of preparation used continues to be in accordance with IFRS as adopted by the EU.

Based on the Company's asset strategy, the Company's objective is to dispose of all of the Company's assets by 31 December 2021. The allocation of any additional capital investment into any of the Company's projects will be substantially sourced from third party capital providers and with the sole objective of enhancing the respective asset's realisation potential until 31 December 2021. The Board expects to return the proceeds from asset disposals to shareholders as the orderly realisation of the Company's assets progresses after taking into account the Company's liquidity position and working capital requirements. In the event that any assets are still held by the Company shortly before 31 December 2021, the Board will convene a shareholders' meeting at which appropriate resolutions for the future of the Company will be proposed.

#### 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 and assets and liabilities held for sale, which are stated at their fair value less costs to sell.

#### d. Adoption of new and revised standards and interpretations

As from 1 January 2019, 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 Company, except for the adoption of IFRS 16 'Leases' (see note 2(g)).

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2019. 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.

##### (i) Standards and interpretations adopted by the EU

##### Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)

In March 2018 the IASB issued a comprehensive set of concepts for financial reporting, the revised 'Conceptual Framework for Financial Reporting' (Conceptual Framework), replacing the previous version issued in 2010. The main changes to the framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements, while some of the concepts in the revised Framework are entirely new (such as the 'practical ability' approach to liabilities). To assist companies with the transition, the IASB issued a separate accompanying document 'Amendments to References to the Conceptual Framework in IFRS Standards'. This document updates some references to previous versions of the Conceptual Framework in IFRS Standards, their accompanying documents and IFRS Practice Statements. The Group is currently evaluating the expected impact of adopting the amendment on its financial statements. As such, the expected impact of the amendment is not yet known or reasonably estimable.



## Notes to the consolidated financial statements

### 2. BASIS OF PREPARATION CONTINUED

#### d. Adoption of new and revised standards and interpretations continued

##### (i) Standards and interpretations adopted by the EU continued

##### IAS 1 and IAS 8 (amendments): Definition of Material (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The amendments include definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

- Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 'Presentation of Financial Statements').
- New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

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.

##### (ii) Standards and interpretations not adopted by the EU

##### IFRS 3 'Business Combinations' (amendments): Definition of a Business (effective for annual periods beginning on or after 1 January 2020)

The amendments narrow and clarify the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognises goodwill only when acquiring a business. The Group is currently evaluating the expected impact of adopting the amendment on its financial statements. As such, the expected impact of the amendment is not yet known or reasonably estimable.

#### 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 – that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

##### Going concern assumptions

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 is confident that it can secure additional banking facilities and/or obtain waivers on existing ones, until planned asset sales are realised and proceeds received.

As stated in note 37, the slowdown in economic activity and transportation restrictions in all the countries where the Group operates due to COVID-19 outbreak is expected to have a significant impact on both its ability to complete the construction of its ongoing projects in a timely manner as well as hinder its efforts to realise transactions for the disposal of its portfolio assets.

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.

## Notes to the consolidated financial statements

### 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 market observable 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.

Further information about judgements, estimates and assumptions made in applying accounting policies that have the most material effects on the amounts recognised in the financial statements is included in the following notes:

- Note 5.18 – **revenue recognition**;
- Note 5.26 – **taxation**.

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.

#### 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.

#### g. Changes in significant accounting policies

The Group initially applied IFRS 16 'Leases' from 1 January 2019. A number of other new standards are also effective from 1 January 2019, but they do not have a material effect on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

##### A. Definition of a lease

The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 5.9.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

##### B. As a lessee

As a lessee, the Group leases some assets including property and equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

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 price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

## Notes to the consolidated financial statements

### 2. BASIS OF PREPARATION CONTINUED

#### g. Changes in significant accounting policies continued

##### B. As a lessee continued

##### i. Leases classified as operating leases under IAS 17

Previously, the Group classified one property lease as an operating lease under IAS 17. On transition, for this lease, lease liability was measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (see 2(g) D). Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application: the Group applied this approach to one property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

##### ii. Leases classified as finance leases under IAS 17

The Group leases a number of items of property. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

##### C. As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. During the year ended 31 December 2019 the Group did not sub-lease any properties or equipment.

##### D. Impact on financial statements

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities. The main impact on transition is summarised below:

	1 January 2019 €'000
Right-of-use assets – property, plant and equipment	89
Lease liabilities	89

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 3.8%.



## Notes to the consolidated financial statements

### 3. DETERMINATION 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 Colliers International and American Appraisal, two 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.

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.

#### Equity-settled share-based payment arrangements

The fair value of equity-settled share-based payment arrangements are measured at grant date using the Trinomial Tree Option Pricing Model and Monte Carlo simulations. Service and non-market performance conditions attached to the arrangements are not taken into account in measuring fair value.

### 4. PRINCIPAL SUBSIDIARIES

As at 31 December 2019, the Group's most significant subsidiaries were the following:

Name	Project	Country of incorporation	Shareholding interest
Scorpio Bay Holdings Limited	Scorpio Bay Resort	Cyprus	100%
Scorpio Bay Resorts S.A.	Scorpio Bay Resort	Greece	100%
Xscape Limited	Lavender Bay Resort	Cyprus	100%
Golfing Developments S.A.	Lavender Bay Resort	Greece	100%
MindCompass Overseas S.A.	Kilada Hills Golf Resort	Greece	100%
MindCompass Overseas Two S.A.	Kilada Hills Golf Resort	Greece	100%
MindCompass Parks S.A.	Kilada Hills Golf Resort	Greece	100%
Dolphin Capital Greek Collection Limited	Kilada Hills Golf Resort	Cyprus	100%
DCI Holdings One Limited	Aristo Developers	BVIs	100%
D.C. Apollo Heights Polo and Country Resort Limited	Apollo Heights Resort	Cyprus	100%
Symboula Estates Limited ('Symboula')	Apollo Heights Resort	Cyprus	100%
Azurna Uvala D.o.o. ('Azurna')	Livka Bay Resort	Croatia	100%
Eastern Crete Development Company S.A.	Plaka Bay Resort	Greece	100%
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%
Single Purpose Vehicle Ten Limited ('SPV 10')	One&Only Kéa Resort	Cyprus	67%

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

## Notes to the consolidated financial statements

### 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 those entities, including special purpose entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### 5.2 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 associates 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.

#### 5.3 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

#### 5.4 Interest in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Associates (equity-accounted investees) are accounted for using the equity method (unless they are classified as assets held for sale – see accounting policy 5.7) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. 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, from the date that significant influence commences until the date that significant influence 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.

#### 5.5 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.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.6 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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.

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and appropriate proportion of production overheads.

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, unless it constitutes part of the cost of another asset in which case is included in this asset's carrying amount. 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%

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.

#### 5.7 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, property, plant and equipment is no longer depreciated, and any equity-accounted investee is no longer equity accounted.

#### 5.8 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.

#### 5.9 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

##### Policy applicable from 1 January 2019

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

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.



## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.9 Leases continued

##### Policy applicable from 1 January 2019 continued

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 re-measurements 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.

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.

##### Policy applicable before 1 January 2019

Leases under the terms of which the Group assumed substantially all the risks and rewards of ownership were classified as finance leases. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis. Such property was accounted for as if it were a finance lease and the fair value model was used for the asset recognised. Minimum lease payments on finance leases were apportioned between the finance charge and the reduction of the outstanding liability. The finance charge was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.10 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.

##### 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.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.10 Financial instruments continued

##### Classification and subsequent measurement continued

##### 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.

##### 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.



## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.10 Financial instruments continued

##### Classification and subsequent measurement continued

##### Financial liabilities – Classification, subsequent measurement and gains and losses continued

##### Trade and other payables

Trade and other payables are stated at their cost.

##### 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.

#### 5.11 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.

#### 5.12 Dividends

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

#### 5.13 Prepayments from clients

Payments received in advance on development contracts for which no revenue has been recognised yet are recorded as prepayments from clients as at the statement of financial position date and carried under deferred income. Payments received in advance on development contracts for which revenue has been recognised are recorded as prepayments from clients to the extent that they exceed revenue that was recognised in profit or loss as at the statement of financial position date.

#### 5.14 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.

#### 5.15 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.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.16 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.

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.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.17 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. A discontinued operation has either been disposed of or is classified as held for sale and:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation; or
- (c) is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

#### 5.18 Revenue recognition

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

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

#### 5.19 Equity-settled share-based payment arrangements

The grant-date fair value of equity-settled share-based arrangements is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The grant-date fair value is measured to reflect market performance conditions and there is no true-up for differences between expected and actual outcomes. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

#### 5.20 Finance income and costs

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of and increase in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on the disposal of and reduction in the fair value of financial assets at fair value through profit or loss.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

#### 5.21 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 at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

#### 5.22 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.

The income and expenses of foreign operations in hyperinflationary economies are translated to Euro at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

## Notes to the consolidated financial statements

### 5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### 5.23 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.

#### 5.24 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.

#### 5.25 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.

#### 5.26 Taxation

Taxation comprises current and deferred tax. Taxation is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the statement of financial position method, providing for 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 the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of significant judgements about future events. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to the tax liabilities will impact the income tax and deferred tax expense in the period that such a determination is made.

#### 5.27 Comparatives

Comparative figures have been reclassified to reflect the required changes in presentation in relation to the classification of Kalkan out of disposal groups held for sale (see note 18).



## Notes to the consolidated financial statements

## 6. REVENUE

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Income from hotel operations	–	–	–	–	11,861	11,861
Sale of trading and investment properties	645	–	645	1,989	–	1,989
Rental income	–	–	–	9	–	9
Income from DCI H2 (see note 18)	5,000	–	5,000	2,000	–	2,000
Other income	719	–	719	389	–	389
<b>Total</b>	<b>6,364</b>	<b>–</b>	<b>6,364</b>	<b>4,387</b>	<b>11,861</b>	<b>16,248</b>

No revenue has been recognised during 2019, that was included in deferred revenue at 31 December 2018.

## 7. COST OF SALES

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Cost of sales related to:						
Hotel operations	–	–	–	–	4,545	4,545
Sales of trading and investment properties	705	–	705	1,358	–	1,358
Personnel expenses (see below)	284	–	284	638	2,914	3,552
Branding management fees	–	–	–	30	268	298
Other operating expenses	24	–	24	73	26	99
<b>Total</b>	<b>1,013</b>	<b>–</b>	<b>1,013</b>	<b>2,099</b>	<b>7,753</b>	<b>9,852</b>

## Personnel expenses

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Wages and salaries	223	–	223	496	2,298	2,794
Compulsory social security contributions	32	–	32	112	573	685
Other personnel costs	29	–	29	30	43	73
<b>Total</b>	<b>284</b>	<b>–</b>	<b>284</b>	<b>638</b>	<b>2,914</b>	<b>3,552</b>
The average number of employees employed by the Group during the year was	6	–	6	29	202	231

## 8. INCOME AND EXPENSES

## a. Disposal of investments

	Note	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
		Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Gain/(loss) on disposal of investment in subsidiaries	32	630	–	630	(2,229)	(7,774)	(10,003)
Gain on disposal of investment in equity-accounted investees held for sale	18	–	–	–	–	516	516
<b>Total</b>		<b>630</b>	<b>–</b>	<b>630</b>	<b>(2,229)</b>	<b>(7,258)</b>	<b>(9,487)</b>

## Notes to the consolidated financial statements

## 8. INCOME AND EXPENSES CONTINUED

## b. Change in valuations

	Note	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
		Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Gain/(loss) in fair value of investment property	17	10,148	–	10,148	(13,039)	–	(13,039)
Impairment loss on trading properties	20	(813)	–	(813)	(4,530)	–	(4,530)
Impairment loss on re-measurement of disposal groups	18	(1,328)	–	(1,328)	(2,187)	–	(2,187)
(Impairment loss)/reversal of property, plant and equipment	16	(9,796)	–	(9,796)	741	–	741
<b>Total</b>		<b>(1,789)</b>	<b>–</b>	<b>(1,789)</b>	<b>(19,015)</b>	<b>–</b>	<b>(19,015)</b>

## c. Other gains

	Note	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
		Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Gain on settlement of loan of Symboula Estates Ltd	24	9,576	–	9,576	–	–	–
Other gains		1,740	–	1,740	–	–	–
<b>Total</b>		<b>11,316</b>	<b>–</b>	<b>11,316</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 9. SEGMENT REPORTING

## Operating segments

As at 31 December 2019, the Group is not considered to have reportable operating segments that require disclosure.

As at 31 December 2018, the Group had two reportable operating segments, the 'Hotel & leisure operations' and 'Construction & development' segments. Information related to each operational reportable segment is set out below. Segment loss before tax was used to measure performance as management believes such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Hotel & leisure operations		Construction & development		Other		Reportable segments' totals	
	Continuing operations €'000	Discontinued operation €'000	Continuing operations €'000	Discontinued operation €'000	Continuing operations €'000	Discontinued operation €'000	Continuing operations €'000	Discontinued operation €'000
<b>31 December 2018</b>								
Revenue	–	11,861	2,001	–	2,386	–	4,387	11,861
Cost of sales	–	(7,753)	(1,794)	–	(305)	–	(2,099)	(7,753)
Investment Manager fixed remuneration	–	–	–	–	(5,000)	–	(5,000)	–
Directors' remuneration	–	–	–	–	(561)	–	(561)	–
Depreciation charge	–	(1,096)	–	–	(45)	–	(45)	(1,096)
Professional fees	–	–	(358)	–	(3,516)	–	(3,874)	–
Administrative and other expenses	–	–	(192)	–	(1,601)	–	(1,793)	–
(Loss)/gain on disposal of investments in subsidiaries	–	(7,774)	460	–	(2,689)	–	(2,229)	(7,774)
Gain on disposal of investments in equity-accounted investees held for sale	–	516	–	–	–	–	–	516
Net change in fair value of investment property	–	–	–	–	(13,039)	–	(13,039)	–
Impairment loss on trading properties	–	–	(4,530)	–	–	–	(4,530)	–
Impairment loss on re-measurement of disposal groups	–	–	–	–	(2,187)	–	(2,187)	–
Reversal of impairment loss and write offs of property, plant and equipment	–	–	–	–	741	–	741	–
<b>Results from operating activities</b>	<b>–</b>	<b>(4,246)</b>	<b>(4,413)</b>	<b>–</b>	<b>(25,816)</b>	<b>–</b>	<b>(30,229)</b>	<b>(4,246)</b>
Finance costs	–	(1,347)	(3,001)	–	(3,962)	–	(6,963)	(1,347)
<b>Net finance costs</b>	<b>–</b>	<b>(1,347)</b>	<b>(3,001)</b>	<b>–</b>	<b>(3,962)</b>	<b>–</b>	<b>(6,963)</b>	<b>(1,347)</b>
<b>Loss before taxation</b>	<b>–</b>	<b>(5,593)</b>	<b>(7,414)</b>	<b>–</b>	<b>(29,778)</b>	<b>–</b>	<b>(37,192)</b>	<b>(5,593)</b>
Taxation	–	–	(22)	–	1,636	–	1,614	–
<b>Loss</b>	<b>–</b>	<b>(5,593)</b>	<b>(7,436)</b>	<b>–</b>	<b>(28,142)</b>	<b>–</b>	<b>(35,578)</b>	<b>(5,593)</b>

## Notes to the consolidated financial statements

### 9. SEGMENT REPORTING CONTINUED

#### Country risk developments

The general economic environment prevailing in the south-east Europe area and internationally may affect the Group's operations. Factors such as inflation, unemployment, public health crises, international trade and development of the gross domestic product directly impact the economy of each country. Variations in those factors and the economic environment in general affect the Group's performance to a certain extent.

The global fundamentals of the hospitality sector remained strong during 2018 and 2019, with both international tourism and wealth continuing to grow, even though economic activity in two of the Group's primary markets, Greece and Cyprus, continued to face significant challenges.

The above does not take into account the impact that the COVID-19 outbreak will have on the travel and hospitality industry in all these jurisdictions in 2020 and beyond (see note 37).

### 10. DISCONTINUED OPERATION

On 1 August 2018, as also mentioned in note 32, the Group entered into an agreement for the disposal of DCI 14 (owner of 'Amanzoe' project, in Greece). Part of Amanzoe constituted the 'Hotel & leisure' operations of the Group, which as at 31 December 2018, was presented as a discontinued operation.

#### Results of discontinued operation

	Note	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Revenue	6	—	11,861
Expenses			
Cost of sales	7	—	(7,753)
Depreciation charge	16	—	(1,096)
Net finance expense	13	—	(1,347)
<b>Results from operating activities</b>		<b>—</b>	<b>1,665</b>
Taxation		—	—
<b>Results from operating activities, net of tax</b>		<b>—</b>	<b>1,665</b>
<b>Loss on disposal of discontinued operation</b>	8A	<b>—</b>	<b>(7,258)</b>
<b>Loss from discontinued operation, net of tax</b>		<b>—</b>	<b>(5,593)</b>

#### Cash flows from discontinued operation

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Net cash from operating activities	—	4,676
Net cash used in investing activities	—	(102)
Net cash used in financing activities	—	(1,100)
<b>Net cash flows for the year</b>	<b>—</b>	<b>3,474</b>

## Notes to the consolidated financial statements

## 11. PROFESSIONAL FEES

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Legal fees	539	–	539	607	–	607
Auditors' remuneration (see below)	382	–	382	397	–	397
Accounting expenses	202	–	202	275	–	275
Appraisers' fees	21	–	21	48	–	48
Project design and development fees	1,273	–	1,273	1,813	–	1,813
Consultancy fees	97	–	97	154	–	154
Administrator fees	53	–	53	50	–	50
Other professional fees	389	–	389	530	–	530
<b>Total</b>	<b>2,956</b>	<b>–</b>	<b>2,956</b>	<b>3,874</b>	<b>–</b>	<b>3,874</b>

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Auditors' remuneration comprises the following fees:						
Audit and other audit related services	354	–	354	397	–	397
Tax and advisory	28	–	28	–	–	–
<b>Total</b>	<b>382</b>	<b>–</b>	<b>382</b>	<b>397</b>	<b>–</b>	<b>397</b>

## 12. ADMINISTRATIVE AND OTHER EXPENSES

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Travelling and accommodation	85	–	85	155	–	155
Insurance	29	–	29	41	–	41
Repairs and maintenance	6	–	6	134	–	134
Marketing and advertising expenses	110	–	110	157	–	157
Immovable property and other taxes	285	–	285	444	–	444
Rents	56	–	56	106	–	106
Other	456	–	456	756	–	756
<b>Total</b>	<b>1,027</b>	<b>–</b>	<b>1,027</b>	<b>1,793</b>	<b>–</b>	<b>1,793</b>

## 13. FINANCE COSTS

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
<b>RECOGNISED IN PROFIT OR LOSS</b>						
Interest expense	460	–	460	4,580	1,053	5,633
Bank charges	41	–	41	44	294	338
Exchange difference	754	–	754	2,339	–	2,339
<b>Finance costs recognised in profit or loss</b>	<b>1,255</b>	<b>–</b>	<b>1,255</b>	<b>6,963</b>	<b>1,347</b>	<b>8,310</b>

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
<b>RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>		
Foreign currency translation differences	667	2,201
<b>Finance costs recognised in other comprehensive income</b>	<b>667</b>	<b>2,201</b>



## Notes to the consolidated financial statements

## 14. TAXATION

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
<b>RECOGNISED IN PROFIT OR LOSS</b>		
Income tax	23	27
Net deferred tax (see note 25)	14	(1,641)
<b>Taxation recognised in profit or loss</b>	<b>37</b>	<b>(1,614)</b>
<b>RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>		
Revaluation of property, plant and equipment (see note 25)	–	2,985
<b>Taxation recognised in other comprehensive income</b>	<b>–</b>	<b>2,985</b>

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

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Profit/(loss) before taxation	4,258	(37,192)
Taxation using domestic tax rates	192	(6,399)
Effect of valuation gain/(loss) on properties	12	(1,641)
Non-deductible expenses	450	4,028
Tax-exempt income	(1,390)	–
Current year losses for which no deferred tax is recognised	559	2,389
Effect of tax losses utilised	187	4
Other	27	5
<b>Total</b>	<b>37</b>	<b>(1,614)</b>

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.

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 Greece, the corporation tax rate applicable to profits is 24% (2018: 29%). Tax losses of Greek companies are carried forward to reduce future profits for a period of five years. In Turkey, the corporation tax rate is 22%. Tax losses of Turkish companies are carried forward to reduce future profits for a period of five years. 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.

## Notes to the consolidated financial statements

## 15. EARNINGS/(LOSS) PER SHARE

**Basic earnings/(loss) per share**

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

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations '000	Discontinued operation '000	Total '000	Continuing operations '000	Discontinued operation '000	Total '000
Profit/(loss) attributable to owners of the Company (€)	4,317	–	4,317	(35,144)	(5,562)	(40,706)
Number of weighted average common shares outstanding	904,627	–	904,627	904,627	904,627	904,627
<b>Basic earnings/(loss) per share (€)</b>	<b>0.01</b>	<b>–</b>	<b>0.01</b>	<b>(0.04)</b>	<b>(0.01)</b>	<b>(0.05)</b>

**Profit/(loss) attributable to owners of the Company**

	From 1 January 2019 to 31 December 2019			From 1 January 2018 to 31 December 2018		
	Continuing operations €'000	Discontinued operation €'000	Total €'000	Continuing operations €'000	Discontinued operation €'000	Total €'000
Profit/(loss) attributable to owners of the Company	4,317	–	4,317	(35,144)	(5,562)	(40,706)
Loss attributable to non-controlling interests	(96)	–	(96)	(434)	(31)	(465)
<b>Total</b>	<b>4,221</b>	<b>–</b>	<b>4,221</b>	<b>(35,578)</b>	<b>(5,593)</b>	<b>(41,171)</b>

**Weighted average number of common shares outstanding**

	From 1 January 2019 to 31 December 2019 '000	From 1 January 2018 to 31 December 2018 '000
<b>Outstanding common shares at the beginning and end of the year</b>	<b>904,627</b>	<b>904,627</b>

**Diluted earnings/(loss) per share**

Diluted earnings/(loss) per share is calculated by adjusting the profit/(loss) attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. As of 31 December 2019 and 31 December 2018, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share, due to the fact that no dilutive potential ordinary shares were outstanding during these years.

## Notes to the consolidated financial statements

## 16. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
<b>2019</b>				
<b>Cost or revalued amount</b>				
At beginning of year	19,975	348	36	20,359
Direct acquisitions	117	2	–	119
Recognition of right-of-use asset on initial application of IFRS 16	89	–	–	89
<b>At end of year</b>	<b>20,181</b>	<b>350</b>	<b>36</b>	<b>20,567</b>
<b>Depreciation and impairment losses</b>				
At beginning of year	7,720	336	30	8,086
Depreciation charge for the year – continuing operations	34	4	–	38
Impairment loss (see note 8b)	9,796	–	–	9,796
<b>At end of year</b>	<b>17,550</b>	<b>340</b>	<b>30</b>	<b>17,920</b>
<b>Carrying amounts</b>	<b>2,631</b>	<b>10</b>	<b>6</b>	<b>2,647</b>
<b>2018 (Restated)</b>				
<b>Cost or revalued amount</b>				
At beginning of year	104,136	4,608	881	109,625
Direct acquisitions	26	71	22	119
Disposal through disposal of subsidiary companies	(88,627)	(4,331)	(867)	(93,825)
Revaluation adjustment	4,440	–	–	4,440
<b>At end of year</b>	<b>19,975</b>	<b>348</b>	<b>36</b>	<b>20,359</b>
<b>Depreciation and impairment losses</b>				
At beginning of year	18,608	2,847	613	22,068
Depreciation charge for the year – continuing operations	30	15	–	45
Depreciation charge for the year – discontinued operation	859	169	68	1,096
Revaluation adjustment	(7,502)	–	–	(7,502)
Disposals through disposal of subsidiary companies	(3,534)	(2,695)	(651)	(6,880)
Impairment loss (see note 8b)	167	–	–	167
Reversal of impairment loss (see note 8b)	(908)	–	–	(908)
<b>At end of year</b>	<b>7,720</b>	<b>336</b>	<b>30</b>	<b>8,086</b>
<b>Carrying amounts</b>	<b>12,255</b>	<b>12</b>	<b>6</b>	<b>12,273</b>

The carrying amount at year end of land and buildings, if the cost model was used, would have been €2.6 million (2018: €12.2 million).

## Notes to the consolidated financial statements

### 16. PROPERTY, PLANT AND EQUIPMENT CONTINUED

#### Fair value hierarchy

The fair value of land and buildings, amounting to €2,631 thousand (2018: €12,255 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 2019 €'000	31 December 2018 €'000
At beginning of year	12,255	85,528
Acquisitions	117	26
Recognition of right-of-use asset on initial application of IFRS 16	89	–
Disposals through disposal of subsidiary companies	–	(85,093)
<i>Gains/(losses) recognised in profit or loss</i>		
(Impairment loss)/reversal of 'Change in valuations'	(9,796)	741
Depreciation in 'Depreciation charge'	(34)	(859)
Depreciation in 'Loss from discontinued operation, net of tax'	–	(30)
Gains recognised in comprehensive income		
Revaluation adjustment in 'Revaluation on property, plant and equipment'	–	11,942
<b>At end of year</b>	<b>2,631</b>	<b>12,255</b>

#### 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):	2019: 45% to 52% (weighted average: 51%) (2018: 48% to 62%) (weighted average: 60%)	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:	2019: €546 to €738 (weighted average: €673) (2018: €399 to €655) (weighted average: €601)	
		Gross operating margin rate:	2019: 24% to 38% (weighted average: 36%) (2018: 9% to 42%) (weighted average: 39%)	
		Terminal capitalisation rate:	2019: 8% (2018: 9%)	
		Risk-adjusted discount rate:	2019: 11% (2018: 12%)	
		Combined approach (Market and Cost)	Market approach (for land components)	
	Asking prices per m²:	2018: €63 to €276		
	Premiums/(discounts) on the following:			
	Location:	2018: -10%		
	Site size:	2018: 0% to +10%		
	Asking vs transaction:	2018: -30% to -20%		
	Frontage sea view:	2018: -10% to +20%		
	Maturity/development potential:	2018: 0% to +10%		
	Weight allocation:	2018: +15% to +30%		
	Cost approach (for building components)			
	Replacement cost (new) per m²:	2018: €500 to €1,100		
	Entrepreneurial profit rate:	2018: 20%		
	Depreciation rate:	2018: 35%		
	Useful life (years):	2018: 60		



## Notes to the consolidated financial statements

### 16. PROPERTY, PLANT AND EQUIPMENT 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 – Hotel complexes continued	Combined approach (Income and Cost)	<i>Income approach (for land components)</i>		The estimated fair value would increase/(decrease) if:
		Net operating income per m <sup>2</sup> :	2019: €33 to €205	Net operating income per m <sup>2</sup> was higher/(lower);
		Cash flow velocity (years):	2019: 11	Cash flow velocity was shorter/(longer);
		Terminal capitalisation rate:	2019: 11%	Terminal capitalisation rate was lower/(higher);
		Risk-adjusted discount rate:	2019: 11%	Risk-adjusted discount rate was lower/(higher).
		<i>Cost approach (for building components)</i>		Replacement cost (new) per m <sup>2</sup> was higher/(lower);
		Replacement cost (new) per m <sup>2</sup> :	2019: €500 to €1,100	Entrepreneurial profit rate was higher/(lower);
		Entrepreneurial profit rate:	2019: 20%	Depreciation rate was lower/(higher).
		Depreciation rate:	2019: 37%	
		Useful life (years):	2019: 60	
Property in Greece – Golf course	Income approach	Number of members:	2019: 5 to 30 (weighted average: 20)	The estimated fair value would increase/(decrease) if:
		Membership fees per year per member:	2019: €5,000 to €11,046 (weighted average: €9,086)	Number of members was higher/(lower);
		Number of rounds played by visitors:	2019: 881 to 6,793 (weighted average: 5,319)	Membership fees per year per member was higher/(lower);
		Average green fee:	2019: €180	Number of rounds played by visitors was higher/(lower);
		Gross operating margin rate:	2019: -2% to 1.4% (weighted average: 0.6%)	Average green fee was higher/(lower);
		Terminal capitalisation rate:	2019: 11%	Gross operating margin was higher/(lower);
		Risk-adjusted discount rate:	2019: 11%	Terminal capitalisation rate was lower/(higher);
				Risk-adjusted discount rate was lower/(higher).

## Notes to the consolidated financial statements

### 17. INVESTMENT PROPERTY

	Note	31 December 2019 €'000	31 December 2018 €'000
At beginning of year		116,391	138,672
Net direct (disposals)/acquisitions		(669)	51
Disposals through disposal of subsidiary companies			(9,293)
Transfers to trading properties	20	(56,516)	–
Fair value adjustment – continuing operations	8B	10,148	(13,039)
<b>At end of year</b>		<b>69,354</b>	<b>116,391</b>

As at 31 December 2019, no immovable property is held as security for bank loans.

As at 31 December 2018, part of the Group's immovable property was held as security for bank loans (see note 24).

Changes in fair values are recognised as gains/(losses) in profit or loss and included in 'Change in valuations' or 'Profit from discontinued operation, net of tax' if they relate to the discontinued operation. All such gains/(losses) are unrealised.

#### Fair value hierarchy

The fair value of investment property, amounting to €69,354 thousand (2018: €116,391 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

#### 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)	<i>Market approach – 60% weight</i>	The estimated fair value would increase/(decrease) if:
		Asking prices per m <sup>2</sup> : 2019: €7 to €30 (2018: €13 to €31)	Asking prices per m <sup>2</sup> were higher/(lower);
		Premiums/(discounts) on the following:	Premiums were higher/(lower);
		Location: 2019: -10% to +10% (2018: -10% to +10%)	Discounts were lower/(higher);
		Site size: 2019: -20% to 0% (2018: -20% to 0%)	Weights on comparables with premiums were higher/(lower);
		Asking vs transaction: 2019: -25% to -10% (2018: -25% to -10%)	Weights on comparables with discounts were lower/(higher);
		Frontage sea view: 2019: 0% to +20% (2018: 0% to +20%)	Quantity of villas was higher/(lower);
		Maturity/development potential: 2019: +10% to +40% (2018: +10% to +40%)	Selling price per m <sup>2</sup> was higher/(lower);
		Weight allocation: 2019: +10% to +20% (2018: +10% to +20%)	Expected annual growth in selling price was higher/(lower);
			Cash flow velocity was shorter/(longer);
			Risk-adjusted discount rate was lower/(higher).
		<i>Income approach – 40% weight</i>	
		Quantity of villas: 2019: 447 (2018: 447)	
		Selling price per m <sup>2</sup> : 2019: €2,800 (2018: €2,800)	
		Expected annual growth in selling price: 2019: 0% to 3% (2018: 0% to 3%)	
		Cash flow velocity (years): 2019: 13 (2018: 13)	
		Risk-adjusted discount rate: 2019: 14% (2018: 15%)	
		<i>Discount on combined approach value:</i>	
		Legal status: 2019: -10% (2018: -10%)	

## Notes to the consolidated financial statements

## 17. 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 continued	Market approach	Asking prices per m <sup>2</sup> :	2019: €3 to €76 (2018: €3 to €77)	The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		Asking prices per m <sup>2</sup> were higher/(lower);
		Location:	2019: -40% to +20% (2018: -40% to +20%)	Premiums were higher/(lower);
		Site size:	2019: -40% to +50% (2018: -50% to +10%)	Discounts were lower/(higher);
		Asking vs transaction:	2019: -30% to 0% (2018: -30% to 0%)	Weights on comparables with premiums were higher/(lower);
		Frontage sea view:	2019: -10% to +30% (2018: -10% to +30%)	Weights on comparables with discounts were lower/(higher).
		Maturity/development potential:	2019: -40% to +50% (2018: -40% to +40%)	
		Zoning:	2019: -30% to 0% (2018: -30% to 0%)	
		Other:	2019: -10% to +50% (2018: -10% to 0%)	
		Strategic investment approval:	2019: 0% to +20% (2018: 0% to +25%)	
		Weight allocation:	2019: +10% to +40% (2018: +5% to 30%)	
Property in Cyprus	Market approach	Asking prices per m <sup>2</sup> :	2019: €1 to €15 (2018: €4 to €17)	The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		Asking prices per m <sup>2</sup> were higher/(lower);
		Location:	2019: 0% to +20% (2018: 0% to +20%)	Premiums were higher/(lower);
		Site size:	2019: -40% to 0% (2018: -30% to -10%)	Discounts were lower/(higher);
		Asking vs transaction:	2019: -20% to 0% (2018: -25% to 0%)	Weights on comparables with premiums were higher/(lower);
		Frontage sea view:	2019: -10% to +20% (2018: 0% to +20%)	Weights on comparables with discounts were lower/(higher).
		Maturity/development potential:	2019: -50% to 0% (2018: -50% to 0%)	
		Weight allocation:	2019: +5% to +15% (2018: +5% to +20%)	

## Notes to the consolidated financial statements

### 18. DISPOSAL GROUPS HELD FOR SALE

As shown in note 32, the Group completed the sale of six out of seven remaining Seafront Villas in Greece (owned by the Collection Group) and is in the process of finalising the sale of the one remaining Villa. Accordingly, the remaining assets and liabilities of the Collection Group are presented as a disposal group held for sale.

The Company also remains committed to its plan to sell two disposal groups which are presented as held for sale in 2018. These disposal groups are: Azurna (owner of 'Livka Bay') in Croatia and DCI Holdings Two Limited ('DCI H2') (owner of Aristo Developers Limited ('Aristo')) in Cyprus.

As at 31 December 2018, Kalkan (owner of 'La Vanta') in Turkey was also presented as held for sale, but as the disposal did not materialise, it was classified out of held for sale as of 31 December 2019, since it appears unlikely to dispose it within the next 12 months (see note 5.27). Moreover, as stated in note 32, the Group entered into a joint venture agreement pursuant to which its shareholding interest in the Kéa project (owner of 'One&Only Kéa Resort') was decreased from 67% to 33%. The remaining 33% interest has been treated as an equity-accounted investee (see note 19).

#### Impairment losses relating to the disposal group

Impairment losses of €1,328 thousand (2018: €2,187 thousand) for write-downs of the disposal groups to the lower of their carrying amount and their fair value less costs to sell have been recognised and included in other expenses (see note 8B).

#### Assets and liabilities of disposal groups held for sale

As at 31 December 2019, the disposal groups comprised the following assets and liabilities:

	Azurna disposal group €'000	Collection disposal group €'000	DCI H2 disposal group €'000	Total €'000
Investment property	27,247	–	–	27,247
Equity-accounted investees	–	–	42,694	42,694
Trading properties	–	1,124	–	1,124
Trade and other receivables	6	110	–	116
Cash and cash equivalents	171	54	–	225
	<b>27,424</b>	<b>1,288</b>	<b>42,694</b>	<b>71,406</b>
Other investments				851
<b>Assets held for sale</b>				<b>72,257</b>
Loans and borrowings	6,644	–	–	6,644
Deferred tax liabilities	2,569	–	–	2,569
Trade and other payables	962	3,276	–	4,238
<b>Liabilities held for sale</b>	<b>10,175</b>	<b>3,276</b>	<b>–</b>	<b>13,451</b>

#### Other investments

Other investments consists of the valuation of the Company's holding of 9.6 million shares, equivalent to 13% of Itacaré's share capital. Itacaré is a real estate investment company formerly listed on AIM. Itacaré's shareholders have decided to dispose of all its assets and after a series of asset sales/swaps, Itacaré now owns two development sites which it is seeking to sell.

#### DCI H2 disposal group

As at 31 December 2019 and 31 December 2018, the Company's holding of 47.9% in DCI H2 has been classified as an asset held for sale. 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 received €5 million cash consideration from Aristo Ktimatiki, which corresponds to its 47.9% ownership of Aristo. The remaining €4 million is due by 30 June 2020. 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 Company had also received within 2018 a total net distribution of €2 million from DCI H2, the owner of Aristo. The Board remains committed to dispose of its holding in Aristo and realise value from this investment as well as maximise its distributions from DCI H2.

## Notes to the consolidated financial statements

### 18. DISPOSAL GROUPS HELD FOR SALE CONTINUED

As at 31 December 2018, the disposal groups comprised the following assets and liabilities:

(Restated)	Azurna disposal group €'000	Kéa disposal group €'000	Collection disposal group €'000	DCI H2 disposal group €'000	Total €'000
Property, plant and equipment	–	10,437	–	–	10,437
Investment property	28,965	10,360	–	–	39,325
Equity-accounted investees	–	–	–	42,694	42,694
Trading properties	–	–	5,638	–	5,638
Trade and other receivables	7	128	85	–	220
Cash and cash equivalents	218	336	14	–	568
	<b>29,190</b>	<b>21,261</b>	<b>5,737</b>	<b>42,694</b>	<b>98,882</b>
Other investments					901
<b>Assets held for sale</b>					<b>99,783</b>
Loans and borrowings	7,149	–	–	–	7,149
Deferred tax liabilities	2,870	2,132	–	–	5,002
Trade and other payables	969	1,514	3,243	–	5,726
<b>Liabilities held for sale</b>	<b>10,988</b>	<b>3,646</b>	<b>3,243</b>	<b>–</b>	<b>17,877</b>

On 24 October 2018, the Company signed an agreement for the sale of its 25% interest in the Nikki Beach to a company affiliated to Invel Real Estate Management Ltd, for a consideration of €1,650 thousand, resulting in a gain on disposal of €516 thousand.

#### Cumulative income or expenses included in other comprehensive income

An amount of €62 thousand income (2018: €2,198 thousand income) relating to the disposal groups is included in 'Foreign currency translation differences' in other comprehensive income.

#### Measurement of fair values

##### i. Fair value hierarchy

The fair value measurement for the disposal groups before costs to sell has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

##### ii. Valuation techniques and significant unobservable inputs

The fair value of each disposal group is significantly based on the valuation of the immovable property in each group. The following table shows the valuation techniques and significant unobservable inputs used in measuring the fair values of Azurna. The fair value of DCI H2 as at 31 December 2019 was estimated using the market approach, adjusting for size, growth and liquidity when comparing with similar companies operating in the same industry.

Property	Valuation technique (see note 3)	Significant unobservable inputs	
Azurna, Croatia	Market approach	Asking prices per m <sup>2</sup> :	2019: €3 to €126 (2018: €3 to €134)
		Premiums/(discounts) on the following:	
		Location:	2019: -5% to 0% (2018: -10% to 0%)
		Site size:	2019: -15% to 0% (2018: -15% to -5%)
		Asking vs transaction:	2019: 0% (2018: -10% to 0%)
		Quality factor:	2019: -5% to 15% (2018: 0%)
		Capacity:	2019: -5% to +8% (2018: -20% to 0%)
		Weight allocation:	2019: +25% to +40% (2018: +20% to +40%)



## Notes to the consolidated financial statements

## 19. EQUITY-ACCOUNTED INVESTEEES

	Single Purpose Vehicle Fourteen Limited ('SPV 14') €'000
<b>2019</b>	
At beginning of year	–
Additions	18,655
Share of losses, net of tax	(1,478)
Share of revaluation surplus	72
<b>At end of year</b>	<b>17,249</b>

As already stated in note 18, SPV 10 entered into a joint venture agreement, pursuant to which the Group's shareholding interest in Single Purpose Vehicle Fourteen Limited ('SPV 14') (the owner of 'Kéa 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.

The details of the above investment are as follows:

Name	Principal place of business/ Country of incorporation	Principal activities	Shareholding interest	
			31 December 2019	31 December 2018
SPV 14	Cyprus	Development of Kéa Resort	33%	67%

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

The valuation techniques and significant unobservable inputs used in the Kéa property valuation in years 2019 and 2018 are shown below:

Property	Valuation technique (see note 3)	Significant unobservable inputs	
<b>Kéa, Greece</b>	Income approach	Room occupancy rate (annual):	2019: 32% to 39% (weighted average: 37%) (2018: 32% to 39%) (weighted average: 37%)
		Average daily rate per occupied room:	2019: €990 to €1,378 (weighted average €1,237) (2018: €990 to €1,378) (weighted average €1,237)
		Gross operating margin rate:	2019: 8% to 35% (weighted average 27%) (2018: 9% to 39%) (weighted average 30%)
		Terminal capitalisation rate:	2019: 11% (2018: 11%)
		Quantity of villas:	2019: 40 (2018: 40)
		Selling price per m <sup>2</sup> :	2019: €6,400 (2018: €6,400)
		Expected annual growth in selling price:	2019: 0% to 3% (2018: 0% to 3%)
		Cash flow velocity (years):	2019: 10 (2018: 10)
		Risk-adjusted discount rate:	2019: 11% (2018: 12%)

## Notes to the consolidated financial statements

### 19. EQUITY-ACCOUNTED INVESTEEES CONTINUED

As at 31 December 2019, SPV 14 had €38,292 thousand contractual capital commitments on property, plant and equipment.

Summary of financial information for equity-accounted investees as at 31 December 2019, not adjusted for the percentage of ownership held by the Group:

	SPV 14 €'000
<b>31 December 2019</b>	
Current assets	11,692
Non-current assets	24,981
<b>Total assets</b>	<b>36,673</b>
Current liabilities	258
Non-current liabilities	1,916
<b>Total liabilities</b>	<b>2,174</b>
<b>Net assets</b>	<b>34,499</b>
<b>Carrying amount of interest in investee</b>	<b>17,249</b>
Revenues	–
Loss	(1,831)
Other comprehensive income	139
<b>Total comprehensive income</b>	<b>(1,692)</b>
<b>Group's share of loss and total comprehensive income</b>	<b>(1,406)</b>

### 20. TRADING PROPERTIES

	Note	31 December 2019 €'000	31 December 2018 (Restated) €'000
At beginning of year		4,699	36,187
Net direct additions/(disposals)		424	(191)
Net transfers from investment property	17	56,516	–
Disposals through disposal of subsidiary companies		–	(21,129)
Impairment loss	8B	(813)	(4,530)
Reclassification to assets held for sale		–	(5,638)
<b>At end of year</b>		<b>60,826</b>	<b>4,699</b>

Trading properties mainly comprise land and construction costs of villas and holiday homes in Kilada Hills Golf Resort in Peloponnese, Greece and La Vanta – Mediterra Resorts in Antalya, Turkey.

### 21. RECEIVABLES AND OTHER ASSETS

	31 December 2019 €'000	31 December 2018 (Restated) €'000
Trade receivables	75	151
VAT receivables	1,215	676
Other receivables	134	342
<b>Total trade and other receivables (see note 34)</b>	<b>1,424</b>	<b>1,169</b>
Prepayments and other assets	21	1,668
<b>Total</b>	<b>1,445</b>	<b>2,837</b>

## Notes to the consolidated financial statements

### 22. CASH AND CASH EQUIVALENTS

	31 December 2019 €'000	31 December 2018 (Restated) €'000
Bank balances (see note 34)	2,676	8,068
Cash in hand	8	8
<b>Total</b>	<b>2,684</b>	<b>8,076</b>

During the year, the Group had no fixed deposits.

### 23. CAPITAL AND RESERVES

#### Capital

##### Authorised share capital

	31 December 2019		31 December 2018	
	'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
<b>Capital at 1 January 2018 and up to 31 December 2019</b>	<b>904,627</b>	<b>9,046</b>	<b>569,847</b>

#### 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.

### 24. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Loans in Euro	–	17,326	–	17,326	–	–	–	–
Loans in Euro within disposal groups held for sale	6,644	7,149	6,644	7,149	–	–	–	–
<b>Total</b>	<b>6,644</b>	<b>24,475</b>	<b>6,644</b>	<b>24,475</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

#### Terms and conditions

The terms and conditions of outstanding loans were as follows:

Description	Currency	Interest rate	Maturity dates	31 December 2019 €'000	31 December 2018 €'000
Secured loans	Euro	2019: Euribor plus 4.25% (2018: Euribor plus margins ranging from 4.25% to 5%)	2020 (2018: 2019)	6,644	24,475
<b>Total interest-bearing liabilities</b>				<b>6,644</b>	<b>24,475</b>

## Notes to the consolidated financial statements

### 24. LOANS AND BORROWINGS CONTINUED

#### Securities

As at 31 December 2019 and 31 December 2018, the Group's loans and borrowings were secured as follows:

- Mortgage against the immovable property of the Croatian subsidiary, Azurna, with a carrying amount of €25.8 million (2018: €27.6 million), two promissory notes, a debenture note and a letter of support from its parent company Single Purpose Vehicle Four Limited.

On 1 July 2019, Symboula (owner of Apollo Heights in Cyprus) entered into an agreement for the full settlement of its loan amounting to €15,726 thousand with the loan acquirer for a total consideration of €6,150 thousand, creating a gain of €9,576 thousand (see note 8c).

As at 31 December 2018, in addition to the above, the Group's loans and borrowings were secured as follows:

- Mortgage against the immovable property of the Cypriot subsidiary, Symboula, with a carrying amount of €22.9 million.
- Pledge of 1,000 shares of DCI H2 (representing 10% in Aristo) for Symboula's bank loan.
- Pledge of all shares of the Cypriot subsidiary Symboula, and all shares of two other Apollo group entities for Symboula bank loan.
- Fixed and floating charges over assets and undertakings of Symboula, subordination and assignment of intercompany loans between all companies of Apollo Group and Dolphin Capital Investors Limited.
- Corporate guarantees by DCI Holdings One Limited for the serving of the bank loan of Cypriot subsidiary, Symboula, amounting to €16 million.

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

	Loans and borrowings €'000	Finance liabilities €'000	Non-controlling interests €'000	Total €'000
<b>2019</b>				
Balance at the beginning of the year	17,326	3,013	5,752	26,091
Changes from financing cash flows:				
Repayment of loans and borrowings	(7,522)	–	–	(7,522)
Net payment of lease liability	–	(66)	–	(66)
Interest expense	(228)	–	–	(228)
<b>Total changes from financing cash flows</b>	<b>(7,750)</b>	<b>(66)</b>	<b>–</b>	<b>(7,816)</b>
<b>Other changes – Liability-related</b>				
New leases	–	89	–	89
Gain on settlement of Symboula loan	(9,576)	–	–	(9,576)
Other movements	–	–	(71)	(71)
<b>Total liability-related other changes</b>	<b>(9,576)</b>	<b>89</b>	<b>(71)</b>	<b>(9,558)</b>
<b>Balance at the end of the year</b>	<b>–</b>	<b>3,036</b>	<b>5,681</b>	<b>8,717</b>
<b>2018</b>				
Balance at the beginning of the year	89,715	2,998	4,769	97,482
Changes from financing cash flows:				
Funds received from non-controlling interests	–	–	6,639	6,639
Net change of lease liability	–	15	–	15
Interest expense	(2,601)	–	–	(2,601)
<b>Total changes from financing cash flows</b>	<b>(2,601)</b>	<b>15</b>	<b>6,639</b>	<b>4,053</b>
<b>Other changes – Liability-related</b>				
Disposal of subsidiaries	(74,720)	–	(5,194)	(79,914)
Interest expense	4,932	–	–	4,932
Other movements	–	–	(462)	(462)
<b>Total liability-related other changes</b>	<b>(69,788)</b>	<b>–</b>	<b>(5,656)</b>	<b>(75,444)</b>
<b>Balance at the end of the year</b>	<b>17,326</b>	<b>3,013</b>	<b>5,752</b>	<b>26,091</b>

## Notes to the consolidated financial statements

## 25. DEFERRED TAX ASSETS AND LIABILITIES

	31 December 2019		31 December 2018	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Balance at the beginning of the year	–	(8,444)	994	(19,561)
Recognised in profit or loss – continuing operations (see note 14)	–	(14)	(1)	1,642
Recognised in other comprehensive income (see note 14)	–	–	–	(2,985)
Disposal of subsidiary companies	–	–	(993)	12,460
<b>Balance at the end of the year</b>	<b>–</b>	<b>(8,458)</b>	<b>–</b>	<b>(8,444)</b>

Deferred tax assets and liabilities are attributable to the following:

	31 December 2019		31 December 2018	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Investment properties	–	(4,096)	–	(7,243)
Trading properties	–	(4,299)	–	–
Property, plant and equipment	–	(63)	–	(1,201)
<b>Total</b>	<b>–</b>	<b>(8,458)</b>	<b>–</b>	<b>(8,444)</b>

## 26. LEASE LIABILITIES

	31 December 2019			31 December 2018		
	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease interest €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	8	–	8	8	–	8
Between two and five years	245	5	240	244	12	232
More than five years	3,963	1,175	2,788	4,061	1,288	2,773
<b>Total</b>	<b>4,216</b>	<b>1,180</b>	<b>3,036</b>	<b>4,313</b>	<b>1,300</b>	<b>3,013</b>

The major lease obligations comprise leases in Greece with 99-year lease terms.

## 27. DEFERRED REVENUE

	31 December 2019 €'000	31 December 2018 €'000
Prepayment from clients	433	–
<b>Total</b>	<b>433</b>	<b>–</b>
	31 December 2019 €'000	31 December 2018 €'000
Non-current	433	–
Current	–	–
<b>Total</b>	<b>433</b>	<b>–</b>



## Notes to the consolidated financial statements

### 28. TRADE AND OTHER PAYABLES

	31 December 2019 €'000	31 December 2018 (Restated) €'000
Trade payables	19	–
Land creditors	20,740	20,843
Investment Manager fees	1,932	2,118
Other payables and accrued expenses	3,165	4,170
<b>Total</b>	<b>25,856</b>	<b>27,131</b>
	31 December 2019 €'000	31 December 2018 (Restated) €'000
Non-current	20,529	20,647
Current	5,327	6,484
<b>Total</b>	<b>25,856</b>	<b>27,131</b>

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.

### 29. NAV PER SHARE

	31 December 2019 '000	31 December 2018 '000
Total equity attributable to owners of the Company (€)	169,547	164,516
Number of common shares outstanding at end of year	904,627	904,627
<b>NAV per share (€)</b>	<b>0.19</b>	<b>0.18</b>

### 30. RELATED PARTY TRANSACTIONS

#### 30.1 Directors' interest and remuneration

##### Directors' interest

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

The interests of the Directors as at 31 December 2019, 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
Mark Townsend	1,532
Andrew Coppel	942

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 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Remuneration	496	553
Equity-settled share-based payment arrangements – Director Awards (see note 31)	–	8
<b>Total remuneration</b>	<b>496</b>	<b>561</b>

## Notes to the consolidated financial statements

### 30. RELATED PARTY TRANSACTIONS CONTINUED

#### 30.1 Directors' interest and remuneration continued

##### Directors' remuneration continued

The Directors' remuneration details for the years ended 31 December 2019 and 31 December 2018 were as follows:

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Andrew Coppel	237	230
Graham Warner	174	172
Mark Townsend	85	83
Robert Heller	–	30
Sue Farr	–	38
<b>Total</b>	<b>496</b>	<b>553</b>

Miltos Kambourides has waived his fees.

On 25 January 2018, Robert Heller and Sue Farr resigned from the Company's Board. Robert Heller no longer retains an interest in the stock options issued pursuant to the Company's Stock Option Programme.

#### 30.2 Investment Manager remuneration

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Fixed management fee	4,000	5,000
Variable management fees	–	9,332
<b>Total remuneration</b>	<b>4,000</b>	<b>14,332</b>

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

##### i. Fixed management fee

The annual management fees for the period from 1 January 2019 to 31 December 2019 were €4 million and have been further reduced to €3.6 million per annum for 2020 and 2021.

Additionally, the IMA will expire at the earlier of 31 December 2021 or the sale of all of the Company's assets. There will be no fixed management fee due after 31 December 2021.

##### Previous arrangements, in force until 31 December 2018:

In line with the Amended and Restated IMA, signed in December 2016, with retroactive effect from 1 July 2016 the annual management fees for the second half of 2016 were retrospectively reduced from €8.5 million to €6.5 million per annum and were set to a fixed declining annual amount equal to €6 million for 2017, €5 million for 2018 and €4 million for 2019.

## Notes to the consolidated financial statements

### 30. RELATED PARTY TRANSACTIONS CONTINUED

#### 30.2 Investment Manager remuneration continued

##### ii. Variable management fee

A variable management fee for the period from 2 May 2019 to 31 December 2019 will become payable solely upon the execution of each asset divestment by the Company. The variable management fee will be equal to a percentage of the enterprise value (i.e. the equity value of the asset plus any loans or other liabilities assumed by its purchaser) of any asset disposed by the Company during the Divestment Period at a valuation at or in excess of 50% of its latest reported NAV.

The variable management fee percentage will be equal to 1.3% for divestments concluded in 2019 at 50% of relevant latest reported NAV and progressively increases to 4.5% for divestments concluded above 100% of latest reported NAV.

The variable management fee will become payable to the Investment Manager three months from the completion of the respective disposal.

The variable management fee for the period from 1 January 2020 to 31 December 2021 shall be 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 under the terms of the previous IMA. There is no change to this entitlement. However, any performance fees earned under this arrangement will be fully deducted from any future annual management fees and variable management fees payable over the term of the IMA.

##### Previous arrangements, in force until 31 December 2018:

In line with the Amended and Restated IMA, signed in December 2016, with retroactive effect from 1 July 2016 a variable management fee was introduced which would become payable solely upon the execution of each asset divestment by the Company. The variable management fee would be equal to a percentage of the enterprise value (i.e. the equity value of the asset plus any loans or other liabilities assumed by its purchaser) of any asset disposed by the Company during the Divestment Period at a valuation at or in excess of 50% of its latest reported NAV.

The variable management fee percentage would be equal to 3% for divestments executed within the second half 2016 and then reduced to 2.5%, 2.0% and 1.3% for those concluded in 2017, 2018 and 2019 respectively, to the extent these were completed at 50% of relevant latest reported NAV. The variable management fee would increase in respect of transactions executed at sales prices exceeding 50% of their NAV.

The variable management fee would become payable to the Investment Manager three months from the completion of the respective disposal.

#### 30.3 Shareholder agreements

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. To the date of this report €1.5 million has been received. 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.

#### 30.4 Other related parties

During the years ended 31 December 2019 and 31 December 2018 the Group did not enter into any significant related party transactions.

## Notes to the consolidated financial statements

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT ARRANGEMENTS

	From 1 January 2019 to 31 December 2019 €'000	From 1 January 2018 to 31 December 2018 €'000
Director Awards (see note 30.1)	–	8
<b>Total equity-settled share-based payment arrangements</b>	<b>–</b>	<b>8</b>

#### Director Awards

On 9 June 2015, Robert Heller and Graham Warner were granted nil-cost share option awards under a Stock Incentive Plan (the 'Director Awards'). These awards will performance vest in equal tranches dependent upon the average closing price of the shares trading at or above certain relevant target share prices for a continuous period of 30 trading days. The relevant target share prices for the purposes of these awards are 35p, 40p, 45p, and 50p. Director Awards remain exercisable up until the day before the fifth anniversary of the grant date of the awards. On 25 January 2018, Robert Heller resigned from the Company's Board and no longer retains an interest in the stock options issued pursuant to the Company's Stock Option Programme. The number of shares to which the Director Awards relate is 2,261,567 common shares of €0.01 each with reductions in the event that certain non-market performance targets are not met.

The most significant inputs used in the measurement of the grant date fair value of the Awards are as follows:

	Awards
Fair value at grant date	£0.0659
Share price at grant date	£0.215
Exercise price	Nil
Expected volatility (long run forecast)	31%
Risk-free rate (based on UK government 5 years Bonds)	1.523%

## Notes to the consolidated financial statements

### 32. BUSINESS COMBINATIONS

On 11 December 2018, the Company entered into a binding agreement for the sale of its interest in five Seafront Villas (owned by the Collection Group) for a gross consideration of €4.05 million. The Group received €3.4 million on 2 January 2019 whilst the balance has been retained in escrow to cover any potential and contingent liabilities of the respective companies. During 2019, the Group also completed the sale of another Seafront Villa for a cash consideration of €0.4 million.

On 1 November 2017, the Company along with the project's current minority shareholder entered into an agreement through its relevant project subsidiary companies, for a €16 million equity investment by One&Only Resorts Limited ('One&Only') in exchange for a 40% shareholding in SPV 14, 100% holding company of Kéa Resort. The consideration will be deployed in the development of the Kéa Resort, with the transaction including the operation of the Kéa Resort and its residences by One&Only through long-term management and branding agreements. In May 2019, following the satisfaction of all relevant conditions precedent included in the One&Only at Kéa Island ('OOKI') Subscription Agreement, the Group signed the completion documents with Kerzner International Management FZ LLC (current owner of 40% of the project) and Kéa Assets Limited (current owner of 10% of the project). As a result, the Company's percentage holding in the project fell from 67% to 33%, which is retained as an equity-accounted investee (see note 19). The turn-key construction contract for the development of OOKI was executed on 9 August 2019.

	Collection €'000	Kéa €'000	Total €'000
Investment property	–	(10,361)	(10,361)
Property, plant and equipment	–	(10,737)	(10,737)
Trading properties	(4,489)	–	(4,489)
Receivables and other assets	–	(28)	(28)
Cash and cash equivalents	(11)	(181)	(192)
Deferred tax liabilities	–	2,132	2,132
Trade and other payables	15	1,866	1,881
<b>Net assets</b>	<b>(4,485)</b>	<b>(17,309)</b>	<b>(21,794)</b>
Net assets disposed of – 100%	(4,485)	(17,309)	(21,794)
Net proceeds on disposal	3,769	–	3,769
Investment in equity-accounted investee (note 19)	–	18,655	18,655
<b>(Loss)/gain on disposal recognised in profit or loss</b>	<b>(716)</b>	<b>1,346</b>	<b>630</b>
Cash effect on disposal:			
Net proceeds on disposal	3,769	–	3,769
Cash and cash equivalents	(11)	(181)	(192)
<b>Net cash inflow/(outflow) on disposal</b>	<b>3,758</b>	<b>(181)</b>	<b>3,577</b>



## Notes to the consolidated financial statements

### 32. BUSINESS COMBINATIONS CONTINUED

On 18 January 2018, the Group entered into an agreement for the disposal of its entire interest of 77.8% in the Sitia Bay Golf Resort ('Project') to its minority partner in the Project, Iktinos Hellas S.A., for a consideration of €14 million. The first instalment of €1.4 million was received on 22 January 2018 while the remaining €12.6 million was received on 3 April 2018.

On 5 February 2018, the Group entered into an agreement for the disposal of its entire interest of 100% in the Triopetra project to Deniag Ltd ('Deniag'). Deniag purchased the Group's entire shareholding interest for a total cash consideration of €4.1 million. The amount of €4 million was received on 5 February 2018 while the remaining €100 thousand was received in July 2019.

On 1 August 2018, the Group signed a share purchase agreement with Grivalia Hospitality S.A. for the disposal of its entire interest in Amanzoe project through the acquisition of 100% of the shares in DCI 14, the holding company owning the project, for a total cash consideration of €5.8 million, which was fully settled on August 2018.

On 31 August 2018, the Group entered into an agreement for the disposal of its entire interest of 100% in Ntekar to SPRL Carat, for a consideration of €1.8 million, which was received in November 2018.

	Amanzoe €'000	Triopetra €'000	Sitia Bay €'000	Ntekar €'000	Total €'000
Property, plant and equipment	(86,945)	–	(6,698)	–	(93,643)
Investment property	(9,293)	(4,436)	(14,544)	–	(28,273)
Deferred tax asset	(993)	–	–	–	(993)
Trading properties	(19,830)	–	–	(1,299)	(21,129)
Receivables and other assets	(4,505)	(36)	(138)	–	(4,679)
Cash and cash equivalents	(3,888)	–	(4)	–	(3,892)
Loans and borrowings	74,720	–	–	–	74,720
Deferred tax liabilities	12,460	359	3,062	–	15,881
Deferred revenue	21,581	–	–	–	21,581
Trade and other payables	9,636	12	310	594	10,552
<b>Net assets</b>	<b>(7,057)</b>	<b>(4,101)</b>	<b>(18,012)</b>	<b>(705)</b>	<b>(29,875)</b>
Net assets disposed of	(5,857)	(4,101)	(14,018)	(705)	(24,681)
Net proceeds on disposal	5,800	3,497	13,440	1,164	23,901
Variable management fees					(9,223)
<b>Loss on disposal recognised in profit or loss</b>					<b>(10,003)</b>
Cash effect on disposal:					
Net proceeds on disposal	5,800	3,497	13,440	1,164	23,901
Variable management fees	–	–	–	–	(9,223)
Cash and cash equivalents	(3,888)	–	(4)	–	(3,892)
<b>Net cash inflow on disposal</b>					<b>10,786</b>

## Notes to the consolidated financial statements

### 33. NON-CONTROLLING INTERESTS

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

	31 December 2019 €'000	31 December 2018 €'000
SPV 10 (Kéa Resort)		
<b>Non-controlling interests' percentage</b>		
Non-current assets	17,249	20,891
Current assets	16	475
Non-current liabilities	–	(2,132)
Current liabilities	(207)	(1,961)
Net assets	17,058	17,273
<b>Carrying amount of non-controlling interests</b>	<b>5,686</b>	<b>5,757</b>
Revenue	–	21
Loss	(284)	(1,039)
Other comprehensive income	69	–
Total comprehensive income	(215)	(1,039)
<b>Loss allocated to non-controlling interests</b>	<b>(71)</b>	<b>(346)</b>
<b>Other comprehensive income allocated to non-controlling interests</b>	<b>–</b>	<b>–</b>
Cash flow from operating activities	(297)	1,269
Cash flow used in investing activities	–	(971)
Cash flow from financing activities	–	–
<b>Net increase in cash and cash equivalents</b>	<b>1</b>	<b>298</b>

### 34. 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 2019 €'000	31 December 2018 (Restated) €'000
Trade and other receivables (see note 21)	1,424	1,169
Cash and cash equivalents (see note 22)	2,676	8,068
<b>Total</b>	<b>4,100</b>	<b>9,237</b>

## Notes to the consolidated financial statements

### 34. FINANCIAL RISK MANAGEMENT CONTINUED

#### Financial risk factors continued

##### (i) Credit risk continued

##### 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 2019		31 December 2018 (Restated)	
	No. of banks	€'000	No. of banks	€'000
Bank group based on credit ratings by Moody's				
Rating Aaa to A	1	2,054	1	7,570
Rating Baa to B	3	541	3	138
Rating Caa to C	3	81	3	360
<b>Total bank balances</b>		<b>2,676</b>		<b>8,068</b>

##### (ii) Liquidity risk

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

The following tables present the contractual maturities of financial liabilities. The tables have been prepared on the basis of 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
<b>31 December 2019</b>						
Lease obligations	3,036	(4,216)	(8)	(8)	(237)	(3,963)
Land creditors	20,740	(26,266)	(1,310)	(1,295)	(23,661)	–
Trade and other payables	3,556	(3,556)	(3,556)	–	–	–
	<b>27,332</b>	<b>(34,038)</b>	<b>(4,874)</b>	<b>(1,303)</b>	<b>(23,898)</b>	<b>(3,963)</b>
<b>31 December 2018</b>						
Loans and borrowings	17,326	(18,377)	(18,377)	–	–	–
Lease obligations	3,013	(4,313)	(8)	(8)	(236)	(4,061)
Land creditors	20,843	(26,979)	(712)	(1,310)	(3,841)	(21,116)
Trade and other payables	4,383	(4,383)	(4,383)	–	–	–
	<b>45,565</b>	<b>(54,052)</b>	<b>(23,480)</b>	<b>(1,318)</b>	<b>(4,077)</b>	<b>(25,177)</b>

## Notes to the consolidated financial statements

### 34. FINANCIAL RISK MANAGEMENT CONTINUED

#### Financial risk factors continued

##### (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.

##### Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €66 thousand (2018: €245 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.

##### 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.

### 35. COMMITMENTS

As of 31 December 2019, the Group had a total of €45 thousand contractual capital commitments on property, plant and equipment (2018: €544 thousand).

### 36. 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.

### 37. SUBSEQUENT EVENTS

On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and 'locking-down' cities/regions or even entire countries.

The COVID-19 outbreak is already having a major effect on the travel, real estate and hospitality industry. The Group has witnessed a significant reduction in foreign travel intent, complied with governmental lock-down measures imposed on hotels and resorts in Greece and been affected by supply chain delays which have impacted the Group's ongoing construction activities.

The slowdown in economic activity and transportation restrictions in all the countries where the Group operates is expected to have a significant impact on both its ability to complete the construction of its ongoing projects in a timely manner as well as hinder its efforts to realise transactions for the disposal of its portfolio assets.

The size of the impact cannot be fully quantified at this stage and will depend on how quickly the outbreak fades and normal conditions resume. The situation is being closely monitored and strategies will be adjusted including implementation of any emergency measures needed.

There were no other material events after the reporting period which have a bearing on the understanding of the consolidated financial statements as at 31 December 2019.

## Valuation certificates



Athens, 10 April 2020  
Board of Directors  
Dolphin Capital Investors  
Vanterpool Plaza  
2nd fl. – Wickhams Cay 1  
Road Town – Tortola,  
BVI

Dear Sirs,

In accordance with the terms of our agreement and as independent appraisers, American Appraisal (Hellas) Limited, hereafter also referred to as "AAH", have conducted a valuation of the real estate assets, including land and buildings (the "Assets") owned by Dolphin Capital Investors Limited, hereafter referred to as "DCI" or the "Company" or the "Client" and certain subsidiaries, in Greece and Cyprus.

Specifically, we provided our independent opinion as to the "Fair Value" of the real estate assets owned by the "Company" and/or its subsidiaries in the areas of:

- Apollo Heights, Cyprus
- Plaka Bay, Greece
- Lavender Bay, Greece
- Scorpio Bay, Greece
- Killada Hills Golf Resort & Lepitsa Sunset, Porto Heli, Greece
- Kéa Resort, Tzia Island, Greece

The purpose of our valuation exercise was to provide the Board of "DCI" with information about the Fair Value of the subject assets in order to assist in relation to the compliance with the requirements of the International Financial Reporting Standards – IFRS, the International Accounting Standards, and specifically according to the IAS 40 – Investment Properties and IAS 16 – Property, Plant and Equipment.

The value estimates apply as of December 31, 2019 and are subject to the Standard Assumptions and Limiting Conditions attached to our valuation reports and are based on the reasonable assumptions contained in our valuation reports.

In the process of preparing these appraisals we have:

- Undertaken inspection to the majority of the subject properties;
- Collected relevant data regarding the prevailing market conditions and trends that can affect the value of the properties;
- Collected relevant data about the availability of comparable properties in the areas examined;
- Investigated prevailing prices and asking values of similar properties in the areas examined;
- We made the appropriate adjustments, where necessary, in order to proceed with the estimation of the Fair Value of the properties under investigation;
- Relied on information provided by the "Company".

Our valuations assume that the properties have good and marketable titles and are free of any undisclosed legal burdens, outgoings or restrictions.

The valuation reports are not intended for benefit of a Bank or Developer (other than the Client), have been prepared at the request of the management of Dolphin Capital Investors Ltd for their exclusive (and confidential) use, and for the specific purpose and use stated in the reports. Any other purpose or use of the reports is not valid. Our reports should not be distributed to any third party. All copyright is reserved by the author and the reports are considered confidential by "AAH" and the "Client".

Our valuation consulting services do not constitute and/ or include investment advice and should not be interpreted as such.

American Appraisal (Hellas) Limited's valuation services are performed in conformity with the *RICS – Royal Institution of Chartered Surveyors, Valuation Global Standards, June 2017*<sup>1</sup> and the relevant code of ethics *the International Valuation Standards (IVS2)*<sup>2</sup> and the IFRS framework. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value.



## Valuation certificates continued

Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in the reports is specific to the needs of the Client and for the intended use stated therein. Our Appraisal Reports comply with the reporting requirements set forth under the generally accepted appraisal standards and principles.

The basis of value is the "Fair Value". For reporting purposes, we have adopted the Royal Institution of Chartered Surveyors – "RICS" and the International Valuation Standards Committee – "IVSC" definition.

According to the International Valuation Standards, 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.<sup>3</sup> According to IVS4<sup>4</sup>, the Fair Value under IFRS is generally consistent with the concept of Market Value as defined in the IVS Framework.

American Appraisal (Hellas) Limited has no present or prospective interest in or bias with respect to the properties that are the subject of the reports and has no personal interest or bias with respect to the parties involved and has undertaken these valuations as independent valuer. American Appraisal (Hellas) Limited and its Qualified Valuers do not have any conflict of interest in respect to the scope and content of work executed.

It is furthermore noted that we have not performed for the properties in reference a test of earnings and cash flows to verify if they provide sufficient return on the invested capital. Property values may change significantly over a relatively short period. Consequently, our valuations are only valid on the date of valuation.

Sincerely yours,

On behalf of American Appraisal (Hellas) Limited



**Pavlos M. Zeccos – MSc, CRE®, MRICS**  
Managing Director

<sup>1</sup> Royal Institution of Chartered Surveyors, the "Red Book", June 2017

<sup>2</sup> International Valuation Standards (IVS), 2017 edition

<sup>3</sup> IAS 40: para. 5

<sup>4</sup> IVS 300, Application Guidance G2

## Valuation certificates continued



Board of Dolphin Capital Investors  
Dolphin Capital Partners  
Vanterpool Plaza  
Wickhams Cay 1  
Road Town  
Tortola  
British Virgin Islands

Re: Certificate of Value as of 31 December 2019  
Istanbul, Turkey, 12 February 2020

Dear Sirs,

In accordance with the terms of our appointment as independent appraisers, we have conducted a valuation of your real estate assets, including land and buildings (the "Assets") belonging to **Dolphin Capital Investors Limited (AIM: DCI.L)** and certain subsidiaries (here after the "Company") in Turkey. Colliers International Property Consultants (Turkey) have been instructed by Dolphin Capital Investors Limited ("DCI"), to offer an opinion of the "Fair Value" of the real estate asset owned by the Company and/or its subsidiaries in Lavanta project, Kalkan, Antalya, Turkey.

The properties are held for investment and/or held for development or are in the course of development.

The purpose of our valuation analysis was to provide the Board of DCI with information about the Fair Value of the subject assets in order to support their decision-making process in relation to the compliance with the requirements of the International Accounting Standards ("IAS") and the International Financial Reporting Standards ("IFRS").

The value estimates apply as of December 31, 2019 and are subject to the Disclaimers, Certifications and Limiting Conditions in addition to the assumptions contained in our valuation reports and that were addressed to the management of DCI. In the process of preparing this appraisal we have:

- Inspected all the subject properties;
- Relied on information provided by the Company;
- Verified current land use and land use regulations;
- Conducted market research into sales and listing data on comparable properties;
- Interviewed market participants; and
- Examined local market conditions and analyzed their potential effect on the properties.

Our valuations assume that the properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoings or restrictions.

The valuation reports have been prepared at the request of Dolphin Capital Partners and for their exclusive (and confidential) use, and for the specific purpose and function as stated in the reports. All copyright is reserved to the author and the reports are considered confidential by the author and Dolphin Capital Partners.

The result of our valuation consulting services does not constitute an investment advice and should not be interpreted as such. Our valuation report is not intended for the benefit of a Bank or Developer (other than the client) or any other third party and should not be taken to supplant other inquiries and procedures that a Bank or any other third party should undertake for the purpose of considering a transaction with DCI and its subsidiaries. Accordingly our work product is not to be used for any other purpose or distributed to third parties.

Our real estate valuation analysis is based on the premise that the Company is and will continue as a going-concern business enterprise.

Our valuation services are performed in accordance with generally accepted appraisal standards and in conformance with the professional appraisal societies.

We confirm that we do not have any material interest in any of the properties and that we have undertaken these valuations as independent valuers.

The date of valuation has been established as of December 31, 2019.

The basis of value is "Fair Value".

## Valuation certificates continued

The expression Market Value and the term Fair Value as it commonly appears in accounting standards are generally compatible, if not in every instance exactly equivalent concepts. Fair Value, an accounting concept, is defined in IFRS and other accounting standards as the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's-length transaction. Fair Value is generally used for reporting both Market and Non-Market Values in financial statements. Where the Market Value of an asset can be established, this value will equate to Fair Value.

For reporting purposes, we have adopted Royal Institution of Chartered Surveyors ("RICS") and International Valuation Standards Committee ("IVSC") definition of "Fair Value" as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

Before any valuation analysis can be made, the appropriate premise of value should be established. The general concept of value can be separated into two categories: value-in-exchange on a piecemeal basis and value-in-use. Value-in-exchange represents the action of buyers, sellers, and investors, and implies the value at which the property would sell on a piecemeal basis in the open market. Value-in-use is the value of special purpose property and assets as part of an integrated facility and reflects the extent to which the assets contribute to the profitability of the operation of that facility or going concern. These two premises can have a significant effect on the results of a valuation analysis. For purposes of the valuation of the selected assets, we have used the premise of value-in-exchange.

We have performed no test of earnings and cash flows to verify whether there is a sufficient return on and return of investment in the Assets.

The aggregate fair value figure makes no allowance for any effect that placing the whole portfolio on the market contemporaneously may have on the overall realization. The Fair Value of the portfolio sold as single entity would not necessarily be the same as the aggregate figure reported.

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation. On the basis of our research, study, inspection, investigation and analysis, it is our opinion that the subject Assets have an estimated "Fair Value" as of December 31, 2019.

Our Appraisal Reports comply with the reporting requirements set forth under the generally accepted appraisal standards and principles. The valuation reports were prepared in conformity with the International Valuation Standards and the Appraisal Institute. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in the reports is specific to the needs of the client and for the intended use stated therein.



**Ahmet Özgür**  
Director, Head of Valuation & Advisory Services  
**Colliers International Turkey**

## Valuation certificates continued



Board of Dolphin Capital Investors  
Dolphin Capital Partners  
Tortola Pier Park, Building 1  
Wickams Cay 1  
Road Town  
Tortola  
British Virgin Islands

Re: Certificate of Value as of 31 December 2019  
Zagreb, Croatia, 9 April 2019

Dear Sirs,

In accordance with the terms of our appointment as independent appraisers, we have conducted a valuation of your real estate assets, including development land (the "Assets") belonging to **Dolphin Capital Investors Limited (AIM: DCI.L)** (here after the "Company") in Croatia, Colliers International Croatia have been instructed by Dolphin Capital Investors Limited (DCI) to offer an opinion of the "Fair Value" of the real estate asset owned by the Company and/or its subsidiaries in the following location:

#### DOLPHIN CAPITAL INVESTORS LIMITED REAL ESTATE ASSETS – Q4 2019 REVALUATION

Location	Property
<b>Croatia</b>	Livka Bay Resort

The property is in the course of development.

The purpose of our valuation analysis was to provide the Board of DCI with information about the Fair Value of the subject assets in order to support their decision-making process in relation to the compliance with the requirements of the International Accounting Standards ("IAS") and the International Financial Reporting Standards ("IFRS").

The value estimates apply as of December 31, 2019 and are subject to the Disclaimers, Certifications and Limiting Conditions in addition to the assumptions contained in our valuation reports and that were addressed to the management of DCI. In the process of preparing this appraisal we have:

- Inspected all the subject properties;
- Relied on information provided by the Company;
- Verified current land use and land use regulations;
- Conducted market research into sales and listing data on comparable properties;
- Interviewed market participants; and
- Examined local market conditions and analysed their potential effect on the properties.

#### Valuation Certificate

Our valuations assume that the property has good and marketable titles and is free of any undisclosed onerous burdens, outgoings or restrictions.

The valuation reports have been prepared at the request of Dolphin Capital Partners and for their exclusive (and confidential) use, and for the specific purpose and function as stated in the reports. All copyright is reserved to the author and the reports are considered confidential by the author and Dolphin Capital Partners.

The result of our valuation consulting services does not constitute an investment advice and should not be interpreted as such. Our valuation report is not intended for the benefit of a Bank or Developer (other than the client) or any other third party and should not be taken to supplant other inquiries and procedures that a Bank or any other third party should undertake for the purpose of considering a transaction with the Company. Accordingly our work product is not to be used for any other purpose or distributed to third parties.

Our real estate valuation analysis is based on the premise that the Company is and will continue as a going-concern business enterprise.

Our valuation services are performed in accordance with generally accepted appraisal standards and in conformance with the professional appraisal societies.

We confirm that we do not have any material interest in any of the properties and that we have undertaken these valuations as independent valuers.

The date of valuation has been established as of December 31, 2019.

The standard of value is "Fair Value".

## Valuation certificates continued

The expression Market Value and the term Fair Value as it commonly appears in accounting standards are generally compatible, if not in every instance exactly equivalent concepts. Fair Value, an accounting concept, is defined in IFRS and other accounting standards as the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's-length transaction. Fair Value is generally used for reporting both Market and Non-Market Values in financial statements. Where the Market Value of an asset can be established, this value will equate to Fair Value.

For reporting purposes, we have adopted Royal Institution of Chartered Surveyors – RICS and International Valuation Standards Committee – IVSC definition of "Fair Value" as "the estimated amount for which an asset or liability should exchange on the day of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

Before any valuation analysis can be made, the appropriate premise of value should be established. The general concept of value can be separated into two categories: value-in-exchange on a piecemeal basis and value-in-use. Value-in-exchange represents the action of buyers, sellers, and investors, and implies the value at which the property would sell on a piecemeal basis in the open market. Value-in-use is the value of special purpose property and assets as part of an integrated facility and reflects the extent to which the assets contribute to the profitability of the operation of that facility or going concern. These two premises can have a significant effect on the results of a valuation analysis. For purposes of the valuation of the selected assets, we have used the premise of value-in-exchange.

We have performed no test of earnings and cash flows to verify whether there is a sufficient return on and return of investment in the Assets.

The aggregate fair value figure makes no allowance for any effect that placing the whole portfolio on the market contemporaneously may have on the overall realization. The Fair Value of the portfolio sold as single entity would not necessarily be the same as the aggregate figure reported.

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation. On the basis of our research, study, inspection, investigation and analysis, it is our opinion that the subject Assets have an estimated "Fair Value" as of December 31, 2019.

Our Appraisal Reports comply with the reporting requirements set forth under the generally accepted appraisal standards and principles. The valuation report is prepared in conformity with the International Valuation Standard, the RICS and the Appraisal Institute of Canada. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in the reports is specific to the needs of the client and for the intended use stated therein.

Respectfully submitted,



**Vedrana Likan**  
General Manager



## Management and administration

### DIRECTORS

Andrew Coppel (Chairman)  
Graham Warner  
Mark Townsend  
Miltos Kambourides  
of the registered office below

### REGISTERED OFFICE

Dolphin Capital Investors  
Tortola Pier Park  
Building 1  
Second Floor  
Wickhams Cay 1  
Road Town  
Tortola  
British Virgin Islands

### INVESTMENT MANAGER

Dolphin Capital Partners Limited  
Kingston Chambers  
PO Box 173  
Road Town  
Tortola  
British Virgin Islands

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Grant Thornton House  
30 Finsbury Square  
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United Kingdom

### BROKER

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One New Change  
London EC4M 9AF  
United Kingdom

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Circular Road  
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Isle of Man IM1 1AG  
British Isles

### ADMINISTRATOR

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Channel Islands

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United Kingdom

### DEPOSITARY

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### AUDITORS

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