

**EASTERNMED REAL ESTATE CAPITAL PLC**

REPORT AND INTERIM UNAUDITED  
CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30  
September 2023

# **EASTERNMED REAL ESTATE CAPITAL PLC**

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## **REPORT AND INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

For the period from 1 April 2023 to 30 September 2023

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# EASTERNMED REAL ESTATE CAPITAL PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Ioannis Papaioannou  
Ellie Kioupi  
Marcos Panteleimon Klerides  
Athanasios Martinos  
Marina Martinou  
Costas Neocleous  
Dionysios Psallidas  
Petros Kotsikis - Appointed 26 October 2022

**Company Secretary:**

K and K Secretarial Limited

**Independent Auditors:**

Markos Drakos & Co Ltd  
Chartered Accountants  
86 Ifigenias Street  
2003 Nicosia  
Cyprus

**Registered office:**

Kyriakou Matsi 11, 8th floor,  
Nicosia  
1082  
Cyprus

**Bankers:**

Bank of Cyprus Public Company Ltd  
HSBC Plc  
Credit Suisse AG  
Natwest Bank Plc

**Registration number:**

HE394500

# EASTERNMED REAL ESTATE CAPITAL PLC

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## MANAGEMENT REPORT

The Board of Directors presents its report and unaudited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 April 2023 to 30 September 2023.

### **Principal activity and nature of operations of the Group**

The principal activity of the Group is the holding of investment properties (commercial real estate assets primarily in the office sector in the United Kingdom and Switzerland) for long-term rental yields and for capital appreciation.

### **Review of current position, and performance of the Group's business**

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

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group are disclosed in notes 6 and 29 of the consolidated financial statements.

The invasion of Russia in the Ukraine and the extensive financial and other sanctions imposed to Russia and the United Kingdom's withdrawal from the European Union may potentially have a wide impact on the economies and especially on the immovable property markets of the UK and Switzerland, the countries that the Group is operating in, which is difficult to predict.

Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Group. The indirect implications will depend on the extent and duration of the crisis and remain uncertain. Also, the reduction in demand for office space in the UK and Switzerland may also have a negative impact on the immovable property market in these countries.

This operating environment may have a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

### **Future developments of the Group**

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Group in the foreseeable future.

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

The Group is exposed to market price risk, interest rate risk, credit risk and liquidity risk from the financial instruments it holds.

#### **Market price risk**

The Group is exposed to debenture price risk because of investments held by the Group and classified on the consolidated statement of financial position at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's debenture investments issued by two Russian banks that are traded in the Moscow Exchange are since the start of the war on 24 February 2022 not traded and are already in default of interest payments in the period under review. Both investments have been fully written off.

#### **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. The Group is exposed to interest rate risk in relation to its borrowings. 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 Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.



# EASTERNMED REAL ESTATE CAPITAL PLC

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## MANAGEMENT REPORT

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from contractual cash flows of debt investments carried at fair value through profit or loss (FVTPL) and deposits with banks and financial institutions, as well as credit exposures to tenants.

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'C'.

If tenants are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the tenant, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the tenant in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

### **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.

### **Share capital**

#### **Authorised capital**

During the period the Company's authorised capital was increased from 675.735.610 ordinary shares of nominal value of €1 each to 1.000.000.000 ordinary shares of nominal value of €1 each by creating 324.264.390 new ordinary shares of nominal value of €1 each.

#### **Issued capital**

On 16 May 2023 the Company issued 76.521.902 new ordinary shares of €1 at the price of €1,0739 each (share premium €0,0739).

### **Board of Directors**

The members of the Group's Board of Directors as at 30 September 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 April 2023 to 30 September 2023.

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

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Related party transactions**

Disclosed in note 30 of the consolidated financial statements.

On 16 May 2023, the company through a shareholders' contribution, proceeded with the acquisition of the Cyprus company Medprestige Limited and the subsequent capitalisation of the non-refundable advances through the simultaneous issue and allotment of new shares to the shareholders, as per the relevant announcement issued by the company. It was observed however, after the issuance and allotment of the new shares, that the value of the new shares allotted to the shareholders was by UK Sterling 12.049.403 higher than intended. This fact created temporarily a debit balance in the shareholders' current account with the company of the same amount as at the date of these financial statements. On 30 November 2023, the shareholders deposited in the company's bank account an amount of Swiss Franc 29.750.000 and the debit balance in the shareholders' current account with the company was eliminated.

## EASTERNMED REAL ESTATE CAPITAL PLC

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### MANAGEMENT REPORT

#### **Independent Auditors**

The Independent Auditors, Markos Drakos & Co Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

K AND K SECRETARIAL LIMITED

K and K Secretarial Limited  
Secrétary

Nicosia, 20 December 2023

# EASTERNMED REAL ESTATE CAPITAL PLC

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

For the period from 1 April 2023 to 30 September 2023

	Note	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
<b>Revenue</b>	7	<b>10.203.633</b>	11.886.444
Rental expenses	8	<u>(5.205.393)</u>	<u>(872.187)</u>
<b>Gross profit</b>		<b>4.998.240</b>	11.014.257
Other operating income	9	<b>1.109.406</b>	105.814
Fair value losses on financial assets at fair value through profit or loss	10	-	(79.119)
Selling and distribution expenses		<b>(1.025)</b>	(4.086)
Administration expenses	11	<b>(204.918)</b>	(385.274)
Net impairment profit/(loss) on financial and contract assets		<u><b>3.995</b></u>	<u>(8.424)</u>
<b>Operating profit</b>		<b>5.905.698</b>	10.643.168
Finance income	12	<b>810.873</b>	316.658
Finance costs	12	<u><b>(134.197)</b></u>	<u>(261.290)</u>
<b>Profit before tax</b>		<b>6.582.374</b>	10.698.536
Tax	13	<u><b>(1.683.055)</b></u>	<u>(1.887.280)</u>
<b>Net profit for the period</b>		<u><b>4.899.319</b></u>	<u>8.811.256</u>
<b>Other comprehensive income</b>			
Exchange difference arising on the translation and consolidation of subsidiary companies' financial statements denominated in other currency		<u><b>2.145.327</b></u>	<u>12.189.387</u>
<b>Other comprehensive income for the period</b>		<u><b>2.145.327</b></u>	<u>12.189.387</u>
<b>Total comprehensive income for the period</b>		<u><b>7.044.646</b></u>	<u>21.000.643</u>

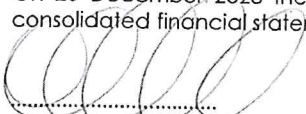
The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

# EASTERNMED REAL ESTATE CAPITAL PLC

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 September 2023

	Note	30/09/2023 UK£	30/09/2022 UK£
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		1,766	451
Right-of-use assets	14	5,359,211	5,422,344
Investment properties	15	610,149,866	615,979,648
Intangible assets	16	3,149,872	3,149,872
		<u>618,660,715</u>	<u>624,552,315</u>
<b>Current assets</b>			
Trade and other receivables	19	18,186,805	4,749,846
Financial assets at fair value through profit or loss	20	-	10,462,881
Cash at bank	21	28,062,460	34,781,932
		<u>46,249,265</u>	<u>49,994,659</u>
<b>Total assets</b>		<u>664,909,980</u>	<u>674,546,974</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	613,921,281	547,394,670
Share premium	22	5,479,440	563,124
Other reserves	23	13,746,578	35,879,671
Retained earnings		<u>9,218,467</u>	<u>23,852,453</u>
<b>Total equity</b>		<u>642,365,766</u>	<u>607,689,918</u>
<b>Non-current liabilities</b>			
Borrowings	24	8,561,128	32,419,157
Lease liabilities	25	5,737,168	5,764,675
		<u>14,298,296</u>	<u>38,183,832</u>
<b>Current liabilities</b>			
Trade and other payables	26	4,026,486	5,725,854
Deferred income	27	1,817,876	1,368,379
Borrowings	24	93	17,700,020
Lease liabilities	25	76,471	76,471
Current tax liabilities	28	2,324,992	3,802,500
		<u>8,245,918</u>	<u>28,673,224</u>
<b>Total liabilities</b>		<u>22,544,214</u>	<u>66,857,056</u>
<b>Total equity and liabilities</b>		<u>664,909,980</u>	<u>674,546,974</u>

On 20 December 2023 the Board of Directors of Easternmed Real Estate Capital plc authorised these consolidated financial statements for issue.

  
Athanasios Marinos  
Director

  
Dionysios Psallidas  
Director

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

# EASTERNMED REAL ESTATE CAPITAL PLC

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 April 2023 to 30 September 2023

	Note	Share capital UK£	Share premium UK£	Non- refundable advances UK£	Translation reserve UK£	Retained earnings UK£	Total UK£
<b>Balance at 1 April 2022</b>		<b>547,394,670</b>	<b>563,124</b>	<b>19,465,144</b>	<b>4,204,871</b>	<b>15,041,197</b>	<b>586,669,006</b>
Net profit for the period		-	-	-	-	8,811,256	8,811,256
Other comprehensive income for the period		-	-	-	12,189,387	-	12,189,387
<b>Balance at 30 September 2022</b>		<b>547,394,670</b>	<b>563,124</b>	<b>19,465,144</b>	<b>16,394,258</b>	<b>23,852,453</b>	<b>607,669,649</b>
<b>Balance at 1 April 2023</b>		<b>547,394,670</b>	<b>563,124</b>	<b>38,295,998</b>	<b>11,601,251</b>	<b>4,319,148</b>	<b>602,174,191</b>
Net profit for the period		-	-	-	-	4,899,319	4,899,319
Other comprehensive income for the period		-	-	-	2,145,327	-	2,145,327
Issue of share capital	22	66,526,611	4,916,316	-	-	-	71,442,927
Utilization of advances from shareholders for increase in share capital		-	-	(38,295,998)	-	-	(38,295,998)
<b>Balance at 30 September 2023</b>		<b>613,921,281</b>	<b>5,479,440</b>	<b>-</b>	<b>13,746,578</b>	<b>9,218,467</b>	<b>642,365,766</b>

Share premium and translation reserve are not available for distribution.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. United Kingdom Pounds) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.



# EASTERNMED REAL ESTATE CAPITAL PLC

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 April 2023 to 30 September 2023

	Note	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>6,582,374</b>	10,698,536
Adjustments for:			
Depreciation of property, plant and equipment		206	27
Depreciation of right-of-use assets	14	31,970	32,085
Exchange difference arising on the translation of non-current assets in foreign currencies		(961,480)	(11,335,402)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		2,145,327	12,189,387
Unrealised exchange profit		(4,794)	(3,385)
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition		(508,228)	-
Fair value losses on financial assets at fair value through profit or loss (Reversal of impairment)/impairment charge of trade receivables	19	-	79,119
Interest income	12	(50,095)	(313,075)
Interest expense	12	121,770	216,005
		<b>7,353,055</b>	11,571,721
<b>Changes in working capital:</b>			
Increase in trade and other receivables		(14,112,649)	(1,047,609)
Increase in financial assets at fair value through profit or loss		-	(700)
Increase in bank deposits		(16,798,714)	(45,663)
Increase/(Decrease) in trade and other payables		193,556	(643,199)
Increase/(Decrease) in deferred income		368,274	(186,440)
<b>Cash (used in)/generated from operations</b>		<b>(22,996,478)</b>	9,648,110
Tax paid		(1,693,413)	(673,588)
<b>Net cash (used in)/generated from operating activities</b>		<b>(24,689,891)</b>	8,974,522
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(1,815)	-
Payment for purchase of investment property	15	(22,564,016)	(806,684)
Acquisition of subsidiaries, net cash outflow on acquisition	18	(43)	-
Interest received		50,095	313,075
<b>Net cash used in investing activities</b>		<b>(22,515,779)</b>	(493,609)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital and share premium		71,442,927	-
Utilization of advances from shareholders for increase in share capital		(38,295,998)	-
Repayments of borrowings		-	(920,000)
Payments of leases liabilities		(28,385)	(13,364)
Interest paid		(121,770)	(216,005)

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.



## EASTERNMED REAL ESTATE CAPITAL PLC

### UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 April 2023 to 30 September 2023

	Note	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
<b>Net cash generated from/(used in) financing activities</b>		<b><u>32.996.774</u></b>	<b><u>(1.149.369)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(14.208.896)</b>	<b>7.331.544</b>
Cash and cash equivalents at beginning of the period		<b>25.076.423</b>	27.046.817
Effect of exchange rate fluctuations on cash held		<u>-</u>	<u>3.383</u>
<b>Cash and cash equivalents at end of the period</b>	<b>21</b>	<b><u><u>10.867.527</u></u></b>	<b><u><u>34.381.744</u></u></b>

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

# **EASTERNMED REAL ESTATE CAPITAL PLC**

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## **NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS** For the period from 1 April 2023 to 30 September 2023

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

#### **Country of incorporation**

The Company Easternmed Real Estate Capital plc (the "Company") was incorporated in Cyprus on 14 February 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Kyriakou Matsi 11, 8th floor, Nicosia, 1082, Cyprus.

#### **Unaudited financial statements**

The consolidated financial statements for the six months ended on 30 September 2023 and 30 September 2022 respectively, have not been audited by the external auditors of the Company.

### **2. Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2023 and relevant to the Company have been adopted by the EU through the endorsement procedure established by the European Commission.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, investment property, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

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

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2023. This adoption did not have a material effect on the accounting policies of the Group.

### **4. Significant accounting policies**

The consolidated financial statements, which are presented in United Kingdom Pounds, have been prepared in accordance with international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting"

The accounting policies used in the preparation of the consolidated financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2022.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

These consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2022.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 5. New accounting pronouncements

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

### 6. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Calculation of loss allowance**

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### *Critical judgements in applying the Group's accounting policies*

- **Fair value of investment property**

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



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 6. Critical accounting estimates, judgments and assumptions (continued)

#### • Impairment of non-financial assets

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

#### • Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

#### • Useful life of depreciable assets

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

### 7. Revenue

The Group derives its revenue mainly from rental contracts with tenants.

#### Disaggregation of revenue

	1/04/2023- 30/09/2023	1/04/2022- 30/09/2022
	UK£	UK£
Rent receivable	10,126,134	11,632,945
Other income from property	77,499	253,499
	<u>10,203,633</u>	<u>11,886,444</u>

### 8. Rental expenses

	1/04/2023- 30/09/2023	1/04/2022- 30/09/2022
	UK£	UK£
Property rates and taxes	92,748	-
Energy expenses	46,574	72,031
Repairs and maintenance	3,853,458	170,613
Electricity	379,166	67,401
Water supply and cleaning	-	4,345
Insurance	43,904	111,498
Sundry expenses	142,109	31,502
Other professional fees	317,106	31,888
Management fees	294,493	262,071
Salaries and wages abroad	35,835	120,838
	<u>5,205,393</u>	<u>872,187</u>

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 9. Other operating income

Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition

Compensation for early termination of rental contracts

Other operating income

508.228	-
-	105.814
<b>601.178</b>	-
<b>1.109.406</b>	<b>105.814</b>

### 10. Loss from investing activities

Fair value losses on financial assets at fair value through profit or loss

1/04/2023- 30/09/2023	1/04/2022- 30/09/2022
UK£	UK£
-	(79.119)
-	(79.119)

### 11. Administration expenses

Net effect relating to variable lease payments

Common expenses

Annual levy

Electricity

Water supply and cleaning

Repairs and maintenance

Sundry expenses

Telephone and postage

Equipment maintenance

Auditors' remuneration - current period

Auditors' remuneration for the statutory audit of annual accounts

Auditors' remuneration for other non-audit services

Auditors' remuneration - prior years

Accounting fees

Legal fees

Other professional fees

Overseas travelling

Depreciation of right-of-use assets

Depreciation

1/04/2023- 30/09/2023	1/04/2022- 30/09/2022
UK£	UK£
(1.131)	-
495	396
442	886
2.812	1.511
909	1.130
254	4.351
8.243	547
45	-
-	269
-	1.780
-	3.318
20.631	2.611
(870)	-
1.801	800
6.804	28.851
101.855	286.525
30.452	20.187
31.970	32.085
206	27
<b>204.918</b>	<b>385.274</b>

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 12. Finance income/(costs)

	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
<b>Finance income</b>		
Bank interest	50.095	-
Interest on debentures	-	313.075
Realised foreign exchange profit	755.087	198
Unrealised foreign exchange profit	4.794	3.385
Other finance income	897	-
	<u>810.873</u>	<u>316.658</u>
<b>Bank and other loans interest</b>		
<b>Finance costs</b>		
<b>Interest expense</b>		
Loan interest	(63.426)	(157.295)
Interest expense on lease liabilities	(58.344)	(58.710)
<b>Sundry finance expenses</b>		
Bank charges	(12.427)	(7.094)
<b>Net foreign exchange losses</b>		
Realised foreign exchange loss	-	(38.191)
	<u>(134.197)</u>	<u>(261.290)</u>
<b>Net finance income</b>	<u>676.676</u>	<u>55.368</u>

### 13. Tax

	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
Corporation tax - current period	16.500	-
Overseas tax	1.666.432	1.886.690
Defence contribution - current period	123	116
Defence contribution - prior years	-	474
<b>Charge for the period</b>	<u>1.683.055</u>	<u>1.887.280</u>



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 13. Tax (continued)

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

	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
Profit before tax	<u>6.582.374</u>	<u>10.698.536</u>
Tax calculated at the applicable tax rates	822.797	1.337.317
Effect of different tax rates in other countries	-	22.979
Tax effect of expenses not deductible for tax purposes	15.171	-
Tax effect of allowances and income not subject to tax	(846.082)	(1.493.397)
10% additional charge	24.614	133.101
Defence contribution current period	123	116
Prior year tax	-	474
Overseas tax in excess of credit claim used during the period	<u>1.666.432</u>	<u>1.886.690</u>
<b>Tax charge</b>	<u><b>1.683.055</b></u>	<u><b>1.887.280</b></u>

The corporation tax rate in Cyprus is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The Group's rental and other income derives from permanent establishments outside of the Republic and is not taxed in the Republic.

The corporation tax rate in Switzerland can reach up to 30% as companies are taxed on their net profits, the amount of their share capital and the amount of receivable rental income and in the United Kingdom the corporation tax rate is 19%.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 14. Right-of-use assets

	Land and buildings UK£
<b>Cost</b>	
Balance at 1 April 2022	5,879,562
<b>Balance at 30 September 2022</b>	<b>5,879,562</b>
<b>Balance at 1 April 2023</b>	<b>5,879,562</b>
Additions	878
<b>Balance at 30 September 2023</b>	<b>5,880,440</b>
<b>Depreciation</b>	
Balance at 1 April 2022	425,133
Charge for the period	32,085
<b>Balance at 30 September 2022</b>	<b>457,218</b>
<b>Balance at 1 April 2023</b>	<b>489,258</b>
Charge for the period	31,971
<b>Balance at 30 September 2023</b>	<b>521,229</b>
<b>Net book amount</b>	
<b>Balance at 30 September 2023</b>	<b>5,359,211</b>
<b>Balance at 1 April 2023</b>	<b>5,422,344</b>

The Group through one of its subsidiary purchased a leasehold property in London in 2014. The leasehold period is 109 years and expires on 7 June 2123 and the leasehold agreement provides for a yearly payment of ground rent.

The parent company entered into an agreement in 2020 with a third party for the lease of its office in Nicosia. The lease period is 5 years and expires on 30 June 2025, with the option for the company to extend it by 2 years with the same terms.

Amounts recognised in profit and loss:

	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
Depreciation of right-of-use assets	(31,970)	(32,085)
Income relating to variable lease payments	1,131	-
Interest expense on lease liabilities	(58,344)	(58,710)

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 15. Investment properties

	31/09/2023 UK£	30/09/2022 UK£
Balance at 1 April	586,624,370	598,430,300
Additions	22,564,016	806,684
Exchange differences	961,480	16,742,664
<b>Balance at 30 September</b>	<b>610,149,866</b>	<b>615,979,648</b>

#### Fair value hierarchy

The fair value of investment properties owned by the Group as at 30 September 2023 was determined by the Board of Directors of each of the Group companies at GBP610.149.866 (30/09/2022: GBP615.979.648) on the basis of information available to the Boards of the companies for the properties and general information on current conditions of the immovable property market in the UK and Switzerland. Company has no valuation of the investment properties as at this date from an external, independent property valuer. The Company obtains valuation of its investment properties from external, independent property valuers who have appropriate, recognised and professional qualifications and recent experience in the location and category of the properties periodically.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

#### Valuation technique and significant unobservable inputs

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

Description	Fair value at 30 September 2023 UK£	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Commercial in London	108,750,000	Income approach	Assessment of the location of the property	Market value of the building UK£ 854 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial in London	30,137,615	Income approach	Assessment of the location of the property	Market value of the building UK£ 463 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial (office and shops) building in London	32,000,000	Income approach	Assessment of the location of the property	Market value of the building UK£ 663 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 15. Investment properties (continued)

<u>Description</u>	<u>Fair value at</u> <u>30 September</u> <u>2023</u> <u>UK£</u>	<u>Valuation</u> <u>technique</u>	<u>Unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship of</u> <u>unobservable inputs</u> <u>to fair values</u>
Commercial in London	15.150.000	Income approach	Assessment of the location of the property	Market value of the building UK£ 901 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial (office and shops) building in London	28.500.000	Income approach	Assessment of the location of the property	Market value of the building UK£ 647 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial in London	22.000.000	Income approach	Assessment of the location of the property	Market value of the building UK£ 593 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial in London	6.000.000	Income approach	Assessment of the location of the property	Market value of the building UK£ 703 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial (office and shops) building in Geneva	99.804.074	Income approach	Assessment of the location of the property	Market value of the building UK£ 699 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial (office and shops) building in Geneva	56.381.777	Income approach	Assessment of the location of the property	Market value of the building UK£ 2.199 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 15. Investment properties (continued)

<u>Description</u>	<u>Fair value at</u> <u>30 September</u> <u>2023</u> <u>UK£</u>	<u>Valuation</u> <u>technique</u>	<u>Unobservable</u> <u>input</u>	<u>Range</u> <u>(weighted</u> <u>average)</u>	<u>Relationship of</u> <u>unobservable inputs</u> <u>to fair values</u>
Commercial in London	189,000,000	Income approach	Assessment of the location of the property	Market value of the building UK£ 840 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)
Commercial (office and shops) building in Geneva	22,426,400	Income approach	Assessment of the location of the property	Market value of the building UK£ 840 per square foot.	The fair value will increase/(decrease) if the rental income increases/(decreases) and the corresponding return increases/(decreases)

Details of investment properties are as follows:

	<b>30/09/2023</b> <b>UK£</b>	<b>30/09/2022</b> <b>UK£</b>
<b>Type</b>		
Commercial buildings in London	<b>431,537,615</b>	455,562,123
Commercial buildings in Geneva	<b>178,612,251</b>	160,417,525
	<b><u>610,149,866</u></b>	<b><u>615,979,648</u></b>

During the period, the Group received rental income amounting to UK£10,126,134.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 16. Intangible assets

	Goodwill UK£
<b>Cost</b>	
Balance at 1 April 2022	3,149,872
<b>Balance at 30 September 2022</b>	<b>3,149,872</b>
 <b>Balance at 1 April 2023</b>	 <b>3,149,872</b>
<b>Balance at 30 September 2023</b>	<b>3,149,872</b>
 <b>Net book amount</b>	
<b>Balance at 30 September 2023</b>	<b>3,149,872</b>
<b>Balance at 1 April 2023</b>	<b>3,149,872</b>

Goodwill represents the premium paid to acquire the below noted companies (note 21) during the year.

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Alphafocus Ltd
- IHC Immobilien Limited
- Alphaprecious Limited
- Medspectrum Limited

### 17. Investments in subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %
Medholdings Company Limited	Cyprus	Investments in properties	100
Classpremium Ltd	Cyprus	Investments in properties	100
Interclass Company Limited	Cyprus	Investments in properties	100
Alphaforum Ltd	Cyprus	Investments in properties	100
Forumprime Ltd	Cyprus	Investments in properties	100
Alphafocus Ltd	Cyprus	Investments in properties	100
Alphaspectrum Ltd	Cyprus	Investments in properties	100
IHC Immobilien Limited	Domiciled in Cyprus	Investments in properties	100
Medcenter Holdings Ltd	Cyprus	Investments in properties	100
Alphaprecious Ltd	Cyprus	Investments in properties	100
Medspectrum Limited	Cyprus	Investments in properties	100
Medprestige Limited	Cyprus	Investments in properties	100



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 18. Acquisition of subsidiary

On 16 May 2023 the Group acquired 100% of the share capital of Medprestige Limited, which the principal activity is the holding of Investment property. The transaction has been accounted for by the purchase method of accounting.

The assets and liabilities acquired were as follows:

	Acquiree's carrying amount before combination UK£	Fair value UK£
Investment property	22,426,400	22,426,400
Trade and other receivables	170,321	170,321
Cash at bank	298,510	298,510
Deposits	896,561	896,561
Trade and other payables	(9,276)	(9,276)
Current tax liabilities	(211,381)	(211,381)
Borrowings	(43)	(43)
<b>Net assets acquired</b>	<b>23,571,092</b>	<b>23,571,092</b>
<b>Net assets acquired</b>	<b>23,571,092</b>	<b>23,571,092</b>

### Net cash flow on acquisition of subsidiaries

	1/04/2023- 30/09/2023 UK£	1/04/2022- 30/09/2022 UK£
Cash and cash equivalents acquired	(43)	-
<b>Net cash outflow on acquisition</b>	<b>(43)</b>	<b>-</b>

### 19. Trade and other receivables

	30/09/2023 UK£	30/09/2022 UK£
Trade receivables	3,070,509	1,087,724
Agents	1,582,533	2,766,630
Less: credit loss on trade receivables	(96,980)	(84,163)
Trade receivables - net	4,556,062	3,770,191
Shareholders' current accounts - debit balances (Note 30.2)	12,127,017	63,698
Deposits and prepayments	1,479,884	901,657
Deferred expenses	11,000	6,800
Other receivables	12,842	7,500
	<b>18,186,805</b>	<b>4,749,846</b>

The Group does not hold any collateral over the trading balances.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 19. Trade and other receivables (continued)

Movement in provision for Credit loss on trade receivables:

	30/09/2023	30/09/2022
	UK£	UK£
Balance at 1 April	84.163	77.595
Increase in provision on expected credit loss recognised on trade receivables	12.817	6.568
<b>Balance at 30 September</b>	<b>96.980</b>	<b>84.163</b>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

### 20. Financial assets at fair value through profit or loss

	30/09/2023	30/09/2022
	UK£	UK£
Balance at 1 April	-	10,541,300
Additions	-	10,500,700
Disposals	-	(10,500,000)
Change in fair value	-	(79,119)
<b>Balance at 30 September</b>	<b>-</b>	<b>10,462,881</b>

	Fair values 30/09/2023 UK£	Cost 30/09/2023 UK£	Fair values 30/09/2022 UK£	Cost 30/09/2022 UK£
Debt securities	-	-	10,462,881	10,500,000
	-	-	10,462,881	10,500,000

Debentures listed on a Stock Exchange comprise of bonds that were listed in the Moscow Stock Exchange until the outbreak of the war between Russia and Ukraine on 24/2/2022, of the Russian Banks Sberbank of Moscow and VTB Bank and which both have expired in October 2022. Both debentures are in default of payments of the capital and the accrued interest and have been fully impaired in the financial statements of the Group.

The financial assets at fair value through profit or loss comprise of marketable debentures that are listed on a stock exchange and are valued at market value at the close of business on 30 September 2022 by reference to the Stock Exchange quoted bid prices and the non listed securities that are non-marketable bonds with financial institutions that are valued at cost plus accrued interest. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 21. Cash at bank

	30/09/2023	30/09/2022
	UK£	UK£
Cash at bank	10.867.620	34.381.764
Tenants' bank deposits	17.194.840	400.168
	<u>28.062.460</u>	<u>34.781.932</u>

For the purposes of the consolidated cash flow statement, the cash and cash equivalents include the following:

	30/09/2023	30/09/2022
	UK£	UK£
Cash at bank	10.867.620	34.381.764
Bank overdrafts (Note 24)	(93)	(20)
	<u>10.867.527</u>	<u>34.381.744</u>

### 22. Share capital and share premium

	30/09/2023	30/09/2023	30/09/2023	30/09/2022	30/09/2022	30/09/2022
	Number of shares	UK£	UK£	Number of shares	UK£	UK£
Authorised						
Ordinary shares of €1 each	675.735.610	743.830.792	743.830.792	675.735.610	743.830.792	435.735.610
Shares issued	324.264.390	356.941.138	356.941.138	-	-	-
Balance at 30 September 2021	<u>1.000.000.000</u>	<u>1.100.771.930</u>	<u>1.100.771.930</u>	<u>675.735.610</u>	<u>743.830.792</u>	<u>435.735.610</u>

Issued and fully paid	Number of shares	Share capital UK£	Share premium UK£	Total UK£
Balance at 1 April 2022	639.426.528	547.394.670	563.124	547.957.794
Balance at 30 September 2022	<u>639.426.528</u>	<u>547.394.670</u>	<u>563.124</u>	<u>547.957.794</u>

Balance at 1 April 2023	639.426.528	547.394.670	563.124	547.957.794
Issue of additional shares	76.521.902	66.526.611	4.916.316	71.442.927
Balance at 30 September 2023	<u>715.948.430</u>	<u>613.921.281</u>	<u>5.479.440</u>	<u>619.400.721</u>

#### Authorised capital

During the period the Company's authorised capital was increased from 675.735.610 ordinary shares of nominal value of €1 each to 1.000.000.000 ordinary shares of nominal value of €1 each by creating 324.264.390 new ordinary shares of nominal value of €1 each.

#### Issued capital

On 16 May 2023 the Company issued 76.521.902 new ordinary shares of €1 at the price of €1,0739 each (share premium €0,0739).

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 23. Other reserves

	Non-refundable advances UK£	Translation reserve UK£	Total UK£
Balance at 1 April 2022	19,465,144	4,204,871	23,670,015
Exchange difference	-	12,189,387	12,189,387
<b>Balance at 30 September 2022</b>	<b>19,465,144</b>	<b>16,394,258</b>	<b>35,859,402</b>
Balance at 1 April 2023	38,295,998	11,601,251	49,897,249
Exchange difference	(38,295,998)	2,145,327	(36,150,671)
<b>Balance at 30 September 2023</b>	<b>-</b>	<b>13,746,578</b>	<b>13,746,578</b>

The non-refundable advances from shareholders are made available to the Board of Directors for future increases of the share capital of the Company.

Share premium is not available for distribution.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Swiss franc) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

### 24. Borrowings

	30/09/2023 UK£	30/09/2022 UK£
<b>Current borrowings</b>		
Bank overdrafts (Note 21)	93	20
Bank loans	-	17,700,000
	<b>93</b>	<b>17,700,020</b>
<b>Non-current borrowings</b>		
Bank loans	-	21,400,317
Other loans	8,561,128	11,018,840
	<b>8,561,128</b>	<b>32,419,157</b>
<b>Total</b>	<b>8,561,221</b>	<b>50,119,177</b>

The Group through one of its subsidiaries was granted 2 loans from Nike Shipholder Corporation on 28 December 2016 and 7 May 2018 respectively classified under other loans. The first loan bears interest of 1.5% per annum and is repayable with 10 annual installments of CHF 1,162,500 each, on December 29 of each year. The second loan bears interest of 1.5% per annum and is repayable with 6 annual installments of CHF 500,000 each on December 29 of each year.

On 3 January 2022, the Company entered into supplement agreements to the other loan agreements, where a grace period of 2 years was agreed by the parties of the loan agreements for the repayment of the principal and interest instalments.



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 24. Borrowings (continued)

The Group through two of its subsidiaries was granted two bank loans. The bank loan 1 was repayable by quarterly installments of CHF 500.000 for each year and bears interest of Libor plus an agreed margin and a minimum of 0,71%, payable quarterly. The bank loan 2 was a Lombart credit facility repayable on demand which bears interest of 0,40% payable quarterly. Both bank loans were fully repaid during the period.

Maturity of non-current borrowings:

	30/09/2023	30/09/2022
	UK£	UK£
Between one to two years	-	6.035.800
Between two and five years	8.561.128	18.107.400
After five years	-	8.275.957
	<u>8.561.128</u>	<u>32.419.157</u>

The weighted average effective interest rates at the reporting date were as follows:

	30/09/2023	30/09/2022
	%	%
Bank loan 1	-	,71
Bank loan 2	-	,4
Other loans	1,5	1,5

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 25. Lease liabilities

	30/09/2023	30/09/2022
	UK£	UK£
Balance at 1 April	5,841.146	5,854.510
Repayments	(85.851)	(72.074)
Interest	58.344	58.710
<b>Balance at 30 September</b>	<b>5,813.639</b>	<b>5,841.146</b>

	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
	30/09/2023	30/09/2023	30/09/2023	30/09/2022	30/09/2022	30/09/2022
	UK£	UK£	UK£	UK£	UK£	UK£
Within one year	145.471	69.000	76.471	145.471	69.000	76.471
Between one and five years	732.507	654.320	78.187	732.507	654.320	78.187
After five years	12,732.076	7,073.095	5,658.981	12,817.927	7,131.439	5,686.488
	<b>13,610.054</b>	<b>7,796.415</b>	<b>5,813.639</b>	<b>13,695.905</b>	<b>7,854.759</b>	<b>5,841.146</b>

During 2014 the Group through one of its newly acquired subsidiary acquired leasehold property in London. The leasehold period is 109 years and expires on 17 June 2123 and the leasehold agreement provides for a yearly payment of ground rent. entered into a lease rental agreement for a property in London.

During the year 2020, the parent company entered into an agreement for the lease of its office. The lease period is 5 years and expires on 30 June 2025.

All lease obligations are denominated in United Kingdom Pounds.

The fair values of lease obligations approximate to their carrying amounts as presented above.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

### 26. Trade and other payables

	30/09/2023	30/09/2022
	UK£	UK£
Trade payables	435.679	125.254
Prepayments from tenants	586.436	646.916
VAT	219.686	726.449
Shareholders' current accounts - credit balances (Note 30.3)	45.178	46.450
Payables to parent (Note 30.1)	1.753	-
Accruals	723.241	684.577
Other creditors	149	21.246
Deferred income	2,009.990	3,473.532
Payables to fellow subsidiaries (Note 30.1)	4.374	1.430
	<b>4,026.486</b>	<b>5,725.854</b>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.



# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 27. Deferred income

	30/09/2023	30/09/2022
	UK£	UK£
Client advances	<u>1.817.876</u>	<u>1.368.379</u>
	<u>1.817.876</u>	<u>1.368.379</u>

### 28. Current tax liabilities

	30/09/2023	30/09/2022
	UK£	UK£
Corporation tax	7.607	4.461
Special contribution for defence	330	358
Overseas tax	<u>2.317.055</u>	<u>3.797.681</u>
	<u>2.324.992</u>	<u>3.802.500</u>

### 29. Operating Environment of the Group

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus, Switzerland and the UK have adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group has no direct exposure to Russia, Ukraine and Belarus as the group owns no properties in these countries and none of its properties are rendered out to tenants from these countries. However, the company has invested in debentures issued by two Russian Banks which are, since the war started, not traded in the Moscow Stock Exchange and are in default for payment of interest to the debenture holders. The specific investments have already been fully impaired in the financial statements and have reduced the Group's profitability.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 29. Operating Environment of the Group (continued)

Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Group. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there will be no further significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business trading operations. Management will continue to monitor the situation closely and will assess the possible impact on the Group's activities in case the crisis becomes prolonged.

### 30. Related party transactions

As of 16 May 2023, the Company's share capital is held by the Cyprus companies Kosmima Holdings Limited, Oceanroutes Shipping and Trading Limited, Seas of Levante Shipping and Financing Limited, Medventure Shipping Corporation Limited and Medvanguard Shipping Corporation Limited which own 10,82407%, 7,19629%, 7,19629%, 7,19629% and 7,19629% (before 16 May 2023 they owned 10,82407%, 7,19629%, 7,19629%, 7,19629% and 7,19629% respectively) and by the non-Cyprus tax resident individuals Mr. Athanasios Martinos, Mrs Marina Martinou, Mrs Marina Mathilde Martinou, Mrs Georgia Chatzi and Mrs Elli Ioannou Chatzi who own 21,95930%, 21,777267%, 21,88950%, 0,00140% and 0,00140% respectively (before 16 May 2023 they owned 20,43396%, 20,22501%, 19,72866%, 0,00157% and 0,00157% respectively)

The following transactions were carried out with related parties:

#### 30.1 Payables to related parties (Note 26)

<u>Name</u>	<u>Nature of transactions</u>	30/09/2023	30/09/2022
		UK£	UK£
Easternmed Real Estate ManagementLtd	Finance	6.127	1.430
		<u>6.127</u>	<u>1.430</u>

The payables to related parties were provided interest free, and there was no specified repayment date.

# EASTERNMED REAL ESTATE CAPITAL PLC

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

For the period from 1 April 2023 to 30 September 2023

### 30. Related party transactions (continued)

#### 30.2 Shareholders' current accounts - debit balances (Note 19)

	30/09/2023	30/09/2022
	UK£	UK£
Seas of Levante Shipping and Financing Limited	19.404	15.924
Medvanguard Shipping corporation Limited	19.404	15.924
Medventure Shipping Corporation Limited	19.403	15.925
Oceanroutes Shipping and Trading Limited	19.403	15.925
Marina Martinou, Marina Martinou and Marina Mathilde Martinou	12.049.403	-
	<u>12.127.017</u>	<u>63.698</u>

On 16 May 2023, the company through a shareholders' contribution, proceeded with the acquisition of the Cyprus company Medprestige Limited and the subsequent capitalisation of the non-refundable advances through the simultaneous issue and allotment of new shares to the shareholders, as per the relevant announcement issued by the company. It was observed however, after the issuance and allotment of the new shares, that the value of the new shares allotted to the shareholders was by UK Sterling 12.049.403 higher than intended. This fact created temporarily a debit balance in the shareholders' current account with the company of the same amount as at the date of these financial statements. On 30 November 2023, the shareholders deposited in the company's bank account an amount of Swiss Franc 29.750.000 and the debit balance in the shareholders' current account with the company was eliminated.

The shareholders' current accounts are interest free, and have no specified repayment date.

#### 30.3 Shareholders' current accounts - credit balances (Note 26)

	30/09/2023	30/09/2022
	UK£	UK£
Shareholders' current accounts	45.178	46.450
	<u>45.178</u>	<u>46.450</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

### 31. Contingent liabilities

The Group had no contingent liabilities as at 30 September 2023.

### 32. Commitments

The Group had no capital or other commitments as at 30 September 2023.

### 33. Events after the reporting period

As explained in note 29 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Group might experience negative results, and liquidity restraints and incur impairments on its assets on 1 October 2023 onwards which relate to new developments that occurred after the reporting period.

The exact impact on the Group's activities from 1 October 2023 and thereafter cannot be predicted.