

# **NEU 03 Property Holdings Limited**

FINANCIAL STATEMENTS  
for the year ended 31 December 2021

# **NEU 03 Property Holdings Limited**

## **Financial statements for the year ended 31 December 2021**

| <b>Contents</b>   | <b>Page</b>   |
|---|---------------|
| <b>Board of Directors and other officers</b>                      | <b>1</b>      |
| <b>Independent Auditors' Report</b>                               | <b>2 – 4</b>  |
| <b>Statement of profit or loss and other comprehensive income</b> | <b>5</b>      |
| <b>Statement of financial position</b>                            | <b>6</b>      |
| <b>Statement of changes in equity</b>                             | <b>7</b>      |
| <b>Statement of cash flows</b>                                    | <b>8</b>      |
| <b>Notes to the financial statements</b>                          | <b>9 – 20</b> |

# **NEU 03 Property Holdings Limited**

## **Board of Directors and other officers**

### **Board of Directors**

Michalis Louis  
Demetris Shacallis  
Charalambos Hambakis (resigned on 1 April 2022)  
Charikleia Koukoutsaki

### **Company Secretary**

Demetris Shacallis

### **Registered office**

41 Arch. Makariou III Avenue  
CY-1065 Nicosia  
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Chartered Accountants  
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2

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**NEU 03 PROPERTY HOLDINGS LIMITED**

**Report on the audit of the financial statements**

***Opinion***

We have audited the accompanying financial statements of NEU 03 Property Holdings Limited (the "Company"), which are presented on page 5 to 20 and comprise the statement of financial position as at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

***Basis for opinion***

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

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***Responsibilities of the Board of Directors for the financial statements***

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

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

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Constantinos N. Kallis, FCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of

KPMG Limited  
Certified Public Accountants and Registered Auditors  
14 Esperidon Street  
1087 Nicosia  
Cyprus

25 November 2022

# NEU 03 Property Holdings Limited

## Statement of profit or loss and other comprehensive income for the year ended 31 December 2021

|  | Note | 2021<br>€      | 2020<br>€      |
|--|------|----------------|----------------|
| Administrative expenses                      | 5    | (4.339)        | (2.883)        |
| <b>Operating loss and loss before tax</b>    |      | <b>(4.339)</b> | <b>(2.883)</b> |
| Tax  | 6    | -              | -              |
| <b>Loss for the year</b>                     |      | <b>(4.339)</b> | <b>(2.883)</b> |
| Other comprehensive income                   |      | -              | -              |
| <b>Total comprehensive loss for the year</b> |      | <b>(4.339)</b> | <b>(2.883)</b> |

The notes on pages 9 to 20 are an integral part of these financial statements.

# NEU 03 Property Holdings Limited

## Statement of financial position as at 31 December 2021

|                                     | Note | 2021<br>€      | 2020<br>€ |
|-------------------------------------|------|----------------|-----------|
| <b>Assets</b>                       |      |                |           |
| <b>Non-current assets</b>           |      |                |           |
| Investments in subsidiary           | 12   | -              | 1         |
| <b>Current assets</b>               |      |                |           |
| Cash and cash equivalents           | 7    | 365.630        | 366.399   |
| Other Assets                        | 11   | 1              | -         |
| <b>Total assets</b>                 |      | <b>365.631</b> | 366.400   |
| <b>Equity and liabilities</b>       |      |                |           |
| <b>Equity</b>                       |      |                |           |
| Share capital                       | 8    | 400.000        | 400.000   |
| Accumulated losses                  |      | (41.509)       | (37.170)  |
| <b>Total equity</b>                 |      | <b>358.491</b> | 362.830   |
| <b>Current liabilities</b>          |      |                |           |
| Other payables                      | 9    | 7.140          | 3.570     |
| <b>Total liabilities</b>            |      | <b>7.140</b>   | 3.570     |
| <b>Total equity and liabilities</b> |      | <b>365.631</b> | 366.400   |

On 25 November 2022 the Board of Directors of NEU 03 Property Holdings Limited authorised these financial statements for issue.

Michalis Louis, Director

Demetris Shacallis, Director

The notes on pages 9 to 20 are an integral part of these financial statements.



# NEU 03 Property Holdings Limited

## Statement of changes in equity for the year ended 31 December 2021

|                                    | Ordinary<br>Share<br>capital<br>€ | Accumulated<br>losses<br>€ | Total<br>€     |
|------------------------------------|-----------------------------------|----------------------------|----------------|
| Balance at 1 January 2020          | 400.000                           | (34.287)                   | 365.713        |
| Comprehensive loss                 |                                   |                            |                |
| Loss for the year                  | -                                 | (2.883)                    | (2.883)        |
| <b>Balance at 31 December 2020</b> | <b>400.000</b>                    | <b>(37.170)</b>            | <b>362.830</b> |

|                                    | Ordinary<br>Share<br>capital<br>€ | Accumulated<br>losses<br>€ | Total<br>€     |
|------------------------------------|-----------------------------------|----------------------------|----------------|
| Balance at 1 January 2021          | 400.000                           | (37.170)                   | 362.830        |
| Comprehensive loss                 |                                   |                            |                |
| Loss for the year                  | -                                 | (4.339)                    | (4.339)        |
| <b>Balance at 31 December 2021</b> | <b>400.000</b>                    | <b>(41.509)</b>            | <b>358.491</b> |

The notes on pages 9 to 20 are an integral part of these financial statements.

# NEU 03 Property Holdings Limited

## Statement of cash flows for the year ended 31 December 2021

|   | Note | 2021<br>€      | 2020<br>€      |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>           |      |                |                |
| Loss before tax                                       |      | <u>(4.339)</u> | <u>(2.883)</u> |
| <b>Net cash used in operating activities</b>          |      | <u>(4.339)</u> | <u>(2.883)</u> |
| <b>Changes in working capital</b>                     |      |                |                |
| Net increase in other assets                          |      | (1)            | -              |
| Increase/ (Decrease) in other payables                |      | <u>3.570</u>   | <u>(4.760)</u> |
| <b>Net cash used in operating activities</b>          |      | <u>(770)</u>   | <u>(7.643)</u> |
| <b>Cash flows from investing activities</b>           |      |                |                |
| Proceeds from sale of investments in subsidiaries     |      | <u>1</u>       | <u>-</u>       |
| <b>Net cash generated from investing activities</b>   |      | <u>1</u>       | <u>-</u>       |
| <b>Net decrease in cash and cash equivalents</b>      |      | <b>(769)</b>   | <b>(7.643)</b> |
| <b>Cash and cash equivalents at beginning of year</b> |      | <b>366.399</b> | <b>374.042</b> |
| <b>Cash and cash equivalents at end of year</b>       | 7    | <b>365.630</b> | <b>366.399</b> |

The notes on pages 9 to 20 are an integral part of these financial statements.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 1 General information

#### Country of incorporation

The Company was incorporated in Cyprus on 18 November 2013 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and is domiciled in Cyprus. Its registered office is at 41 Arch. Makariou III Avenue, P.O. Box 1065, Nicosia, Cyprus.

#### Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the years presented in these financial statements, unless otherwise stated.

#### Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and in particular with those Standards and Interpretations, issued and effective for annual periods beginning on 1 January 2021. The financial statements of the Company have also been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113.

The financial statements have been prepared under the historical cost convention.

These separate financial statements contain information about NEU 03 Property Holdings Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent company, Eurobank Ergasias S.A., publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2021.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 'Consolidated Financial Statements' requiring the preparation of consolidated financial statements in accordance with IFRS do not apply. The consolidated financial statements of Eurobank Ergasias S.A.'s are available at its website ([www.eurobank.gr](http://www.eurobank.gr)).

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 2 Summary of significant accounting policies (continued)

#### Adoption of new and revised IFRS and interpretations by the EU

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

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

#### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

**(i) Interest income**

Interest income is recognised on a time proportion basis using the effective interest method.

**(ii) Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### Foreign currency translation

**(i) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

# **NEU 03 Property Holdings Limited**

## **Notes to the financial statements**

### **2 Summary of significant accounting policies (continued)**

#### **Current income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

#### **Investments in subsidiaries**

Subsidiaries are all entities, including structured entities, over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company carries the investments in subsidiaries at cost less any impairment in its separate financial statements.

#### **Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 2 Summary of significant accounting policies (continued)

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### Financial instruments

##### *Recognition and initial measurement*

Financial assets and financial liabilities are recognised when the Company 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 fair value through profit or loss (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.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### *Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL. The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 2 Summary of significant accounting policies (continued)

#### *Impairment*

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

#### *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

#### *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 Company are measured as follows:

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

#### *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Company has a currently enforceable legal right to offset the recognised amounts and it intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Comparatives**

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

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 3 Financial risk management

#### (i) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk) and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company's to financial risks such as interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

#### **Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

During the year ended 31 December 2021 the Company maintained balances with Eurobank Cyprus Ltd amounting to €365.630 (2020: €366.399).

#### **Market risk**

##### ***Interest rate risk***

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected adverse movements arise. The Company is not exposed to any material interest rate risk.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### **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 table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

|                       | Less than<br>1 year<br>2021<br>€ | Gross nominal<br>outflow<br>2021<br>€ | 2020<br>€    |
|-----------------------|----------------------------------|---------------------------------------|--------------|
| Other payables        | 7.140                            | 7.140                                 | 3.570        |
| <b>At 31 December</b> | <b>7.140</b>                     | <b>7.140</b>                          | <b>3.570</b> |



# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 3 Financial risk management (continued)

#### (ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital as defined by management at 31 December 2021 and 31 December 2020 consists of equity as shown on the face of the statement of financial position.

#### (iii) Fair value estimation

The carrying value of other payables are assumed to approximate their fair value at the reporting date.

### 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no 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.

### 5 Administrative expenses

|                                      | 2021         | 2020         |
|--------------------------------------|--------------|--------------|
|                                      | €            | €            |
| Other certification fees             | 769          | 503          |
| Professional services                | 3.570        | 2.380        |
| <b>Total administrative expenses</b> | <b>4.339</b> | <b>2.883</b> |

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 6 Income tax

|                    | 2021 | 2020 |
|--------------------|------|------|
|                    | €    | €    |
| Income tax expense | -    | -    |

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

|  | 2021    | 2020    |
|--|---------|---------|
|  | €       | €       |
| Loss before tax  | (4.339) | (2.883) |
| Tax calculated at the applicable corporation tax rate of 12,5% | (542)   | (360)   |
| Tax effect of expenses non deductible for tax purposes         | 69      | 63      |
| Tax effect of tax losses carried forward                       | 473     | 297     |
| Income tax charge  | -       | -       |

The Company is subject to corporation tax on taxable profits at the rate of 12,5%.

Due to tax losses sustained in the year, no tax liability arises in the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. As at 31 December 2021, the balance of tax losses which is available for offset against future taxable profits amounts to €19.854 for which no deferred tax asset is recognised in the statement of financial position.

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%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

### 7 Cash and cash equivalents

|                        | 2021           | 2020           |
|------------------------|----------------|----------------|
|                        | €              | €              |
| Cash at bank (Note 10) | 365.630        | 366.399        |
|                        | <b>365.630</b> | <b>366.399</b> |

For the purpose of the cash flow statement, the cash and cash equivalents comprise the above amount.

Cash and cash equivalents are denominated in Euro.

The cash at bank is held with a Group company and carries no interest.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 8 Share capital

|                            | Number of<br>shares | Share capital<br>€ | Total<br>€ |
|----------------------------|---------------------|--------------------|------------|
| At 31 December 2021 / 2020 | 400.000             | 400.000            | 400.000    |

There were no changes in the Company's share capital in the year ended 31 December 2021.

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 400.000 ordinary shares of nominal value of €1 each.

#### Issued capital and fully paid

Upon incorporation, the Company issued to the subscribers of its Memorandum of Association 400.000 ordinary shares of €1 each at par.

### 9 Other payables

|                 | 2021<br>€ | 2020<br>€ |
|-----------------|-----------|-----------|
| Other creditors | 7.140     | 3.570     |
|                 | 7.140     | 3.570     |

The fair value of payables which are due within one year approximates their carrying amount at the reporting date.

### 10 Related party transactions

The immediate controlling party of the NEU 03 Property Holdings Limited is NEU Property Holdings Ltd registered in Cyprus. Eurobank S.A., who is the parent company, produces consolidated financial statements available for public use, owns 100% of the shares of NEU Property Holdings Ltd.

Eurobank Ergasias Services and Holdings S.A. (the Company or Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank), which resulted from the demerger of Eurobank Ergasias S.A. ("Demerged Entity") through its banking sector's hive down that was completed in March 2020.

The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities. As at 31 December 2021, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force, and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020 and amended on 3 February 2022. Further information in respect of the HFSF rights based on the aforementioned framework is provided in the section "Report of the Directors and Corporate Governance Statement" of the Annual Financial Report for the year ended 31 December 2021.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 10 Related party transactions (continued)

Fairfax Group is considered to have significant influence over the Company. In July 2021, Eurolife FFH Insurance Group Holdings S.A. became a subsidiary of Fairfax and the percentage of Eurobank Holdings voting rights held by Fairfax Group increased from 31.27% to 33%.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties.

On 27 November 2015 the Company purchased 125.000 shares in IMO 03 EAD for a consideration of €1. Upon resolution on 2 of March 2021, by the directors of the Company transferred its participation of 125.000 in consideration of the price of €1 to Eurobank S.A a bank institution company, incorporated and existing under the laws of Greece.

Related party transactions carried out during the year and outstanding balances with related parties as at 31 December 2021 and 31 December 2020 are as follows:

|                       | With<br>Eurobank<br>Cyprus Ltd<br>2021<br>€ | With<br>Eurobank<br>Cyprus Ltd<br>2020<br>€ |
|-----------------------|---|---|
| Cash at bank (Note 7) | <u>365.630</u>                              | <u>366.399</u>                              |

### 11 Other assets

|                                      | 2021<br>€ | 2020<br>€ |
|--------------------------------------|-----------|-----------|
| Receivable due from bank institution | <u>1</u>  | <u>-</u>  |

### 12 Investment in subsidiary

The Company's investment in subsidiary, which is unlisted, was as follows:

| Name       | Principal activity   | Country of<br>incorporation | 2021 %<br>holding | 2020 %<br>holding | Cost<br>2021<br>€ | Cost<br>2020<br>€ |
|------------|----------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| IMO 03 EAD | Real estate services | Bulgaria                    | -                 | 100,00            | <u>-</u>          | <u>1</u>          |

On 27 November 2015 the Company purchased 125.000 shares in IMO 03 EAD for a consideration of €1. Upon resolution on 2 of March 2021, by the directors of the Company transferred its participation of 125.000 in consideration of the price of €1 to Eurobank S.A a bank institution company, incorporated and existing under the laws of Greece.

# NEU 03 Property Holdings Limited

## Notes to the financial statements

### 13 Events after the reporting period

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 authorizing 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 United Nations, 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 has 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 Company 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 Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries. Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. 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 Company. 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 Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely in case the crisis becomes prolonged.

# **NEU 03 Property Holdings Limited**

## **Notes to the financial statements**

### **13 Events after the reporting period (continued)**

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021 as it is considered as a non-adjusting event.

On 23 June 2022, NEU Property Holding Limited (the sole registered, beneficial and legal owner of the 100% of issued and paid-up share capital of the Company) signed an agreement with Eurobank S.A. for the transfer of its whole shareholding in Eurobank S.A. for €362.061 consideration price.

Independent Auditor's Report on pages 2 to 4.