NEU Property Holdings Limited

FINANCIAL STATEMENTS
for the year ended 31 December 2022

NEU Property Holdings Limited

Financial statements
for the year ended 31 December 2022

Contents

NEU Property Holdings Limited

Board of Directors and other officers

Board of Directors

Michalis Louis
Demetris Shacallis
Charalambos Hambakis (resigned on 1 April 2022)
Spyridon Psychogios (resigned on 7 April 2023)

Company Secretary

Demetris Shacallis

Registered office

41 Arch. Makariou III Avenue
P.O.Box 1643
Nicosia
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KPMG Limited
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

NEU PROPERTY HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NEU Property Holdings Limited (the "Company"), which are presented on pages 5 to 22 and comprise the statement of financial position as at 31 December 2022, 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 2022, 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.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, where it is indicated that the financial statements have not been prepared on a going concern basis, since its members have taken the decision to liquidate the Company in the near future. Our opinion is not modified in respect of this matter.

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.

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

- 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.
- 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

21 June 2023

NEU Property Holdings Limited

Statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Note	**2022 €**	2021 €
Impairment of investment in subsidiaries	8	**-**	(7.014.056)
Loss from sale of investment of Associate	9	**(27.333)**	-
Administrative expenses	5	**(28.328)**	(20.926)
Operating loss		**(55.661)**	(7.034.982)
Finance costs	6	**(82.076)**	(231.832)
Loss before tax		**(137.737)**	(7.266.814)
Tax	7	**-**	-
Loss for the year		**(137.737)**	(7.266.814)
Other comprehensive income		**-**	-
Total comprehensive expense for the year		**(137.737)**	(7.266.814)

The notes on pages 9 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of financial position
as at 31 December 2022

	Note	**2022**	2021
		€	€
Assets			
Investments in subsidiaries	8	**-**	362.066
Investment in associate	9	**-**	27.334
Cash and cash equivalents	10	**171.686**	174.802
Other assets	11	**12.504**	11.404
Total assets		**184.190**	**575.606**
Liabilities			
Other payables	14	**3.570**	7.140
Borrowings	13	**22.063**	8.772.173
Total liabilities		**25.633**	8.779.313
Equity			
Share capital	12	**9.300.000**	8.450.000
Share premium	12	**87.700.000**	80.050.000
Accumulated losses		**(96.841.443)**	(96.703.707)
Total equity		**158.557**	(8.203.707)
Total equity and liabilities		**184.190**	575.606

On 21 June 2023 the Board of Directors of NEU Property Holdings Limited authorised these financial statements for issue.

Michalis Louis, Director

Demetris Shacallis, Director

The notes on pages 9 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of changes in equity for the year ended 31 December 2022

	Ordinary Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2021	**7.750.000**	**73.750.000**	**(89.436.893)**	**(7.936.893)**
Comprehensive income				
Increase in share capital/premium	700.000	6.300.000	**-**	7.000.000
Loss for the year	-	-	(7.266.814)	(7.266.814)
Balance at 31 December 2021/ 1 January 2022	**8.450.000**	**80.050.000**	**(96.703.707)**	**(8.203.707)**
Comprehensive income				
Increase in share capital/premium	850.000	7.650.000	-	8.500.000
Loss for the year	-	-	(137.736)	(137.736)
Balance at 31 December 2022	**9.300.000**	**87.700.000**	**(96.841.443)**	**(158.557)**

The notes on pages 9 to 22 are an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2022

	Note	2022 €	2021 €
Cash flows from operating activities			
Loss before tax		**(137.737)**	(7.266.814)
Adjustments for:			
Impairment of investment in subsidiaries	8	**-**	7.014.056
Loss from sale of associate	9	**27.333**	
Interest expense	6	**81.824**	230.271
		(28.580)	(22.486)
Changes in operating assets and liabilities			
Net increase in other assets		**(1.100)**	(5.500)
Net decrease in other payables		**(3.570)**	(3.570)
Net cash used in operating activities		**(33.250)**	(24.416)
Cash flows from investing activities			
Proceeds from sale/liquidation of investments in subsidiaries	8	**362.066**	-
Proceeds from sale/liquidation of investments in associates	9	**1**	
Net cash generated from investing activities		**362.067**	-
Cash flows from financing activities			
Proceeds from issue of share capital		**8.500.000**	-
Repayments of borrowings		**(8.831.934)**	-
Proceeds from borrowings		**-**	23.620
Net cash used in financing activities		**(331.634)**	23.620
Net increase in cash and cash equivalents		**(3.116)**	(796)
Cash and cash equivalents at beginning of year		**174.802**	175.598
Cash and cash equivalents at end of year	10	**171.686**	174.802

The notes on pages 9 to 22 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

The Company was incorporated in Cyprus on 31 August 2009 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 1643, 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 to all 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 2022. 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 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 company, Eurobank 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 2022.

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 S.A.’s are available at its website (www.eurobank.gr).

Notes to the financial statements

2 Summary of significant accounting policies (continued)

Going Concern basis

The company incurred a loss of €137.736 during the current year to 31 December 2021 and, as of that date the Company's current assets exceeded its current liabilities by €158.557.

Issued Share Capital of the Company has increased from €8,450,000 to € 9,300,000 divided into 9,300,000 ordinary shares of €1.00 each via the issuance of 850,000 new ordinary shares with nominal value of €1.00 each, at the issuance price of €10.00 per share and total issuance price of €8,500,000 ("the Shares"), creating an additional total share premium of €7,650,000. As a result of the aforementioned share capital increase, the total Issued Share Capital of the Company shall be € 9,300,000, divided into 9,300,000 ordinary shares, of nominal value of €1.00 each. The Shares to be allotted to the Sole Shareholder of the Company, Eurobank S.A., which will cover and pay in cash the total amount of €8,500,000 facilitating in the repayment of the bank overdraft of the company.

Financial statements have been prepared on the basis that the Company will not continue as a going concern, since its members intent to liquidate the Company. Nevertheless, the preparation on this basis did not have any significant effect on the Company's accounting policies which continue to be in accordance with IFRSs.

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.

Finance costs

Interest expense is recognized to profit or loss using the effective interest method.

Bank charges are recognized in profit or loss in the period which incurred.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

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.

Current income tax

The tax expense for the year 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.

Investments in associates

Associates are all entities over which the Company has significant influence but not control or joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for at cost less any impairment.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

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.

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.

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of the shares issued.

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 recognized 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.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Recognition and initial measurement (continued)

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.

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. 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.

Notes to the financial statements

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 with changes in the presentation for the current year.

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 2022, the Company maintained balances with Eurobank AD, Beograd amounting to €171.686 (2021: €174.802).

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.

Notes to the financial statements

3 Financial risk management (continued)

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 1 year 2022 €	**Gross nominal outflow 2022 €**	2021 €
Borrowings – Bank overdraft	**22.063**	**22.063**	8.772.173
Other payables	**3.570**	**3.570**	7.140
At 31 December	**25.633**	**25.633**	8.779.313

(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 2022 and 31 December 2021 consists of equity as shown on the face of the statement of financial position.

(iii) Fair value estimation

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

Notes to the financial statements

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. 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.

- **Impairment assessment for investments in subsidiaries**

  The Company follows the guidance of IAS 36 in determining whether an investment in subsidiary is impaired. This determination requires significant judgment. The Company assesses at the end of each reporting period whether there is an indication of impairment. If such an indication exists the Company estimates the recoverable amount of the investment.

5 Administrative expenses

	2022	2021
	€	€
Other administration/ certification fees	**4.484**	580
Professional services	**23.844**	20.346
Total administrative expenses	**28.328**	20.926

6 Finance costs

	2022	2021
	€	€
Interest expense on bank borrowings	**81.824**	230.271
Sundry finance expenses	**252**	1.561
Total finance costs (Note 15)	**82.076**	231.832

7 Income tax

	2022	2021
	€	€
Income tax expense	**-**	-

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

	2022	2021
	€	€
Loss before tax	**(137.737)**	(7.266.814)
Tax calculated at the applicable corporation tax rate of 12,5%	**(17.217)**	(908.352)
Tax effect of income and allowances not subject to tax	**-**	-
Tax effect of expenses and losses not deductible for tax purposes	**14.035**	876.830
Tax effect of tax losses carried forward	**3.182**	31.522
Income tax charge	**-**	-

7 Income tax (continued)

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 2022, the balance of tax losses which is available for offset against future taxable profits amounts to €99.411 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.

8 Investments in subsidiaries

The Company's investments in subsidiaries, all of which are unlisted, were as follows:

Name	**Principal activity**	**Country of incorporation**	**2022 % holding**	2021 % holding	**2022 €**	2021 €
NEU 03 Property Holdings Ltd	Finance company	Cyprus	-	100	-	362.061
IMO Property Investments A.D. Beograd	Real estate services	Serbia	-	100	-	1
ERB New Europe Funding III Ltd	Dormant	Cyprus	-	100	-	1
IMO Property Investments Sofia SA	Real estate services	Bulgaria	-	100	-	1
IMO Property Investments Bucuresti SA	Real estate services	Romania	-	99.99	-	1
IMO II Property Investments SA	Real estate services	Romania	-	99.99	-	1
					-	362.066

In the context of group structure simplification and approval to liquidate the Company participations that the Company holds are transferred to Eurobank S.A a bank duly incorporated and operating in accordance with the Greek law.

Thus in 2022 the company has agreed to transfer the shares of its subsidiaries (NEU03 Property Holdings, ERB New Europe Funding III Ltd, IMO Property Investments Sofia SA, IMO Property Investments Bucuresti SA, IMO Property Investments A.D Beograd and IMO II Property Investments SA) in consideration of €362.066 to Eurobank S.A.

9 Investment in associate

	2022	2021
	€	€
At the beginning of the year	27.334	27.334
Disposals	(27.334)	-
At end of the year	**-**	27.334

Registered shares representing the 33.33% of the share capital of Rosequeens Properties Ltd were also transferred to Eurobank S.A for a purchase price of €1 occurring a loss of €27.333.

10 Cash and cash equivalents

	2022	2021
	€	€
Cash at bank	**171.686**	174.802
	171.686	174.802

For the purpose of cash flow statement, the cash and cash equivalents comprise the above amount. Cash and cash equivalents are denominated in Euro.

11 Other assets

	2022	2021
	€	€
Receivable due from Associate	**12.504**	11.404
	12.504	11.404

12 Share capital

	No. of shares	Ordinary shares €'000	Share premium €'000	**Total €'000**
At 31 December 2021	8.450	8.450	80.050	88.500
Increase in share capital	850	850	7.650	8.500
At 31 December 2022	9.300	9.300	87.700	97.000

Authorised capital

The Company increased its authorized share capital from 8.000.000 ordinary shares of nominal value of €1 each to share capital at 10.000.000 ordinary shares as of December 2021.

Issued capital and fully paid

The Company issued to the subscribers of its Memorandum of Association 9.300.000 ordinary shares of €1 each at par.

On 4 May 2022 the company issued 850.000 new ordinary shares at the nominal value of €1,00 each and share premium at €9,00 per share.

13 Borrowings

	2022	2021
	€	€
Current		
Bank overdraft (Note 15)	**22.063**	8.772.173
Total borrowings	**22.063**	8.772.173

The bank overdraft carries interest at 3 months Euribor plus margin of 3,2%, is denominated in Euro and is payable upon demand. It is provided by Eurobank Cyprus Limited, a Group company.

Share capital increase from Eurobank S.A in May 2022 for €8.500.000 was used to repay the funding provided.

14 Other payables

	2022	2021
	€	€
Other creditors	**3.570**	7.140
	3.570	7.140

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

15 Related party transactions

The immediate controlling party of NEU Property Holdings Ltd is Eurobank S.A., who produces consolidated financial statements available for public use, and owns 100% of the shares of NEU Property Holdings Ltd.

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.

Fairfax Group, which holds 32,99% of Eurobank Holdings voting rights as of 31 December 2022 (31 December 2021: 33%), is considered to have significant influence over the Company.

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 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 NEU03 Property Holdings Ltd) signed an agreement with Eurobank S.A. for the transfer of its whole shareholding in Eurobank S.A. for €362.061 consideration price.

15 Related party transactions (continued)

Related party transactions carried out during the year and outstanding balances with related parties as at 31 December 2022 and 31 December 2021 are as follows:

	With Eurobank S.A. Group	With Eurobank S.A. Group
	2022	2021
	€	€
Cash at bank (Note 10)	**171.685**	174.802
Bank overdraft (Note 13)	**22.063**	8.772.173
Finance costs (Note 6)	**82.076**	231.832

16 Events after the reporting date

The year 2022 was marked by the Russian invasion of Ukraine, which gave rise to a global –but predominantly European– energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT), the Greek economy expanded by 5.9% on an annual basis in the first nine months of 2022, with the average monthly unemployment rate declining to 12.4% of the labor force, from 14.8% in 2021. A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding under the Next Generation EU (NGEU) instrument and its current Multiannual Financial Framework (MFF 2021–2027, EU's long-term budget).

On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Moreover, the Governing Council of ECB, in line with its strong commitment to its price stability mandate, has proceeded with five rounds of interest rate hikes (in July, September, October, December 2022, and in February 2023), raising the three key ECB interest rates by 300 basis points in aggregate, and approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market.

Notes to the financial statements

16 Events after the reporting date (continued)

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and our region are as follows: (a) the ongoing war of Russia against Ukraine and its ramifications on regional and global stability and security, the European and Greek economy, and the energy and fuel markets in particular, (b) a prolongation of the ongoing inflationary wave, especially in the energy and food sectors, and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail (c) the ongoing and upcoming central bank interest rate hikes worldwide, and in the Euro Area in particular, that may exert upward pressures on sovereign and private borrowing costs, especially those of highly indebted borrowers, discourage investment, increase turbulence in the financial markets and lead economies to a slow down or even a recession (albeit, most likely, a shallow and short-lived one), (d) the impact of a potential curtailment or discontinuation of the government energy support measures on growth, employment and the servicing of household and corporate debt, (e) the persistently large current account deficit and the prospect of it becoming once again a structural feature of the country's growth model, alongside fiscal deficits, (f) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (g) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience, areas in which –despite some recent progress– the Greek economy is lagging behind most of its EU peers, (h) a delay in the implementation of planned reforms, projects and the budget's fiscal agenda in Greece due to the prospect of the 2023 national elections resulting in a potential inability to form a government and leading to a fresh election, (i) the geopolitical developments in the near region, (j) the evolution of the pandemic, and the probability of emergence of new Covid-19 variants that could further impact economic growth, fiscal balances and international trade by prolonging the disruptions in the global supply chain, and (k) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks including those related to increased energy prices and inflation, would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. The Russia- Ukraine war poses uncertainties in global economy and international trade with far-reaching and long-term consequences. However, the risks coming from the geopolitical upheaval could be potentially mitigated with coordinated measures at the European level, as per the pandemic precedent, although progress so far is very limited and slow. In this context, the Group holds non-significant exposure in Russian or Ukrainian assets, is continuously monitoring the developments on the macroeconomic and geopolitical fronts as well as the evolution of its asset quality KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023-2025.

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.

Independent Auditor's Report on pages 2 to 4.