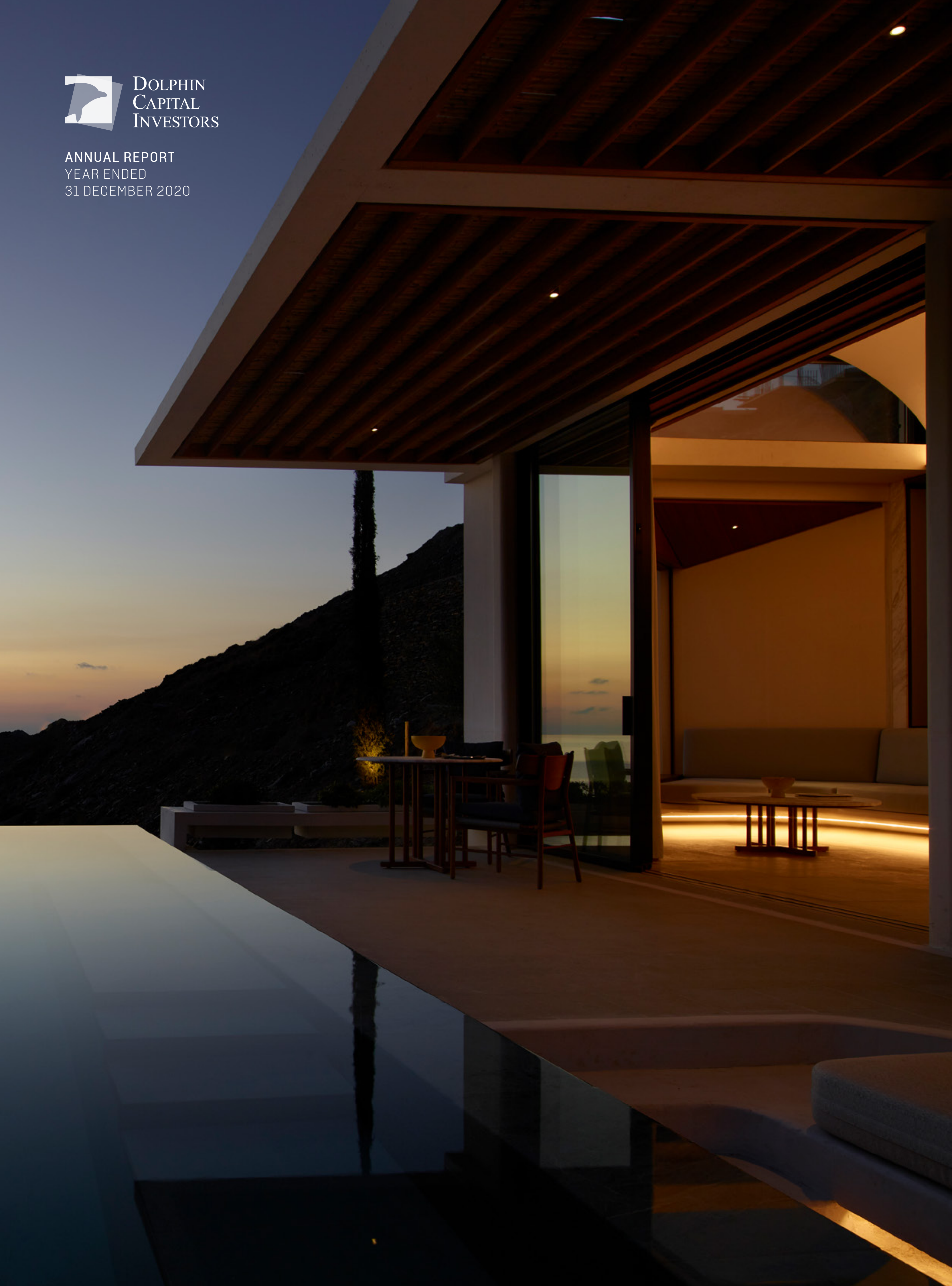
Dolphin Capital Investors

Annual Report

Year Ended 31 December 2020



Welcome to Dolphin Capital Investors Annual Report 2020.

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Financial highlights *as at 31 December 2020*

GROSS ASSETS

€205m

TOTAL GROUP NET ASSET VALUE ('NAV')

€157m

before deferred income tax liabilities ('DTL')

STERLING NAV PER SHARE

16p

before deferred income tax liabilities ('DTL')

TOTAL DEBT

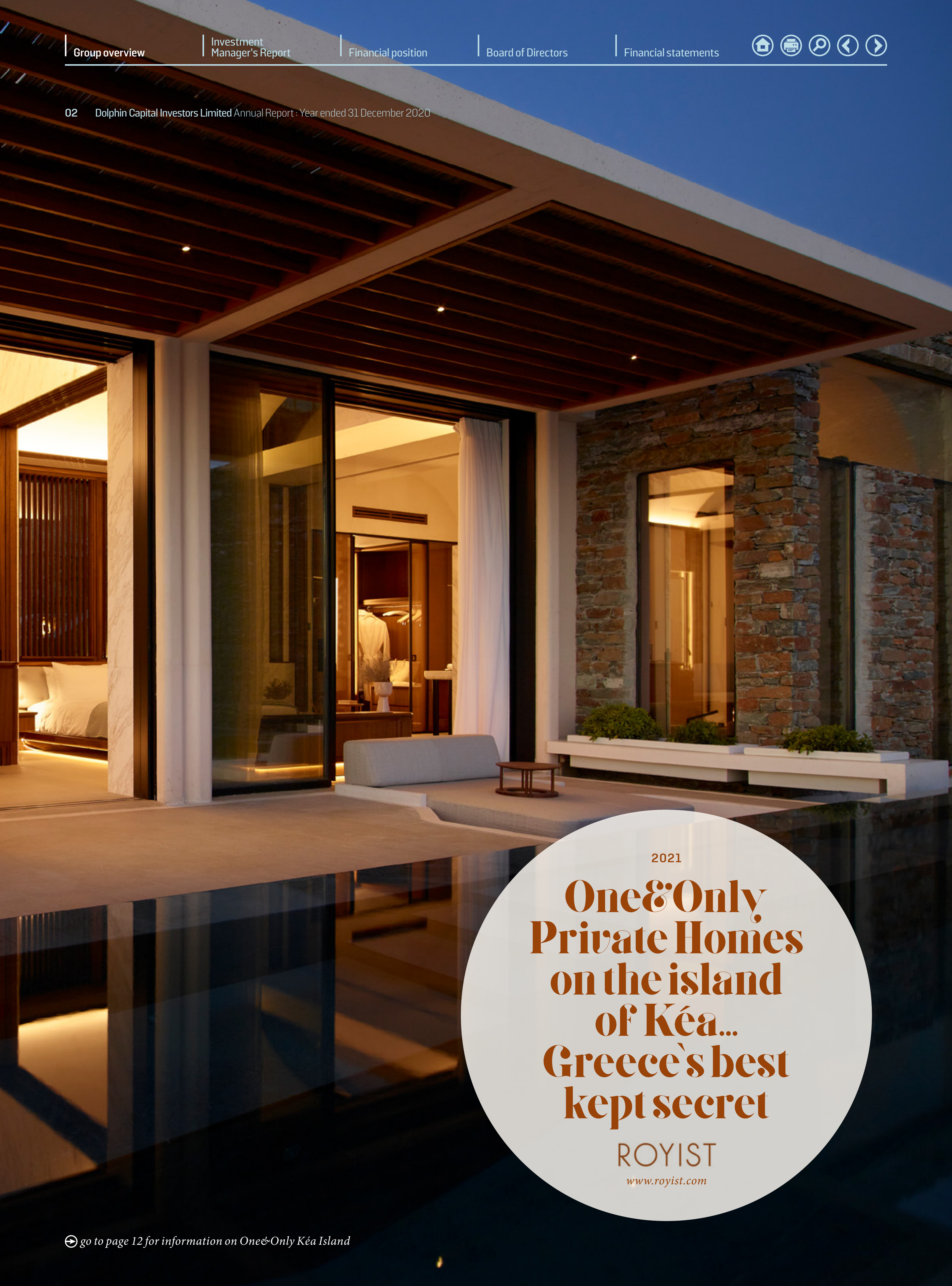
€6.2m

Group total debt to gross assets ratio of 3%

- Gross Assets of €205 million (31 December 2019: €226 million).
- Total Group Net Asset Value ('NAV') of €157 million and €149 million before and after Deferred Tax Liabilities ('DTL') respectively. This represents a decrease of €24 million and €21 million (13.2% and 12.3%) respectively, against the 2019 year-end figures.
- NAV reduction is principally due to valuation write-downs on certain portfolio assets and other operational, corporate, finance and management expenses as detailed on page 22.
- Sterling NAV per share as at 31 December 2020 stood at 16p before DTL and 15p after DTL, versus 17p and 16p, a 8.1% and 7.1% decrease before and after DTL respectively, compared to 31 December 2019. The Sterling NAV per share reduction mainly reflects the factors mentioned above and was counterbalanced by a 6% depreciation of Sterling versus the Euro during the period.
- Total debt of €6.2 million with a Group total debt to gross asset ratio of 3%.
- Total Group cash as of 31 December 2020 stood at €1.7 million.

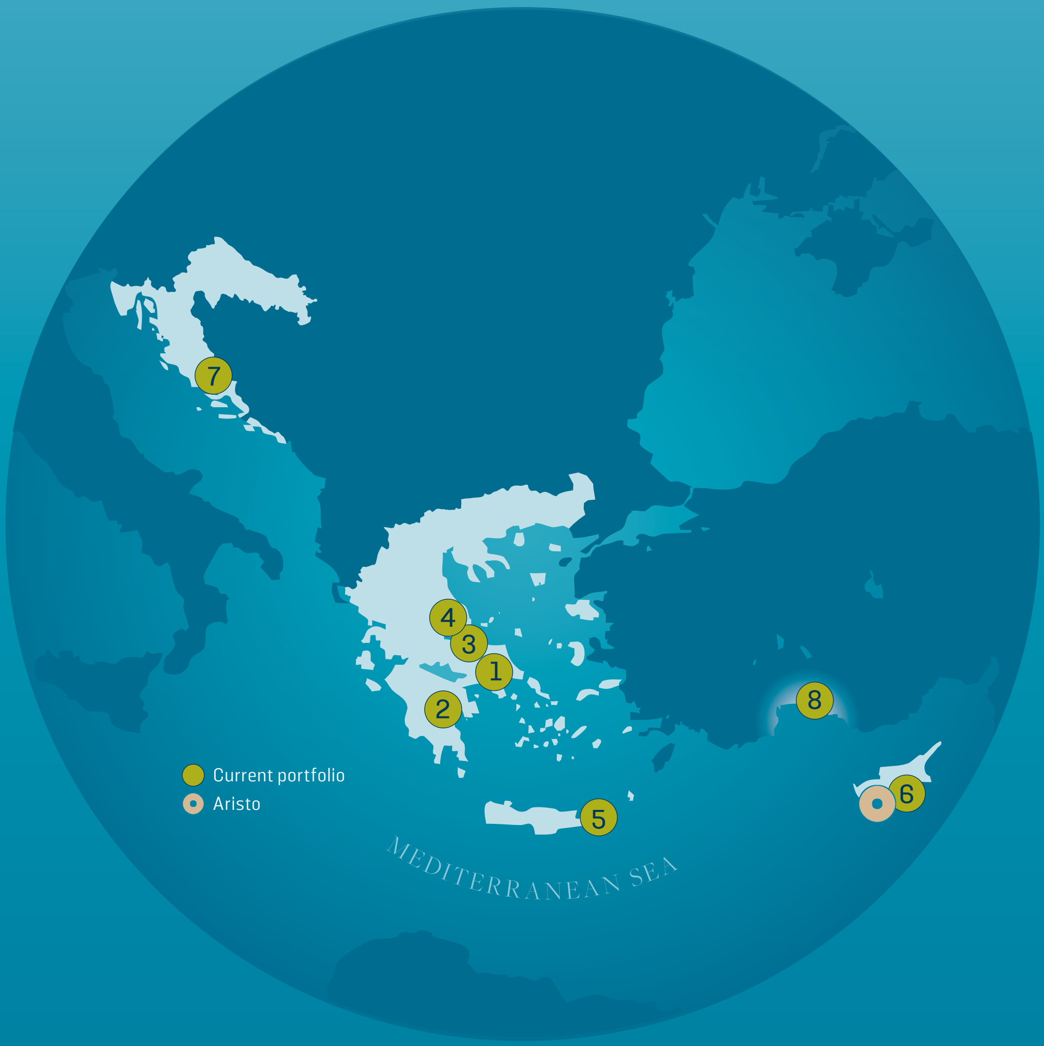
Operational highlights

- The COVID-19 pandemic has had a significant adverse impact on our overall business activities, restricting our ability to market and sell plots and villas in our development projects, and at Aristo. Most importantly, it has caused a material disruption to our efforts to divest our asset portfolio in an orderly manner. This is mainly due to both the reduced investor interest in the acquisition of large-scale greenfield development projects in the hospitality and leisure sector as well as to the continued international travel restrictions preventing potential investors from visiting our projects.
- Despite the adverse market backdrop, the Company realised the sale of the LaVanta project in Turkey for a total consideration of €4.3 million, a figure marginally exceeding its book value. More specifically, on 3 September 2020, a c. 11,000m² land plot in the northern border of LaVanta was sold to a local developer for €0.8 million and on 10 March 2021, DCI agreed the sale of all its remaining land holdings in LaVanta to another local investor for a net consideration of €3.5 million, which is in line with the YE 2020 valuation. An amount of €1 million has already been received, while the balance is due by the end of June 2021.
- Construction works at One&Only at Kéa Island ('OOKI') continue based on the new timeline agreed with our partners at One&Only, which targets commencement of resort operations in time for the 2022 season. To date, all internal roads have been constructed, site infrastructure has advanced, and vertical construction is progressing with the lower levels of the main building being complete and the majority of guest room foundations and superstructure frame having advanced as well as the internal works in both guest rooms and support buildings. In addition, the resort mock-up room was completed within Q4 2020. Meanwhile, via agents, contacts through our network, as well as dedicated social media campaigns and related PR activities in co-operation with One&Only, we have been able to source significant demand for the Private Homes available at the project. We have already signed and received deposits during the financial year and subsequently from eight sales reservations on an off-plan basis, with prices ranging from €1 to €7.5 million, for an aggregate value of €26.4 million. We are in advanced discussions with several other potential purchasers.
- At our Kilada Country Club, Golf and Residences development, rough earthworks and shaping of the front nine holes have been completed by the earthworks contractor. The golf contractor has also been appointed and is working on site. Residential infrastructure works have begun and the country club contractor has been appointed and will commence works within Q3 2021. An agreement with the European PGA was signed to brand Kilada as the PGA National Golf Club of Greece, effective from 1 January 2021. In addition to the above, the final notarial Deed for the acquisition of 24 founder lots in Kilada against a €10 million consideration is expected to be concluded imminently, which, together with the preferred equity investment agreement entered into on 19 December 2019, fully cover the Kilada first phase development costs. Additionally, during 2020, we executed the sale of a land plot which fell outside the project development perimeter at a price of €1.5 million.
- As announced on 15 October 2020, the Cyprus government cancelled the Cyprus citizenship investment programme with effect from 1 November 2020. The programme allowed foreign investors to apply for Cypriot citizenship upon making a minimum €2 million investment in, inter alia, Cyprus property. The termination of the Cypriot citizenship investment programme exacerbated the already adverse trading conditions caused by the COVID-19 pandemic for Aristo, which ended the year with total sales revenue of €17 million, a decline of 66% on a year-on-year basis.



go to page 12 for information on One&Only Kéa Island

Our Portfolio



	PROJECTS ➔ *page 11*	Land site (hectares)	DCI's stake
#1	One&Only Kéa Island	65	33%
#2	Kilada	224	96%
#3	Scorpio Bay Resort	172	100%
#4	Lavender Bay Resort	310	100%
#5	Plaka Bay Resort	442	100%
#6	Apollo Heights Polo Resort	447	100%
#7	Livka Bay Resort	63	100%
#8	LaVanta*	7	100%
	Aristo	474	47.9%
	TOTAL	**2,204**	

**Sold on 10 March 2021*

Chairman's statement

Andrew Coppel CBE, commented:

"The impact of the COVID-19 pandemic to our business has been material. International travel restrictions and repetitive regional lockdowns meant that we were unable to complete any significant portfolio asset disposals. Retail sales and development works were also greatly impacted.

As restrictions are gradually lifted we expect to resume our sales initiatives. Development works at OOKI and Kilada will gain momentum, enhancing their sales potential and enabling us to deliver better value to shareholders.

We look forward to presenting our plans and proposals to our shareholders and will hold an EGM no later than September 2021 so that they are provided with the opportunity to consider the future of the Company."

I am pleased to report Dolphin's financial results for the year ended 31 December 2020 and to provide a trading update.

Results

Total Group NAV as at 31 December 2020 was €157 million and €149 million before and after DTL respectively. This represents a decrease of €24 million (13.2%) and €21 million (12.3%), respectively, from the 31 December 2019 figures.

The loss for the year was mainly due to the €10 million year-end net valuation reduction, €9 million share of losses on equity-accounted investees (primarily Aristo) as well as the Company's ongoing overhead and finance expenses.

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

Portfolio

During 2020 the Board and the Investment Manager have focused their efforts on resuming and progressing construction at OOKI, commencing works at Kilada and dealing with the effects of the COVID-19 outbreak on our business. The pandemic resulted in a slow-down to our ongoing asset-disposal programme, weaker Aristo sales, challenges to our cash flow position, as well as the need to redefine our sales and marketing strategy in view of the lockdown measures and travel restrictions.

In spite of these adverse market conditions, we have been able, within the period, to:

- divest LaVanta for an aggregate consideration of €4.3 million, which is marginally higher than its book value;
- advance the development of our OOKI and Kilada projects;
- agree the sale of eight OOKI Private Homes on an off-plan basis for an aggregate value of €26.4 million;
- complete the sale of a land plot outside the project perimeter at Kilada for €1.5 million; and
- receive provisional zoning permissions in our Apollo Heights project and achieve permitting advances in our remaining asset portfolio.

Chairman's statement *continued*

Bridge financing

The ongoing COVID-19 pandemic, and the respective governmental measures implemented to contain it, have materially impacted our ability to market and sell our assets over and above the already challenging market conditions for greenfield real estate developments in the geography where DCI operates. Given that DCI's revenue generation capacity is dependent on its ability to sell its projects, this prolonged situation has impacted the Company's cash position and reserves.

In order to restore the financial resources available to the Company and safeguard our ability to continue our operations and execute our divestment strategy in an orderly manner, we entered into a €15 million facility agreement.

This facility was initiated earlier this year to provide a fall-back position in the event that no additional sales materialise by mid-July and with the following factors in mind:

a. the continued COVID-19 related market uncertainty;
b. our desire to continue the orderly liquidation process from a position of financial strength;
c. our desire not to seek dilutive equity from shareholders at a time when we are committed to returning capital to them; and
d. the accounting going-concern requirements of the Company.

The liquidity that is secured through this facility will enable us to move forward with our disposal programme without facing cash constraints, which could otherwise undermine our aim to realise the maximum possible value for our shareholders. Our intention is to fully repay any drawn portion of the facility as soon as we are able to generate adequate sales proceeds from our projects.

Strategy

Our asset portfolio comprises two basic categories:

- OOKI, Kilada and Aristo, our three major projects which constitute in aggregate 73% of the Group's NAV; and,
- our remaining asset portfolio, which we intend to opportunistically monetise as soon as practicable, taking into account, inter alia, permitting and zoning status as well as overall market conditions.

The prospects of generating meaningful distributions to our shareholders are intrinsically linked to the sale of the Company's three major projects. The first two of these require an additional year of development so that they are either operational (in the case of OOKI) or close to completion (in the case of Kilada). The development of both these projects is fully financed from presales, third-party equity and senior bank loans, and works are currently progressing under turn-key construction contracts. We have explored the market for potential divestment opportunities with the assistance of professional advisers engaged on a success basis fee and have found that the vast majority of both real estate and private equity investors approached were reluctant to assume any development risk in view of the construction and operational challenges caused by the COVID-19 pandemic. Most importantly, they were unable to visit our projects and perform the required commercial, technical and legal diligence that would allow them to proceed with offers. As hospitality investment turnover fell sharply in 2020, our divestment efforts were also met with competition from hotel companies disposing of assets in order to recapitalise, as well as the local secondary non-performing-loan market in which both private equity funds and family office investors were active.

Following an analysis of prevailing market conditions with our advisers, who see a material improvement in sentiment for investment in the Greek leisure and hospitality market, we believe that, given the significant sales interest that we have been able to generate at OOKI, the construction advances in both these assets during 2021 and the gradual lifting of the COVID-19 travel restrictions, investor interest will be renewed and we will be in a position to appeal to a larger investment audience and transact at valuations reflecting the projects' maturity and intrinsic value.

In relation to Aristo, its overall sales performance in 2020 has been adversely impacted by COVID-19 as well as the cancellation of the Cyprus citizenship investment programme with effect from 1 November 2020. As its main market is China, Aristo has felt the impact of the pandemic from the beginning of the year due to travel restrictions imposed on Chinese residents which further culminated in the global inbound travel ban enacted by the Cyprus government from March 2020 onwards. The resulting 66% drop in sales revenue on a year-on-year basis demonstrates the gravity of the situation and the financial and operational challenges Aristo has had to face.

Chairman's statement *continued*

Our efforts, in close co-operation with Aristo management, are to:

- maximise Aristo's reach to international customers beyond its main, Chinese, market;
- redesign and redeploy its residential product offering, which was skewed towards high-end properties appealing to clients applying for Cypriot passports under the, now defunct, local citizenship investment programme;
- ensure that we take advantage to the fullest extent possible of the COVID-19 business relief measures introduced by the Cyprus government;
- monitor Aristo's cash flows to meet its expenses without derailing its ongoing construction activities and the delivery of sold units to existing clients; and
- explore potential divestment opportunities in co-operation with the majority shareholder of the company.

Our remaining portfolio includes Scorpio Bay, Lavender Bay and Plaka Bay in Greece, Apollo Heights in Cyprus and Livka Bay in Croatia. All these assets remain essentially greenfield projects. Our main focus is on monetising our investments in Apollo Heights and Livka Bay which are more mature in terms of permitting. There are currently discussions with interested parties for both these projects, which, in the case of Apollo, have matured into negotiations of a share purchase agreement for the full disposal of our interests in the project.

Outlook

2020 has been a particularly challenging year for Dolphin and tested our business resilience, financial management and operational capabilities on multiple levels. Though we have not been able to achieve the quantum of disposals we were targeting at the beginning of the year which would have allowed us to return funds to our shareholders in line with our divestment strategy, we were able to make progress in our development works at OOKI and Kilada, in spite of the pandemic headwinds. We generated a total of €5.8 million from the sale of land in LaVanta and Kilada (of which €2.5 million is due to be paid in June) and sold eight homes on an off-plan basis at OOKI both during the financial year and subsequently.

In particular, our ability to execute eight off-plan residential sales at OOKI, with a total value of €26.4 million, validates the quality of the project as well as the resilience of the high-end integrated hospitality and residential resort model. In the new social-distancing and remote working landscape that prevails post the COVID-19 outbreak, we have witnessed that the demand for quality second-homes remains healthy, as affluent and increasingly mobile individuals seek fully serviced properties, offering privacy and longer-term use potential. We believe that this theme will continue and help both our OOKI and our Kilada projects which are significantly reliant on quality second-home sales.

From a more general market perspective, we note an increasing number of private equity funds and family offices actively looking to expand their exposure to variable hotel income, in resort locations, through the acquisition of properties which are branded and/or managed by operating partners, thus reducing direct operational risks. Moreover, the post-pandemic uplift in global travel and rising proportion of consumer spending on experiences looks set to endure, and this should further support hospitality investment volumes and valuations going forward.

In light of the above trends, moving forward into 2021, we expect that opportunities to acquire newly developed luxury branded residential resorts, such as OOKI and Kilada, could be scarce due to the lack of a material development pipeline. Both these core development projects and our remaining asset portfolio are uniquely positioned to capitalise on the expected growing investor demand in our local markets as they combine both the branded/operated hospitality component and the real estate capital appreciation aspect.

The Board has been working closely with the Investment Manager to formulate and implement an actionable plan in order to navigate the medium-term challenges, further reduce the Company's operating overheads and capitalise on the expected recovery so as to achieve tangible divestment results. We will present proposals to shareholders and hold an EGM no later than September 2021 so that they are provided with the opportunity to consider the future of the Company well before the end of the current divestment period.

Andrew M Coppel CBE
Chairman

Dolphin Capital Investors

07 June 2021

Investment Manager's Report

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

Investment Manager's Report

Miltos Kambourides, commented:

"Our focus during this difficult year was to progress construction at OOKI and Kilada, generate retail sales, advance asset disposals discussions and manage the overall operational challenges to our business. Although we have been successful in maintaining a good development pace at both OOKI and Kilada, which enhances their value and divestment potential, in selling LaVanta and in closing eight villa sales at OOKI on an off-plan basis, the execution of our project divestment programme was significantly impacted. Our recent conclusion of a bridge facility addresses our medium-term liquidity requirements and will enable us to continue our plans to monetise our project portfolio in accordance with our divestment strategy from a position of financial strength when market conditions permit."

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

Business overview

During the period we focused on enhancing the value of our portfolio assets, while addressing the day-to-day challenges presented by COVID-19:

- progressing construction works at OOKI and Kilada;
- adjusting our retail and project sales and marketing strategies at a time of travel restrictions and social distancing measures;
- securing liquidity at the DCI level to meet all our operational expenses in the medium term;
- making permitting advances across our asset portfolio; and
- monitoring our operational budgets and reducing overhead costs.

Bridge financing

On 3 June 2021, Dolphin entered into a bridge loan facility of up to €15 million with two institutional private credit providers acting on behalf of their managed and advised funds. The first tranche of €1.75 million has been drawn down while the second tranche of €13.25 million will remain available for 45 days post signature of the Loan Agreement.

The basic terms of the facility agreement are as follows:

- interest rate set to 12.5% per annum, payable semi-annually in arrears in equal instalments;
- initial maturity date falls 18 months from the first loan draw-down and is subject to a six-month extension at DCI's option with a 2% interest step-up;
- security package includes a fixed and floating charge on DCI as well as share pledge over DCI's shares in holding companies owning interests in Kilada, OOKI, Aristo and Apollo;
- DCI's proceeds from the disposals of any portfolio assets as well as from any distributions from its direct or indirect subsidiaries will be used to repay any outstanding debt under the facility agreement until its full repayment; and
- standard acceleration and event of default provisions include illegality, change of control, delisting, fund and manager termination events, LTNAV covenants and similar terms customary under bridge facility agreements.

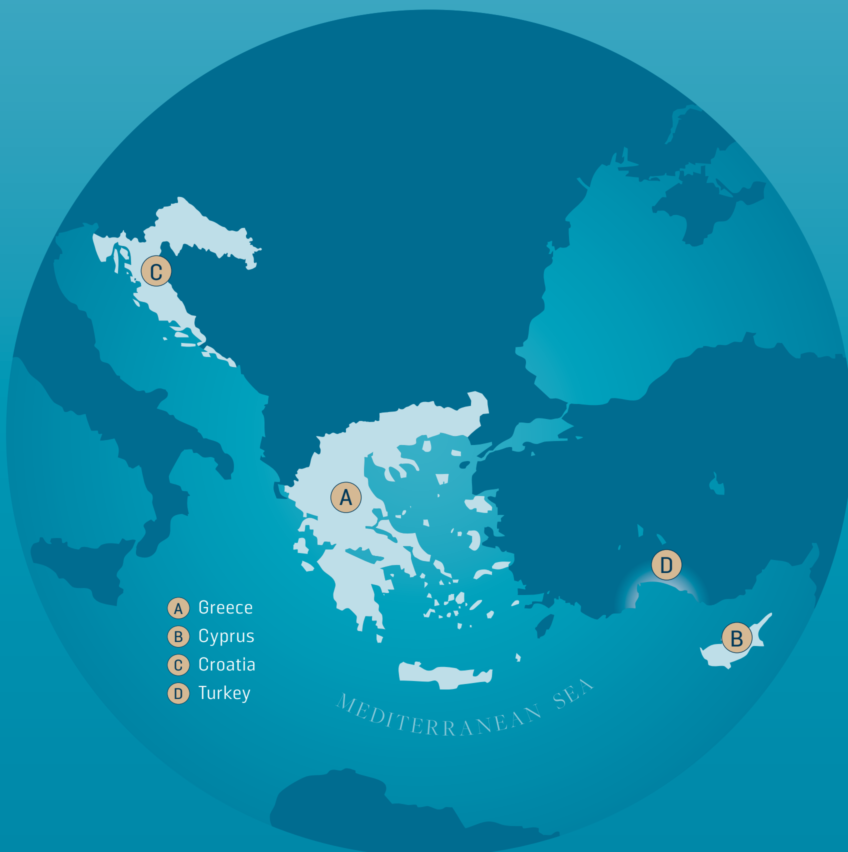
Investment Manager's Report *continued*

On 9 June 2020, following a process that lasted several years and involved negotiations between the governments of the United Kingdom and Cyprus, an agreement was reached on the regulations for development in the non-military Sovereign Base Areas where the largest part of our 447 hectare Apollo project is located. This agreement has already resulted in provisional zoning permissions allowing for the development of tourist real estate and hospitality developments in c. 26 hectares, while c. 415 hectares would fall under Z1-Z2-Z3 protection zones with building ratios ranging from 1% to 6%. We remain in discussions with the relevant authorities to enhance the overall development potential of the project by achieving higher coefficients. In parallel, we have been advancing the sale of our interests in Apollo with an interested party.

- Dolphin has also received within the period a total of c. €150,000 in distributions from its investment in Itacaré.
- In line with our continued efforts to reduce overhead costs, the Group's professional and administrative expenses for the year declined by €1 million (approximately 26%) compared to 2019.
- As no material disposals were completed during the year (other than our LaVanta divestment and the sale of a land plot in our Kilada project), the Group's cash position was impacted. Whilst the Board expects material progress on certain transactions in the coming weeks, it has taken the prudent step of securing a bridge loan facility of €15 million with two institutional private credit providers. The Company drew €1.75 million from this loan on 4 June 2021, with the balance remaining available for 45 days post completion should it be required. Further details on the loan facility and its basic terms are set out on page 08.
- The Board's strategy remains to optimise the disposal of the Company's asset portfolio in order to return capital to shareholders. The Board is implementing an actionable plan to accelerate the Company's divestment objectives which were delayed due to COVID-19, further reduce the Company's operating overheads, amend the management fee structure to further decrease materially its fixed component and capitalise on the expected investment market recovery. Furthermore, Board fees, having been reduced by 25% with effect from 1 April 2020, will be reduced by a further 25% with effect from 1 July 2021.

The Board believes that it is appropriate that shareholders should have the opportunity to review the results achieved by the Board and the Investment Manager and discuss its proposals for the future of the Company at an early date, taking into account the results of current asset disposal negotiations. Accordingly, and following the shareholders' resolution that was passed at the extraordinary general meeting dated 2 May 2019, the Board will convene in August 2021 a meeting of shareholders to take place no later than September 2021, to consider its recommended course of action and propose an ordinary resolution for the continuation of the Company. This will enable shareholders to take a holistic view on the position of the Company and assess the asset monetisation prospects based on updated information relating to current discussions.

Market dynamics



The COVID-19 pandemic continues to present a major adverse effect on the travel, real estate and hospitality industry. During 2020, we have witnessed a significant reduction in foreign travel intent, international travel restrictions, governmental lockdown measures imposed on hotels and resorts in Greece and Cyprus and supply chain delays which impacted our ongoing construction activities.

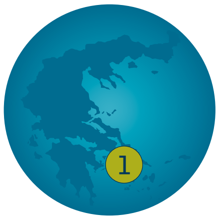
According to the 2021 European Hotel Valuation Index (HVS, April 2021), the spread of the pandemic put a virtual halt to transactional activity, which achieved less than €10 billion in Europe in 2020 (c. 33% of the 2019 comparable figure).

Similarly, hotel revenues have been materially impacted during 2020 albeit are expected to recover somewhat in 2021, posing acute challenges of paying debt and rent for many owners and operators. The relatively small hotel development pipeline in Greece, compared to other European countries, as well as the fact that many pipeline projects entered the pandemic in the design or planning stage, and were therefore either deferred or abandoned, is expected to result in a limited new hospitality project supply in the medium term thus creating divestment opportunities for newly completed developments, especially to the extent that these are branded and include residential components. Actual transaction quantum and pricing may vary depending on the physical and operational characteristics of each asset; however, we expect that luxury residential resorts and second home development projects will be resilient in terms of capital value, especially for private equity and family office investors who are expected to be active in that space.

As the pace of the international vaccination programmes picks up, in spite of the logistical challenges that these have created within the EU in particular, a number of countries have started opening up to tourism. Expectations are that the effect of the pandemic outbreak on the hospitality industry will start to fade towards the end of the year.

We continue to closely monitor developments in this sphere and will adjust our operational processes and divestment strategies accordingly so that we can successfully navigate our business through the coming months.

Portfolio review



One&Only Kéa Island
Tzia, Greece

DOLPHIN STAKE: 33%

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

STATUS: The project is under construction

COMPOSITION

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

PARTNERS

One&Only
KÉA ISLAND
Greece

www.oneandonlyresorts.com

Heah & Co

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

OPERATIONS UPDATE

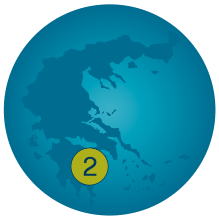
Construction works continued on the project with the contractor making considerable progress in all key areas. All internal access roads have been opened and a large portion of under-road site infrastructure has been installed. The main building's lower level, which includes kitchens and other back of house facilities, is progressing with internal works, whilst upper level structural works are being constructed. The 75 guest rooms of the project are laid out as individual buildings with private pools. All are currently under construction with the majority already having their foundations and structural columns built and approximately one third having all structural works complete. Mechanical, electrical, stone masons and other works are in progress in all structurally complete rooms.

The completion of the mock-up room was an important milestone which was met in early December 2020. The mock-up room was reviewed by One&Only and constitutes a tangible blueprint for the further development of the project as well as a showcase for our private home clients.

Due to the COVID-19 impact on the progress of works and the projected hotel performance, we have decided with our partners at One&Only to commence the hotel operation in the 2022 season.

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


15-minute drive from ATHENS INTERNATIONAL AIRPORT to Lavrio Harbour
One&Only Kéa Island
65 hectares
30 minutes by boat from Lavrio Harbour
LAVRIO HARBOUR
1
The harbours of Vourkari and Korissia are excellent. You can sail around the island to reach the beaches and coves which are so difficult to get to by land
A unique destination for diving enthusiasts
At the southeast end of the island lie the remains of the ancient, deserted city of Karthaia
Kéa is a hiker's paradise, with numbered routes that take you through a variety of landscapes to remote coves and the ruins of ancient cities



DOLPHIN STAKE: 96%

AREA SIZE: 224 hectares, 0.1 km coastline

COMPOSITION

Phase 1

Golf residential community permitted to start construction

18-hole Jack Nicklaus Signature Golf Course

Golf clubhouse

c.230 golf residences

Beach club

Phase 2

100-room luxury hotel

Beach club expansion

c.86 branded villas & residences

STATUS

Under construction

PARTNERS

www.nicklaus.com

www.denniston.com.my

www.mykilada.com

Kilada
Peloponnese, Greece

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

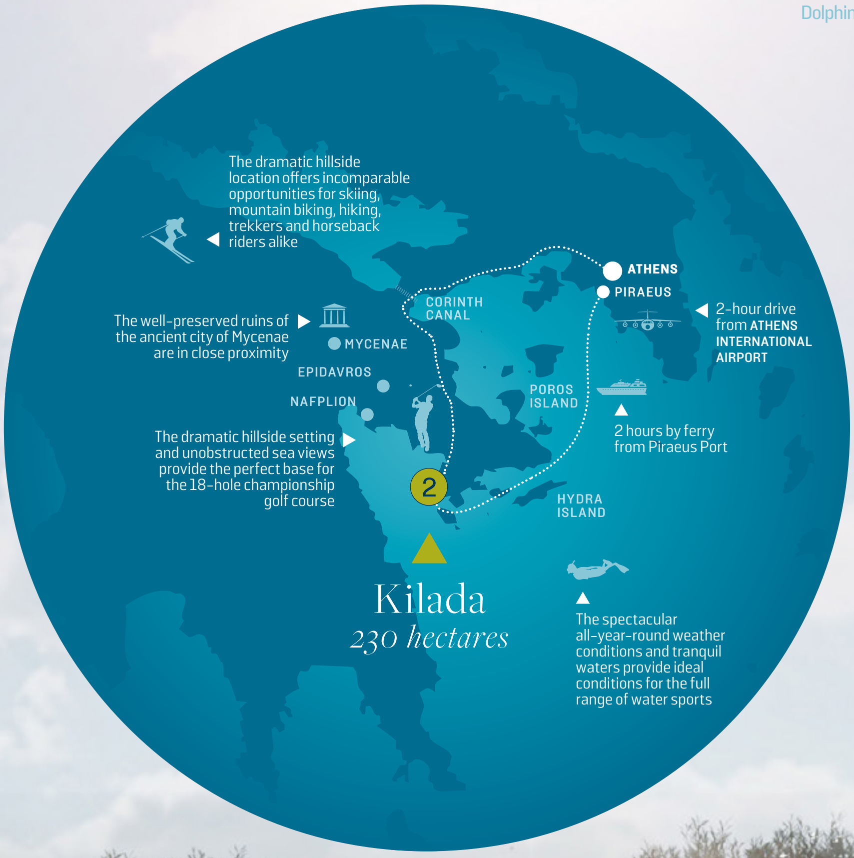
OPERATIONS UPDATE

Construction of the Kilada golf course is progressing with completion of the project targeted in Q3 2022. Despite significant delays caused by the archaeological department, good progress was achieved with rough earthworks and shaping of the front nine holes now complete. In addition, the main road subbase has been built allowing vehicular access to all first phase lots while the construction of the secondary road network is under way.

The infrastructure and golf contractors have mobilised and commenced works. The Club House works were also tendered in late 2020 and the contractor has been appointed and will begin works within Q3 2021. Five sample villa designs were prepared by prominent Greek architects and are included in the sales materials of the project.

The notarial deed for the acquisition of founder lots in Kilada by Grivalia Hospitality is expected to be executed imminently, for a consideration of €10 million. Together with the €12 million preferred equity investment into Kilada injected by an international family office, these are expected to fully meet all project development costs for Phase 1.

The project's PR, sales and marketing planning is underway with the assistance of branding and marketing consultants. A series of specific sales activities will commence once the project sales campaign is officially launched, depending on COVID-19 related travel restrictions.


The dramatic hillside location offers incomparable opportunities for skiing, mountain biking, hiking, trekkers and horseback riders alike
ATHENS
PIRAEUS
CORINTH CANAL
The well-preserved ruins of the ancient city of Mycenae are in close proximity
MYCENAE
2-hour drive from ATHENS INTERNATIONAL AIRPORT
EPIDAVROS
NAFPLION
POROS ISLAND
2 hours by ferry from Piraeus Port
The dramatic hillside setting and unobstructed sea views provide the perfect base for the 18-hole championship golf course
2
HYDRA ISLAND
Kilada
230 hectares
The spectacular all-year-round weather conditions and tranquil waters provide ideal conditions for the full range of water sports

3

Scorpio Bay Resort

Viotia, Greece

DOLPHIN STAKE: 100%

AREA SIZE: 172 hectares, approximately 2 km of seafront

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

ACCESS: A 1-hour drive from Athens International Airport

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

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

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

4

Lavender Bay Resort

Magnesia, Greece

DOLPHIN STAKE: 100%

AREA SIZE: 310 hectares, 2 km of seafront

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

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

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

COMPOSITION

A 180-room hotel

More than 220 branded residential units

More than 390 non-branded residential units

An 18-hole Gary Player Signature Golf Course

Beach club and other leisure facilities

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

5

Plaka Bay Resort

Crete, Greece

DOLPHIN STAKE: 100%

AREA SIZE: 442 hectares, 7 km of seafront

LOCATION: The island of Crete

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

SPECIAL FEATURES: Easternmost point of Crete

COMPOSITION

A residential development of over 70,000m²

One or more 5-star hotels

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

DESIGN: Masterplan prepared by Hart Howerton

6

Apollo Heights Polo Resort

Cyprus

DOLPHIN STAKE: 100%

AREA SIZE: 447 hectares

LOCATION: Near the town of Limassol

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

SPECIAL FEATURES

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

COMPOSITION

Hotel facilities

Residential units

Polo fields

18-hole golf course

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

OPERATIONS UPDATE

On 9 June 2020 an agreement was announced between the governments of the United Kingdom and Cyprus regulating development in the non-military Sovereign Base Areas ('SBA'), which includes the largest part of Apollo Heights. The period for the filing of environmental related objections in the public consultation process has now expired. During Q4 2020, the Company will be lodging its formal comments and proposals for the improvement of the provisional zoning granted and will seek to increase the overall buildable capacity of the project. The final SBA zoning is expected to be published, after consideration of comments filed by land owners within the area, in early 2021.

7

Livka Bay Resort

Solta, Croatia

DOLPHIN STAKE: 100%

AREA SIZE: 63 hectares, 1.6 km of seafront

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

ACCESS: 20 km boat ride from Split International Airport

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

COMPOSITION

Luxury hotel with 100 rooms and suites

Approximately 200 private, serviced residences

120-berth marina

Other supporting recreational, sports and retail facilities

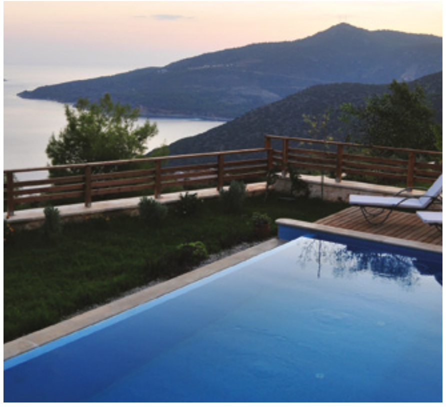
DESIGN: WATG

www.livka.com

8

LaVanta – Mediterra Resorts

Antalya, Turkey



DOLPHIN STAKE: 100%

AREA SIZE: 7 hectares

LOCATION: The Antalya region of southern Turkey

ACCESS: A 1.5-hour drive from Dalaman International Airport

SPECIAL FEATURES

The LaVanta development is very close to the well-known beaches of Kaputas and Patara and within walking distance of Kalkan beach

5-minute drive to the beach

COMPOSITION

LaVanta is a development of over 25,000m², comprising over 120 villas and townhouses.

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

DESIGN: Cemal Mutlu & Xavier Bohl

OPERATIONS UPDATE

LaVanta was sold for a total consideration of €4.3 million, a figure marginally exceeding its book value. More specifically, on 3 September 2020, a c. 11,000m² land plot in the northern border of LaVanta was sold to a local developer for €0.8 million and on 10 March 2021, DCI agreed the sale of the remaining land to another local investor for a net consideration of €3.5 million.

www.mediterraresorts.com

ARISTO DEVELOPERS

Aristo Developers

Cyprus

DCI has a 47.9% stake in Aristo Developers Ltd

- Large private landowner and one of the largest holiday home developers in Cyprus
- Over 40 years of development expertise and market knowledge
- Over 3,000 holiday homes sold since 2004
- Diversified portfolio
- Over 265 completed projects island wide and 40+ projects currently in the market
- Member of the FIABCI International Real Estate Federation & the EU Eco-Management & Audit Scheme (EMAS)
- Extensive international sales network

www.aristodevelopers.com

Operating performance

- 58 homes and plots were sold during 2020, representing total sales of €17.8 million, down 66% compared to €53 million in 2019
- 37 homes and plots were sold in total up to the end of May 2021, representing total sales of €7.5 million, down 17% compared to €9 million for the same period in 2020
- The main source of clients was China and Other Asia during 2020, representing c. 84% of sales

	12 months to 31 December 2020	12 months to 31 December 2019
RETAIL SALES		
New sales booked	€17.8m	€53m
% change	(66%)	
Units sold	58	98
% change	(41%)	
CLIENT ORIGIN		
China & Other Asia	84%	76%
MENA	12%	20%
Russia	4%	–
Cyprus & Other EU	–	4%

As announced on 15 October 2020, the Cyprus government cancelled the Cyprus citizenship investment programme with effect from 1 November 2020. The programme allowed foreign investors to apply for Cypriot citizenship upon making a minimum €2 million investment in, inter alia, Cyprus property. Aristo had a total of €9.6 million in blocked/escrowed funds as at 31 December 2020 (€18.2 million at YE 2019) relating to the sale of properties under the Cyprus citizenship investment programme and expects to deliver the respective properties to purchasers so that it can draw on these funds within the next 12 to 18 months.

Although the Cypriot authorities initially signalled that they would explore the introduction of alternative investment incentives to replace the existing citizenship programme, no tangible action has yet been taken and with the upcoming elections in Cyprus we do not currently estimate that such a new policy will be implemented within 2021.

In order to effectively deal with the combined effect of the pandemic and the citizenship programme cancellation on its sales revenue, Aristo's management has invested in marketing to international customers beyond its main Chinese market, and has undertaken a full redesign of its residential product offering in order to appeal to a larger client audience by introducing properties at different pricing points.

DCI has received in total €5.5 million from the deferred consideration due to it, from the sale of its Venus Rock related preferred shares to Aristo Ktimatiki (an entity controlled by Theodore Aristodemou, Chairman of Aristo) which was executed on 23 August 2019. However the outstanding consideration of €3.5 million, which was expected to be settled within Q4 2020, was not received. The Company is exploring all options and is in discussions with Aristo Ktimatiki with regard to the timing for the overdue settlement of this receivable.

The Company is in ongoing discussions in relation to the structuring and implementation of a potential divestment transaction for its shareholding in Aristo and will provide further updates to the market as appropriate.

Portfolio breakdown

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

PROJECTS	Land site (hectares)	DCI's stake	Debt[1] (€m)	Real estate value (€m)	Loan to real estate asset value (%)
#1 One&Only Kéa Island	65	33%	–		
#2 Kilada	224	96%	–		
#3 Scorpio Bay Resort	172	100%	–		
#4 Lavender Bay Resort	310	100%	–		
#5 Plaka Bay Resort	442	100%	–		
#6 Apollo Heights Polo Resort	447	100%	–		
#7 Livka Bay Resort	63	100%	6.2		
#8 LaVanta[3]	7	100%	–		
TOTAL	1,730		6.2	158	4%
Aristo	474	47.9%	–	43	
Itacaré Investment	n/a	13%	–	1	
GRAND TOTAL	2,204		6.2	202[2]	3%

[1] Further details on debt maturities are set out under note 22 of the financial statements.

[2] Total real estate value includes equity investment in OOKI, Aristo and Itacaré.

[3] LaVanta was sold on 10 March 2021 to a local investor for a net consideration of €3.5 million.

A breakdown of Dolphin's portfolio, as at 31 December 2020, with certain key metrics is provided below:

COUNTRY	Land size (hectares)	Debt (€m)	Real estate value (€m)	Loan to real estate asset value (%)	Net Asset Value
A Greece	1,213	–	121	–	54%
B Cyprus[4]	921	–	55	–	34%
C Other	70	6.2	26	24%	12%
GRAND TOTAL	2,204	6.2	202	3%	100%

[4] DCI's portfolio in Cyprus includes its equity investment in Aristo Developers Ltd, which owns assets in Cyprus that are subject to Aristo's debt and other obligations.

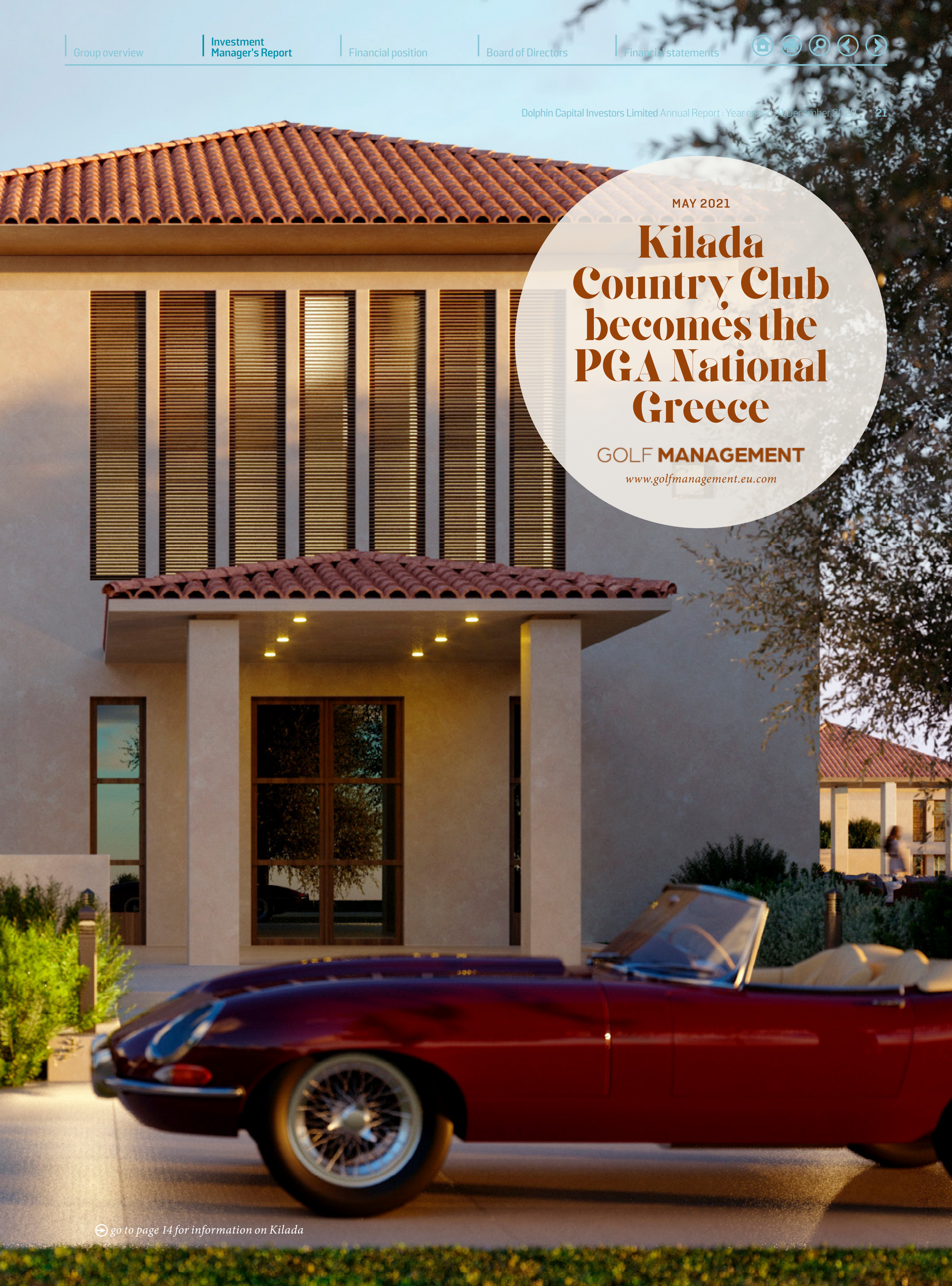
Investment Manager's Report *continued*

Future objectives

The Company's main objectives for 2021 are to:

1. Execute further portfolio asset disposals;
2. Advance construction at OOKI and achieve more residential sales;
3. Progress construction at Kilada and generate plot/villa sales;
4. Progress planning and permitting selectively for the remaining portfolio; and
5. Effectively manage COVID-19 related challenges.

Miltos Kambourides
Founder of Dolphin and Managing Partner of DCP
Dolphin Capital Investors
07 June 2021



go to page 14 for information on Kilada

Financial position

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	31 December 2020 €'000	31 December 2019 €'000
CONTINUING OPERATIONS		
Revenue	3,570	6,364
Cost of sales	(2,717)	(1,013)
GROSS PROFIT	**853**	**5,351**
Disposal of investments	336	630
Change in valuations	(10,229)	(3,386)
Other gains	1,654	11,316
Investment Manager remuneration	(3,600)	(4,000)
Directors' remuneration	(379)	(496)
Professional fees	(2,199)	(2,956)
Administrative and other expenses	(756)	(1,027)
Depreciation charge	(44)	(38)
Total operating and other expenses	**(15,217)**	**43**
Results from operating activities	**(14,364)**	**5,394**
Finance costs	(822)	(1,255)
Share of losses on equity-accounted investees, net of tax	(8,892)	(173)
(Loss)/profit before taxation	**(24,078)**	**3,966**
Taxation	**2,985**	**255**
(Loss)/profit	**(21,093)**	**4,221**
OTHER COMPREHENSIVE INCOME		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences	104	667
Share of revaluation on equity-accounted investees	208	72
Other comprehensive income, net of tax	312	739
Total comprehensive income	**(20,781)**	**4,960**
(Loss)/profit attributable to:		
Owners of the Company	(21,142)	4,317
Non-controlling interests	49	(96)
	(21,093)	**4,221**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the Company	(20,899)	5,031
Non-controlling interests	118	(71)
	(20,781)	4,960
(LOSS)/EARNINGS PER SHARE		
Basic and diluted earnings/(loss) per share (€)	**(0.02)**	**0.01**

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

Financial results

Loss after tax for the period ended 31 December 2020 attributable to owners of the Company amounted to €21 million (2019: Profit of €4 million). (Loss)/Profit per share was €(0.02) and €0.01 in 2020 and 2019 respectively.

The principal factors affecting the 2020 result were €10 million year-end net valuation reduction, €9 million share of losses on equity-accounted investees as well as the Company's other operational, corporate, finance and management expenses as further explained below.

Consolidated statement of profit or loss and other comprehensive income continued

For the year ended 31 December 2020

Revenue

Revenues of €3.6 million (31 December 2019: €6.4 million) were derived from the following sources:

	31 December 2020 € million	31 December 2019 € million
Sale of trading & investment properties	3.0	0.7
Other income	0.6	5.7
TOTAL	**3.6**	**6.4**

Sale of trading & investment properties is attributable to a sale of a land plot situated outside the Kilada development perimeter at a price of €1.5 million and the remainder to LaVanta sales.

Other income in 2020 is mainly attributable to €0.5 million proceeds from the sale of Venus Rock related preferred shares to Aristo Ktimatiki while in 2019 the respective figure was €5 million.

Cost of sales

Cost of sales comprises the following:

	31 December 2020 € million	31 December 2019 € million
Cost of sales related to:		
Sales of trading and investment properties	2.2	0.7
Personnel expenses	0.5	0.3
TOTAL	**2.7**	**1.0**

Professional fees

The charge for the period was €2.2 million (31 December 2019: €3 million) and comprises the following:

	31 December 2020 € million	31 December 2019 € million
Legal & administrator fees	0.5	0.6
Auditors' remuneration	0.4	0.4
Accounting expenses	0.2	0.2
Project design and development fees	0.7	1.3
Consultancy fees	0.1	0.1
Other professional fees	0.3	0.4
TOTAL	**2.2**	**3.0**

Administrative and other expenses

The administrative and other expenses amounted to €0.8 million (31 December 2019: €1 million) and are analysed as follows:

	31 December 2020 € million	31 December 2019 € million
Travelling and accommodation	0.1	0.1
Marketing and advertising expenses	0.1	0.1
Immovable property and other taxes	0.2	0.3
Rents	0.1	0.1
Other	0.3	0.4
TOTAL	**0.8**	**1.0**

Change in valuations

Change in valuations amounted to €10.2 million (31 December 2019: €3.4 million) and is analysed as follows:

	31 December 2020 € million	31 December 2019 € million
(Loss)/gain in fair value of investment property	(18.3)	8.5
Impairment loss on trading properties	(1.2)	(0.8)
Reversal of/(impairment loss) on equity-accounted investees	9.4	(1.3)
Impairment loss of property, plant and equipment	(0.1)	(9.8)
TOTAL	**(10.2)**	**(3.4)**

Consolidated statement of financial position

As at 31 December 2020

	31 December 2020 €'000	31 December 2019 €'000
ASSETS		
Property, plant and equipment	4,855	2,647
Investment property	76,303	96,601
Equity-accounted investees	60,674	59,943
Other investments	655	–
Non-current assets	**142,487**	**159,191**
Trading properties	59,769	60,826
Receivables and other assets	1,330	1,452
Cash and cash equivalents	1,661	2,854
Assets held for sale	–	2,139
Current assets	**62,760**	**67,271**
TOTAL ASSETS	**205,247**	**226,462**
EQUITY		
Share capital	9,046	9,046
Share premium	569,847	569,847
Retained deficit	(439,047)	(417,905)
Other reserves	8,802	8,559
Equity attributable to owners of the Company	**148,648**	**169,547**
Non-controlling interests	6,523	5,681
TOTAL EQUITY	**155,171**	**175,228**
LIABILITIES		
Loans and borrowings	2,802	–
Lease liabilities	3,376	3,028
Deferred tax liabilities	8,000	11,027
Trade and other payables	20,366	20,529
Deferred revenue	109	433
NON-CURRENT LIABILITIES	**34,653**	**35,017**
Loans and borrowings	6,244	6,644
Lease liabilities	29	8
Trade and other payables	9,150	6,289
Liabilities held for sale	–	3,276
Current liabilities	**15,423**	**16,217**
TOTAL LIABILITIES	**50,076**	**51,234**
TOTAL EQUITY AND LIABILITIES	**205,247**	**226,462**
NET ASSET VALUE ('NAV') PER SHARE (€)	**0.16**	**0.19**

The reported NAV as at 31 December 2020 is presented below:

	As at 31 December 2020		As at 31 December 2019		Variation since 31 December 2019	
	€	£	€	£	€	£
Total NAV before DTL (million)	157	142	181	154	(13.2%)	(8.1%)
Total NAV after DTL (million)	149	135	170	145	(12.3%)	(7.1%)
NAV per share before DTL	0.17	0.16	0.20	0.17	(13.2%)	(8.1%)
NAV per share after DTL	0.16	0.15	0.19	0.16	(12.3%)	(7.1%)

Notes:

1. Euro/GBP rate 0.90453 as at 31 December 2020 and 0.85369 as at 31 December 2019.
2. NAV per share has been calculated on the basis of 904,626,856 issued shares as at 31 December 2020 and as at 31 December 2019.

Total Group NAV as at 31 December 2020 was €157 million and €149 million before and after DTL respectively. This represents a decrease of €24 million (13.2%) and €21 million (12.3%), respectively, from the 31 December 2019 figures.

Sterling NAV per share as at 31 December 2020 was 16p before DTL and 15p after DTL and decreased by 8.1% and 7.1% before and after DTL respectively compared to the 31 December 2019 figures. The depreciation of Sterling versus the Euro during the period of approximately 6% has partially offset the valuation write-downs on certain portfolio assets and other operational, corporate, finance and management expenses of the Group.

The Company's consolidated assets of €205 million include €141 million of real estate assets, €60 million of equity-accounted investees (which represents the 33% investment in Kéa Resort as well as the Company's 47.9% interest in Aristo), €1 million of other assets (trade and other receivables), €1 million of other investments which represents the Company's investment in Itacare and €2 million in cash.

The figure of €141 million of real estate assets (property, plant and equipment, trading properties and investment property) represents the independent property valuations conducted as at 31 December 2020 by American Appraisal (for the Greek and Cypriot projects) for both freehold and long leasehold interests of Kilada, Scorpio Bay, Lavender Bay, Apollo Heights and Plaka Bay projects as well as the appraised value of LaVanta and Livka Bay (Colliers International conducted the independent property valuation for Turkey and Croatia).

The Company's consolidated liabilities (excluding DTL) total €42 million and mainly comprise €12 million of interest bearing loans and finance lease obligations. All loans are held by Group subsidiaries and are non-recourse to Dolphin. The €30 million of trade and other payables comprise mainly €21 million of option contracts to acquire land in the Company's Lavender Bay project.

The consolidated financial statements have been audited by KPMG.

Board of Directors

ROLE

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

ANDREW COPPEL

Chairman

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

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

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

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

MARK TOWNSEND

Mark Townsend is Investment Consultant to Asset Value Investors Limited, a significant shareholder of the Company. Mark has nearly 40 years' experience investing in listed property companies and directly into property markets in Europe.

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

GRAHAM WARNER

Graham Warner is a non-executive director at J O Hambro Capital Management Umbrella Fund plc, which continues to be a significant shareholder of the Company. Graham has nearly 40 years' experience in banking and financial services, most recently as finance director of J O Hambro Capital Management Group Limited, and extensive experience of statutory reporting and governance of publicly listed entities.

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

MILTOS KAMBOURIDES

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

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

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

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

Financial statements

KPMG Limited
Chartered Accountants
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Independent Auditors' report
to the Members of Dolphin Capital Investors Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Dolphin Capital Investors Limited (the 'Company'), and its subsidiaries (together with the Company, the 'Group'), which are presented on pages 33 to 73 and comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 2(e) of the consolidated financial statements of the Group for the year ended 31 December 2020, which refers to the significant uncertainties related to the COVID-19 outbreak and particularly the expected difficulties by the Group to dispose of its portfolio assets within the planned timeframe.

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

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

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

KPMG

VALUATION OF IMMOVABLE PROPERTY

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

The risk	Our response
The Group has a significant portfolio of immovable properties which is classified, depending on the case, as investment property, property, plant and equipment and trading properties. The total carrying amount of the aforementioned immovable properties as at 31 December 2020 was €141 million. Investment properties are measured at fair value, property, plant and equipment at revalued amounts, which are based on fair value and trading properties at the lower of cost and net realisable value. In determining fair values the Group utilises in most cases independent professional valuers. There are significant judgements and estimates inherent in estimating fair value and net realisable value (which is based on the intended development and future selling price of these properties). The existence of significant estimation uncertainty coupled with the fact that only a small percentage change in the assumptions can have a significant impact on the valuation is why we have given specific audit focus and attention to this area.	Our audit procedures in relation to the valuation of immovable properties included among others: • evaluating the competence, capabilities and objectivity of the external valuation specialists engaged by the Company. • challenging the appropriateness of the valuation methodology and assumptions used. Assumptions, such as those relating to the discount rates used and the amounts and timing of forecasted cash inflows and outflows, as well as the comparables used and adjustments made in valuations were challenged based on industry norms and external data. Internal valuation specialists were used within this process. Explanations were sought for significant movements in value. • assessing the sensitivity of the forecasts used in valuations. • assessing the adequacy of the disclosures around the valuation of property assets.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

KPMG

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to. These financial statements have not been prepared for the purpose of complying with the legal requirements of the British Virgin Islands Law.

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

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

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

4 June 2021

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	Note	31 December 2020 €'000	31 December 2019 (Restated) €'000
CONTINUING OPERATIONS			
Revenue	6	3,570	6,364
Cost of sales	7	(2,717)	(1,013)
Gross profit		**853**	**5,351**
Disposal of investments	8a	336	630
Change in valuations	8b	(10,229)	(3,386)
Other gains	8c	1,654	11,316
Investment Manager remuneration	29.2	(3,600)	(4,000)
Directors' remuneration	29.1	(379)	(496)
Professional fees	10	(2,199)	(2,956)
Administrative and other expenses	11	(756)	(1,027)
Depreciation charge	15	(44)	(38)
Total operating and other expenses		**(15,217)**	**43**
Results from operating activities		**(14,364)**	**5,394**
Finance costs	12	(822)	(1,255)
Share of losses on equity-accounted investees, net of tax	18	(8,892)	(173)
(Loss)/profit before taxation		**(24,078)**	**3,966**
Taxation	13	2,985	255
(Loss)/profit		**(21,093)**	**4,221**
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	12	104	667
Share of revaluation on equity-accounted investees	18	208	72
Other comprehensive income, net of tax		**312**	**739**
Total comprehensive income		**(20,781)**	**4,960**
(Loss)/profit attributable to:			
Owners of the Company		(21,142)	4,317
Non-controlling interests		49	(96)
		(21,093)	**4,221**
Total comprehensive income attributable to:			
Owners of the Company		(20,899)	5,031
Non-controlling interests		118	(71)
		(20,781)	**4,960**
(LOSS)/EARNINGS PER SHARE			
Basic and diluted (loss)/earnings per share (€)	14	**(0.02)**	**0.01**

The notes on pages 37 to 73 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2020

	Note	31 December 2020 €'000	31 December 2019 (Restated) €'000
ASSETS			
Property, plant and equipment	15	4,855	2,647
Investment property	16	76,303	96,601
Equity-accounted investees	18	60,674	59,943
Other investments	17	655	–
Non-current assets		**142,487**	**159,191**
Trading properties	19	59,769	60,826
Receivables and other assets	20	1,330	1,452
Cash and cash equivalents	21	1,661	2,854
Assets held for sale	17	–	2,139
Current assets		**62,760**	**67,271**
Total assets		**205,247**	**226,462**
EQUITY			
Share capital	22	9,046	9,046
Share premium	22	569,847	569,847
Retained deficit		(439,047)	(417,905)
Other reserves		8,802	8,559
Equity attributable to owners of the Company		**148,648**	**169,547**
Non-controlling interests		6,523	5,681
Total equity		**155,171**	**175,228**
LIABILITIES			
Loans and borrowings	23	2,802	–
Lease liabilities	25	3,376	3,028
Deferred tax liabilities	24	8,000	11,027
Trade and other payables	27	20,366	20,529
Deferred revenue	26	109	433
Non-current liabilities		**34,653**	**35,017**
Loans and borrowings	23	6,244	6,644
Lease liabilities	25	29	8
Trade and other payables	27	9,150	6,289
Liabilities held for sale	17	–	3,276
Current liabilities		**15,423**	**16,217**
Total liabilities		**50,076**	**51,234**
Total equity and liabilities		**205,247**	**226,462**
Net asset value ('NAV') per share (€)	28	**0.16**	**0.19**

The notes on pages 37 to 73 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2020

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2019	9,046	569,847	7,566	279	(422,222)	164,516	5,752	170,268
TOTAL COMPREHENSIVE INCOME								
Profit/(loss)	–	–	–	–	4,317	4,317	(96)	4,221
Other comprehensive income								
Share of revaluation on equity-accounted investees	–	–	–	47	–	47	25	72
Foreign currency translation differences	–	–	667	–	–	667	–	667
Total other comprehensive income	–	–	667	47	–	714	25	739
Total comprehensive income	**–**	**–**	**667**	**47**	**4,317**	**5,031**	**(71)**	**4,960**
Balance at 31 December 2019	**9,046**	**569,847**	**8,233**	**326**	**(417,905)**	**169,547**	**5,681**	**175,228**
Balance at 1 January 2020	9,046	569,847	8,233	326	(417,905)	169,547	5,681	175,228
TOTAL COMPREHENSIVE INCOME								
(Loss)/profit	–	–	–	–	(21,142)	(21,142)	49	(21,093)
Other comprehensive income								
Share of revaluation on equity-accounted investees	–	–	–	139	–	139	69	208
Foreign currency translation differences	–	–	104	–	–	104	–	104
Total other comprehensive income	–	–	104	139	–	243	69	312
Total comprehensive income	–	–	**104**	**139**	**(21,142)**	**(20,899)**	**118**	**(20,781)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests in subsidiaries								
Disposal of interests without a change in control	–	–	–	–	–	–	724	724
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**–**	**724**	**724**
Balance at 31 December 2020	**9,046**	**569,847**	**8,337**	**465**	**(439,047)**	**148,648**	**6,523**	**155,171**

The notes on pages 37 to 73 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	31 December 2020 €'000	31 December 2019 (Restated) €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit		(21,093)	4,221
Adjustments for:			
Loss/(gain) in fair value of investment property		18,295	(8,528)
Impairment loss on trading properties		1,269	813
Gain on disposal of investment in subsidiaries		(336)	(630)
Impairment loss on property, plant and equipment		80	9,796
(Reversal of)/impairment loss on equity-accounted investees		(9,415)	1,305
Gain on extinguishment of loan payable		–	(9,576)
Depreciation charge		44	38
Interest expense		649	460
Exchange difference		352	806
Share of losses on equity-accounted investees, net of tax		8,892	173
Taxation		(2,985)	(255)
		(4,248)	(1,377)
Changes in:			
Receivables		122	1,298
Payables		1,027	(1,327)
Deferred revenue		(324)	433
Cash used in operating activities		(3,423)	(973)
Tax received		15	23
Interest paid		(217)	(162)
Net cash used in operating activities		**(3,625)**	**(1,112)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from disposal of subsidiaries, net of cash disposed of		(1)	3,577
Net disposals of investment property		1,605	671
Net acquisitions of property, plant and equipment		(1,979)	(119)
Net change in trading properties		(212)	(424)
Net proceeds from other investments		160	–
Net change in net assets held for sale		–	588
Net cash (used in)/from investing activities		**(427)**	**4,293**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings		(250)	(8,024)
Proceeds from issue of redeemable preference shares		3,500	
Transaction costs related to loans and borrowings		(105)	
Payment of lease liabilities		(8)	(66)
Interest paid		(278)	(531)
Net cash from/(used in) financing activities	23	**2,859**	**(8,621)**
Net decrease in cash and cash equivalents		**(1,193)**	**(5,440)**
Cash and cash equivalents at 1 January		2,854	8,294
Cash and cash equivalents at 31 December		**1,661**	**2,854**
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of the following:			
Cash in hand and at bank (see note 21)		1,661	2,854
Cash and cash equivalents at the end of the year		**1,661**	**2,854**

The notes on pages 37 to 73 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. REPORTING ENTITY

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

The consolidated financial statements of the Company as at 31 December 2020 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 are available at www.dolphinci.com

2. BASIS OF PREPARATION

a. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 4 June 2021.

b. Basis of preparation

The consolidated financial statements of the Company for the year ended 31 December 2020 have been prepared taking into account the Group's intention to dispose of all of its assets by 31 December 2021, as further explained below. The basis of preparation used continues to be in accordance with IFRS as adopted by the EU.

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

c. Basis of measurement

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

d. Adoption of new and revised standards and interpretations

As from 1 January 2020, the Group adopted all changes to IFRS which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Group.

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2020. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. The Group continues to assess the potential impact on its consolidated financial statements resulting from the application of the following standards.

Notes to the consolidated financial statements

2. BASIS OF PREPARATION CONTINUED

d. Adoption of new and revised standards and interpretations continued

(i) Standards and interpretations adopted by the EU

IFRS 9 'Financial Instruments' (Amendments), IAS 39 'Financial Instruments: Recognition and Measurement' (Amendments) and IFRS 7 'Financial Instruments: Disclosures' (Amendments): Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021)

The objective of the amendments is to assist entities with providing useful information to users of financial statements and to support preparers in applying IFRS when changes are made to contractual cash flows or hedging relationships, as a result of the transition from an interbank offered rate (IBOR) benchmark rate to alternative benchmark rates, in the context of the ongoing risk-free rate reform (referred to as 'IBOR reform'). The Phase 2 amendments principally address the following issues:

- The amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.
- The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting. For example, a company will not need to discontinue existing hedging relationships because of changes to hedge documentation required solely by IBOR reform. Therefore, when a hedged risk changes due to benchmark reform, a company may update the hedge documentation to reflect the new benchmark rate and the hedge may be able to continue without interruption. However, similar to the Phase 1 amendments, there is no exception from the measurement requirements that apply for the hedged items and hedging instruments under IFRS 9 or IAS 39. Once the new benchmark rate is in place, the hedged items and hedging instruments are re-measured based on the new rate and any hedge ineffectiveness will be recognised in profit or loss.
- Additional disclosure requirements were added to IFRS 7 with the objective of enabling users of financial statements to assess the nature and extent of risks arising from the IBOR reform to which an entity is exposed, and how it manages those risks. In addition, the disclosures should assist users in assessing an entity's progress in completing the transition to alternative benchmark rates, and how an entity is managing that transition.

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

(ii) Standards and interpretations not adopted by the EU

IFRS 3 'Business Combinations' (Amendments), IAS 16 'Property, Plant and Equipment' (Amendments), IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (Amendments), Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022)

The amendments to IFRS 3 update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments to IAS 16 prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments to IAS 37 specify which costs a company includes when assessing whether a contract will be loss-making. Annual Improvements contain minor amendments to IFRS 1, IFRS 9, IAS 41 and the Illustrative Examples accompanying IFRS 16. The Group is currently evaluating the expected impact of adopting the amendment on its financial statements. As such, the expected impact of the amendment is not yet known or reasonably estimable.

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

IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and, instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. The Group is currently evaluating the expected impact of adopting the amendment on its financial statements. As such, the expected impact of the amendment is not yet known or reasonably estimable.

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

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

Notes to the consolidated financial statements

2. BASIS OF PREPARATION CONTINUED

e. Use of estimates and judgements

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

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

Going concern assumptions

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

As stated in note 9, the slowdown in economic activity and transportation restrictions in all the countries where the Group operates due to the COVID-19 outbreak is expected to have a significant impact on both its ability to complete the construction of its ongoing projects in a timely manner as well as hinder its efforts to realise transactions for the disposal of its portfolio assets.

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

Measurement of fair values

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

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

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

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

- Note 5.17 – **revenue recognition**;
- Note 5.25 –**taxation**.

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

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

f. Functional and presentation currency

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

Notes to the consolidated financial statements

3. DETERMINATION OF FAIR VALUES

Properties

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

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

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

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

Equity-settled share-based payment arrangements

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

Notes to the consolidated financial statements

4. PRINCIPAL SUBSIDIARIES

As at 31 December 2020, the Group's most significant subsidiaries were the following:

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

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

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Subsidiaries

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

5.2 Transactions eliminated on consolidation

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

5.3 Business combinations

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

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.4 Interest in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Associates (equity-accounted investees) are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

5.5 Investment property

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

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

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

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

5.6 Property, plant and equipment

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

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

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

Depreciation charge is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, unless it constitutes part of the cost of another asset in which case it is included in this asset's carrying amount. Freehold land is not depreciated.

The annual rates of depreciation are as follows:

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.7 Assets held for sale

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

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

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

5.8 Trading properties

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

5.9 Leases

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.9 Leases continued

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

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

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

Short-term leases and leases of low-value assets

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

5.10 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.10 Financial instruments continued

Classification and subsequent measurement continued

Cash and cash equivalents

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

Financial assets – Business model assessment

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.10 Financial instruments continued

Classification and subsequent measurement continued

Financial assets – Subsequent measurement and gains and losses

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

The financial liabilities of the Group are measured as follows:

Interest-bearing borrowings

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

Trade and other payables

Trade and other payables are stated at their cost.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.11 Share capital and premium

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

5.12 Dividends

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

5.13 Prepayments from clients

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

5.14 Provisions

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

5.15 Expenses

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

5.16 Impairment

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Group considers a financial asset to be in default when:

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.16 Impairment continued

Financial instruments and contract assets continued

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

5.17 Revenue recognition

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

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.18 Equity-settled share-based payment arrangements

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

5.19 Finance income and costs

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

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

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

5.20 Foreign currency translation

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

5.21 Foreign operations

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

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

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

5.22 Segment reporting

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

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.23 Earnings per share

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

5.24 NAV per share

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

5.25 Taxation

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

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

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

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

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

5.26 Comparatives

Comparative figures have been reclassified to reflect the required changes in presentation in relation to the classification of Azurna (owner of 'Livka Bay') in Croatia and DCI Holdings Two Limited (owner of 'Aristo') out of disposal groups held for sale (see note 17).

Notes to the consolidated financial statements

6. REVENUE

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Sale of trading and investment properties	2,943	645
Income from DCI H2 (see note 18)	500	5,000
Other income	127	719
Total	**3,570**	**6,364**

No revenue has been recognised during 2020 that was included in deferred revenue at 31 December 2019.

7. COST OF SALES

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Sales of trading and investment properties	2,170	705
Personnel expenses (see below)	547	284
Other operating expenses	–	24
Total	**2,717**	**1,013**

Personnel expenses

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Wages and salaries	398	223
Compulsory social security contributions	51	32
Other personnel costs	98	29
Total	**547**	**284**
The average number of employees employed by the Group during the year was	20	6

8. INCOME AND EXPENSES

a. Disposal of investments

	Note	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Gain on disposal of investment in subsidiaries	31	336	630
Total		**336**	**630**

b. Change in valuations

	Note	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 (Restated) €'000
(Loss)/gain in fair value of investment property	16	(18,295)	8,528
Impairment loss on trading properties	19	(1,269)	(813)
Reversal of/(impairment loss) on equity-accounted investees	18	9,415	(1,305)
Impairment loss of property, plant and equipment	15	(80)	(9,796)
Total		**(10,229)**	**(3,386)**

c. Other gains

	Note	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Gain on settlement of Symboula loan	23	–	9,576
Other gains		1,654	1,740
Total		**1,654**	**11,316**

Notes to the consolidated financial statements

9. SEGMENT REPORTING

As at 31 December 2020 and 31 December 2019, the Group is not considered to have reportable operating segments that require disclosure. The Group has one business and geographical segment focusing on achieving capital growth through investing in residential resort developments primarily in south-east Europe.

Country risk developments

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

The global fundamentals of the hospitality sector remained strong during 2019 and 2020, with both international tourism and wealth continuing to grow, even though economic activity in two of the Group's primary markets, Greece and Cyprus, continued to face significant challenges.

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

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

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

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

10. PROFESSIONAL FEES

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Legal fees	466	539
Auditors' remuneration (see below)	353	382
Accounting expenses	197	202
Appraisers' fees	19	21
Project design and development fees	738	1,273
Consultancy fees	120	97
Administrator fees	58	53
Other professional fees	248	389
Total	**2,199**	**2,956**

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Auditors' remuneration comprises the following fees:		
Audit and other audit related services	353	354
Tax and advisory	–	28
Total	**353**	**382**

Notes to the consolidated financial statements

11. ADMINISTRATIVE AND OTHER EXPENSES

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Travelling and accommodation	88	85
Insurance	27	29
Marketing and advertising expenses	104	110
Immovable property and other taxes	222	285
Rents	71	56
Other	244	462
Total	**756**	**1,027**

12. FINANCE COSTS

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
RECOGNISED IN PROFIT OR LOSS		
Interest expense	649	460
Bank charges	31	41
Exchange difference	142	754
Finance costs recognised in profit or loss	**822**	**1,255**

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	(104)	(667)
Finance costs recognised in other comprehensive income	**(104)**	**(667)**

13. TAXATION

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 (Restated) €'000
RECOGNISED IN PROFIT OR LOSS		
Income tax	5	23
Net deferred tax (see note 24)	(2,990)	(278)
Taxation recognised in profit or loss	**(2,985)**	**(255)**

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

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 (Restated) €'000
(Loss)/profit before taxation	(24,078)	3,966
Taxation using domestic tax rates	(3,859)	192
Effect of valuation loss on properties	(2,990)	(280)
Non-deductible expenses	4,252	450
Tax-exempt income	(388)	(1,390)
Current year losses for which no deferred tax is recognised	5	559
Effect of tax losses utilised	–	187
Other	(5)	27
Total	**(2,985)**	**(255)**

Notes to the consolidated financial statements

13. TAXATION CONTINUED

As a company incorporated under the BVI International Business Companies Act (Cap. 291), the Company is exempt from taxes on profits, income or dividends. Each company incorporated in BVI is required to pay an annual government fee, which is determined by reference to the amount of the company's authorised share capital.

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

In Greece, the corporation tax rate applicable to profits is 24%. Tax losses of Greek companies are carried forward to reduce future profits for a period of five years. In Turkey, the corporation tax rate is 22%. Tax losses of Turkish companies are carried forward to reduce future profits for a period of five years. In Croatia, the corporation tax rate is 18%. Tax losses of Croatian companies are carried forward to reduce future profits for a period of five years.

14. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

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

	From 1 January 2020 to 31 December 2020 '000	From 1 January 2019 to 31 December 2019 '000
(Loss)/profit attributable to owners of the Company (€)	(21,142)	4,317
Number of weighted average common shares outstanding	904,627	904,627
Basic (loss)/earnings per share (€)	**(0.02)**	**0.01**

(Loss)/profit attributable to owners of the Company

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
(Loss)/profit attributable to owners of the Company	(21,142)	4,317
Profit/(loss) attributable to non-controlling interests	49	(96)
Total	**(21,093)**	**4,221**

Weighted average number of common shares outstanding

	From 1 January 2020 to 31 December 2020 '000	From 1 January 2019 to 31 December 2019 '000
Outstanding common shares at the beginning and end of the year	**904,627**	**904,627**

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the profit/(loss) attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. As of 31 December 2020 and 31 December 2019, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share, due to the fact that no dilutive potential ordinary shares were outstanding during these years.

Notes to the consolidated financial statements

15. PROPERTY, PLANT AND EQUIPMENT

	Under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2020					
Cost or revalued amount					
At beginning of year	117	20,064	350	36	20,567
Direct acquisitions	1,937	381	11	3	2,332
At end of year	**2,054**	**20,445**	**361**	**39**	**22,899**
Depreciation and impairment losses					
At beginning of year	–	17,550	340	30	17,920
Depreciation charge for the year	–	35	9	–	44
Impairment loss (see note 8b)	–	80	–	–	80
At end of year	**–**	**17,665**	**349**	**30**	**18,044**
Carrying amounts	**2,054**	**2,780**	**12**	**9**	**4,855**
2019					
Cost or revalued amount					
At beginning of year	–	19,975	348	36	20,359
Direct acquisitions	117	–	2	–	119
Recognition of right-of-use asset on initial application of IFRS 16	–	89	–	–	89
At end of year	**117**	**20,064**	**350**	**36**	**20,567**
Depreciation and impairment losses					
At beginning of year	–	7,720	336	30	8,086
Depreciation charge for the year	–	34	4	–	38
Impairment loss (see note 8b)	–	9,796	–	–	9,796
At end of year	**–**	**17,550**	**340**	**30**	**17,920**
Carrying amounts	**117**	**2,514**	**10**	**6**	**2,647**

The carrying amount at year end of land and buildings, if the cost model was used, would have been €2.8 million (2019: €2.6 million).

Land and buildings include right-of-use assets of €442 thousand (2019: €89 thousand) related to leased properties that do not meet the definition of investment property.

Fair value hierarchy

The fair value of land and buildings, amounting to €2,780 thousand (2019: €2,514 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

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

	31 December 2020 €'000	31 December 2019 €'000
At beginning of year	2,514	12,255
Acquisitions	381	–
Recognition of right-of-use asset on initial application of IFRS 16	–	89
Gains/(losses) recognised in profit or loss		
Impairment loss and write offs in 'Change in valuations'	(80)	(9,796)
Depreciation in 'Depreciation charge'	(35)	(34)
At end of year	**2,780**	**2,514**

Notes to the consolidated financial statements

15. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Valuation techniques and significant unobservable inputs

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

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece – Hotel complexes	Income approach	Room occupancy rate (annual):	2020: 45% to 52% (weighted average: 51%) (2019: 45% to 52% (weighted average: 51%))	The estimated fair value would increase/(decrease) if: Room occupancy rate was higher/(lower); Average daily rate per occupied room was higher/(lower); Gross operating margin was higher/(lower); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher).
		Average daily rate per occupied room:	2020: €546 to €738 (weighted average: €673) (2019: €546 to €738 (weighted average: €673))	
		Gross operating margin rate:	2020: 24% to 38% (weighted average: 36%) (2019: 24% to 38% (weighted average: 36%))	
		Terminal capitalisation rate:	2020: 8% (2019: 8%)	
		Risk-adjusted discount rate:	2020: 11% (2019: 11%)	
	Combined approach (Income and Cost)	*Income approach (for land components)*		The estimated fair value would increase/(decrease) if: Net operating income per m² was higher/(lower); Cash flow velocity was shorter/(longer); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher); Replacement cost (new) per m² was higher/(lower); Entrepreneurial profit rate was higher/(lower); Depreciation rate was lower/(higher).
		Net operating income per m²:	2020: €33 to €205 (2019: €33 to €205)	
		Cash flow velocity (years):	2020: 11% (2019: 11%)	
		Terminal capitalisation rate:	2020: 11% (2019: 11%)	
		Risk-adjusted discount rate:	2020: 11% (2019: 11%)	
		Cost approach (for building components)		
		Replacement cost (new) per m²:	2020: €500 – €1,100 (2019: €500 – €1,100)	
		Entrepreneurial profit rate:	2020: 20% (2019: 20%)	
		Depreciation rate:	2020: 37% (2019: 37%)	
		Useful life (years):	2020: 60 (2019: 60)	
Property in Greece – Golf course	Income approach	Number of members:	2020: 5 to 30 (weighted average: 20) (2019: 5 to 30 (weighted average: 20))	The estimated fair value would increase/(decrease) if: Number of members was higher/(lower); Membership fees per year per member was higher/(lower); Number of rounds played by visitors was higher/(lower); Average green fee was higher/(lower); Gross operating margin was higher/(lower); Terminal capitalisation rate was lower/(higher); Risk-adjusted discount rate was lower/(higher).
		Membership fees per year per member:	2020: €5,000 to €11,046 (weighted average: €9,086) (2019: €5,000 to €11,046 (weighted average: €9,086))	
		Number of rounds played by visitors:	2020: 881 to 6,793 (weighted average: 5,319) (2019: 881 to 6,793 (weighted average: 5,319))	
		Average green fee:	2020: €90 to €199 (average: €170) (2019: €180)	
		Gross operating margin rate:	2020: -2% to 1.4% (weighted average: 0.6%) (2019: -2% to 1.4% (weighted average: 0.6%))	
		Terminal capitalisation rate:	2020: 11% (2019: 11%)	
		Risk-adjusted discount rate:	2020: 11% (2019: 11%)	

Notes to the consolidated financial statements

16. INVESTMENT PROPERTY

	Note	31 December 2020 €'000	31 December 2019 (Restated) €'000
At beginning of year		96,601	145,356
Net direct disposals		(1,605)	(671)
Transfers to trading properties	19	–	(56,516)
Fair value adjustment	8b	(18,295)	8,528
Exchange differences		(398)	(96)
At end of year		76,303	96,601

As at 31 December 2020 and 31 December 2019, part of the Group's immovable property is held as security for bank loans (see note 23).

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

Fair value hierarchy

The fair value of investment property, amounting to €76,303 thousand (2019: €96,601 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

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

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece	Combined approach (Market and Income)	*Market approach – 60% weight*		The estimated fair value would increase/(decrease) if:
		Asking prices per m²:	2020: €7 to €30 (2019: €7 to €30)	Asking prices per m² were higher/(lower);
		Premiums/(discounts) on the following:		Premiums were higher/(lower);
		Location:	2020: 0% (2019: -10% to +10%)	Discounts were lower/(higher);
		Site size:	2020: -10% to 0% (2019: -20% to 0%)	Weights on comparables with premiums were higher/(lower);
		Asking vs transaction:	2020: -30% to 0% (2019: -25% to -10%)	Weights on comparables with discounts were lower/(higher);
		Frontage sea view:	2020: 0% to +20% (2019: 0% to +20%)	Quantity of villas was higher/(lower);
		Maturity/development potential:	2020: 0% to +50% (2019: +10% to +40%)	Selling price per m² was higher/(lower);
		Weight allocation:	2020: 0% to +20% (2019: +10% to +20%)	Expected annual growth in selling price was higher/(lower);
		Income approach – 40% weight		Cash flow velocity was shorter/(longer);
		Quantity of villas:	2020: 447 (2019: 447)	Risk-adjusted discount rate was lower/(higher).
		Selling price per m²:	2020: €2,800 (2019: €2,800)	
		Expected annual growth in selling price:	2020: from year 3: 3% (2019: 0% to 3%)	
		Cash flow velocity (years):	2020: 13 (2019: 13)	
		Risk-adjusted discount rate:	2020: 14% (2019: 14%)	
		Discount on combined approach value:		
		Legal status:	2020: -10% (2019: -10%)	

Notes to the consolidated financial statements

16. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs continued

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece continued	Market approach	Asking prices per m²:	2020: €1 to €69 (2019: €3 to €449)	The estimated fair value would increase/(decrease) if: Asking prices per m² were higher/(lower); Premiums were higher/(lower); Discounts were lower/(higher); Weights on comparables with premiums were higher/(lower); Weights on comparables with discounts were lower/(higher).
		Premiums/(discounts) on the following:		
		Location:	2020: –40% to +10% (2019: –40% to +20%)	
		Site size:	2020: –50% to +30% (2019: –40% to +50%)	
		Asking vs transaction:	2020: –30% to 0% (2019: –30% to 0%)	
		Frontage sea view:	2020: –10% to +30% (2019: –20% to +30%)	
		Maturity/development potential:	2020: –35% to +50% (2019: –60% to +50%)	
		Zoning:	2020: –30% to 0% (2019: –30% to 0%)	
		Other:	2020: –10% to +50% (2019: –10% to +50%)	
		Strategic investment approval:	2020: 0% to +20% (2019: 0% to +20%)	
		Weight allocation:	2020: 0% to +40% (2019: +10% to +40%)	
Property in Cyprus	Market approach	Asking prices per m²:	2020: €1 to €349 (2019: €1 to €15)	The estimated fair value would increase/(decrease) if: Asking prices per m² were higher/(lower); Premiums were higher/(lower); Discounts were lower/(higher); Weights on comparables with premiums were higher/(lower); Weights on comparables with discounts were lower/(higher).
		Premiums/(discounts) on the following:		
		Location:	2020: –10% to +20% (2019: 0% to +20%)	
		Site size:	2020: –40% to 0% (2019: –40% to 0%)	
		Asking vs transaction:	2020: –15% to 0% (2019: –20% to 0%)	
		Frontage sea view:	2020: –10% to +30% (2019: –10% to +20%)	
		Maturity/development potential:	2020: –20% to +50% (2019: –50% to 0%)	
		Weight allocation:	2020: +5% to 50% (2019: +5% to +15%)	
Azurna, Croatia	Market approach	Asking prices per m²:	2020: €3 to €126 (2019: €3 to €126)	The estimated fair value would increase/(decrease) if: Asking prices per m² were higher/(lower); Premiums were higher/(lower); Discounts were lower/(higher); Weights on comparables with premiums were higher/(lower); Weights on comparables with discounts were lower/(higher).
		Premiums/(discounts) on the following:		
		Location:	2020: –5% to 0% (2019: –5% to 0%)	
		Site size:	2020: –15% to 0% (2019: –15% to 0%)	
		Asking vs transaction:	2020: 0% (2019: 0%)	
		Quality factor:	2020: –5% to +15% (2019: –5% to +15%)	
		Capacity:	2020: –5% to +8% (2019: –5% to +8%)	
		Weight allocation:	2020: +15% to +35% (2019: +25% to +40%)	

Notes to the consolidated financial statements

17. DISPOSAL GROUPS HELD FOR SALE

In 2019, the Group completed the sale of six out of seven Seafront Villas in Greece (owned by the Collection Group) and was in the process of finalising the sale of the one remaining Villa. Accordingly, the remaining assets and liabilities of the Collection Group as at 31 December 2019 were presented as a disposal group held for sale. As shown in note 31, the Group as of 31 December 2020 has completed the disposal of the one remaining Seafront Villa.

As at 31 December 2019, Azurna (owner of 'Livka Bay') in Croatia and DCI Holdings Two Limited ('DCI H2') (owner of 'Aristo') were also presented as held for sale, but as the disposals did not materialise, they were classified out of held for sale as of 31 December 2020.

Impairment losses relating to the disposal group (Restated)

No impairment losses have been recognised during the year ended 31 December 2020 and 31 December 2019 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell.

Assets and liabilities of disposal group held for sale

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

(Restated)	Collection disposal group €'000	Total €'000
Trading properties	1,124	1,124
Trade and other receivables	110	110
Cash and cash equivalents	54	54
	1,288	**1,288**
Other investments		851
Assets held for sale		**2,139**
Trade and other payables	3,276	3,276
Liabilities held for sale	**3,276**	**3,276**

Other investments

Other investments consists of the valuation of the Company's holding of 9.6 million shares, equivalent to 13% of Itacaré's share capital. Itacaré is a real estate investment company formerly listed on AIM. Itacaré's shareholders have decided to dispose of all its assets and after a series of asset sales/swaps, Itacaré now owns two development sites which it is seeking to sell. Itacaré was presented as held for sale as at 31 December 2019, but as the disposal did not materialise, as of 31 December 2020 it was classified out of held for sale.

Cumulative income or expenses included in other comprehensive income (Restated)

No cumulative income or expenses relating to the disposal group is included in other comprehensive income (31 December 2019: Nil).

Notes to the consolidated financial statements

18. EQUITY-ACCOUNTED INVESTEES

	Note	DCI H2 €'000	Single Purpose Vehicle Fourteen Limited ('SPV 14') €'000	Total €'000
2020				
At beginning of year		42,694	17,249	59,943
Share of (losses)/profits, net of tax		(9,415)	523	(8,892)
Share of revaluation surplus		–	208	208
Reversal of impairment loss	8b	9,415	–	9,415
At end of year		**42,694**	**17,980**	**60,674**
2019 (Restated)				
At beginning of year		42,694	–	42,694
Additions	32	–	18,655	18,655
Share of profits/(losses), net of tax		1,305	(1,478)	(173)
Share of revaluation surplus		–	72	72
Impairment loss	8b	(1,305)	–	(1,305)
At end of year		**42,694**	**17,249**	**59,943**

SPV 14

As stated in note 31, in 2019, SPV 10 entered into a joint venture agreement pursuant to which the Group's shareholding interest in SPV 14 (owner of 'One&Only Kéa Resort') was decreased from 67% to 33%, as a result of dilution. The Group accounted for the remaining 33% interest as an equity-accounted investee.

DCI H2

As at 31 December 2020 and 31 December 2019, the Company's holding of 47.9% in DCI H2, has been classified as an equity-accounted investee (as already stated in note 17). Pursuant to the terms of the transaction executed in August 2019, for the sale of 37 hectares in the area referred to as 'Atlantis', in the north of the Venus Rock project which was formerly owned by Aristo, to Aristo Ktimatiki (an entity controlled by Mr. Theodoros Aristodemou, chairman of Aristo), the Company as of 31 December 2020 received €0.5 million (31 December 2019: €5 million) cash consideration from Aristo Ktimatiki. The remaining €3.5 million that was due by 30 June 2020 is expected to be received during 2021. The corresponding preferred shares are being transferred by the Company to Aristo Ktimatiki on a prorated basis in line with the receipt of the commensurate instalment.

Following the impairment loss recognised in 2016, the investment in DCI H2 as at 31 December 2020 is presented at its recoverable amount of €42.7 million (2019: €42.7 million) which is equal to its carrying amount.

The details of the above investments are as follows:

			Shareholding interest	
Name	Country of incorporation	Principal activities	31 December 2020	31 December 2019
SPV 14	Cyprus	Development of Kéa Resort	33%	33%
DCI H2	BVIs	Acquisition and holding of real estate investments in Cyprus	48%	48%

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

Notes to the consolidated financial statements

18. EQUITY-ACCOUNTED INVESTEES CONTINUED

The valuation techniques and significant unobservable inputs used in DCI H2 and Kéa property valuation in years 2020 and 2019 are shown below:

Property	Valuation technique (see note 3)	Significant unobservable inputs	
Kéa, Greece	Income approach	Room occupancy rate (annual):	2020: 32% to 39% (weighted average: 37%) (2019: 32% to 39% (weighted average: 37%))
		Average daily rate per occupied room:	2020: €990 to €1,378 (weighted average €1,237) (2019: €990 to €1,378 (weighted average €1,237))
		Gross operating margin rate:	2020: 9% to 35% (weighted average 27%) (2019: 8% to 35% (weighted average 27%))
		Terminal capitalisation rate:	2020: 11% (2019: 11%)
		Quantity of villas:	2020: 39 (2019: 40)
		Selling price per m²:	2020: €7,500 (2019: €6,400)
		Expected annual growth in selling price:	2020: 0% to 3% (2019: 0% to 3%)
		Cash flow velocity (years):	2020: 10 (2019: 10)
		Risk-adjusted discount rate:	2020: 10% (2019: 11%)
Property in Famagusta, Cyprus	Market approach (sales comparison approach)	Asking prices per m²:	2020: €24 to €106 (2019: €24 to €176)
		Premiums/(discounts) on the following:	
		Location:	2020: 0% (2019: -20% to +20%)
		Site size:	2020: 0% to +20% (2019: 0% to +20%)
		Asking vs transaction:	2020: -20% to +15% (2019: -15% to 0%)
		Frontage view:	2020: 0% to +30% (2019: only 0%)
		Maturity/development potential:	2020: only 0% (2019: 0% to +20%)
		Weight allocation:	2020: +10% to +25% (2019: +10% to +40%)
Property in Larnaka, Cyprus	Market approach (sales comparison approach)	Asking prices per m²:	2020: €71 to €281 (2019: €45 to €274)
		Premiums/(discounts) on the following:	
		Location:	2020: 0% (2019: 0%)
		Site size:	2020: 0% to +30% (2019: 0% to +30%)
		Asking vs transaction:	2020: -20% to -15% (2019: -15% to 0%)
		Frontage view:	2020: -20% to 0% (2019: -20% to 0%)
		Maturity/development potential:	2020: only 0% (2019: 0% to +20%)
		Weight allocation:	2020: +15% to +40% (2019: +10% to +20%)
Property in Limassol, Cyprus	Market approach (sales comparison approach)	Asking prices per m²:	2020: €1 to €294 (2019: €1 to €294)
		Premiums/(discounts) on the following:	
		Location:	2020: -50% to 20% (2019: -50% to +30%)
		Site size:	2020: -40% to +40% (2019: -40% to +40%)
		Asking vs transaction:	2020: -20% to +25% (2019: -25% to 25%)
		Frontage view:	2020: -20% to +50% (2019: -30% to +50%)
		Maturity/development potential:	2020: -50% to +30% (2019: -50% to +30%)
		Weight allocation:	2020: +5% to +30% (2019: +5% to +40%)

Notes to the consolidated financial statements

18. EQUITY-ACCOUNTED INVESTEES CONTINUED

Property	Valuation technique (see note 3)	Significant unobservable inputs	
Property in Nicosia, Cyprus	Market approach (sales comparison approach)	Asking prices per m²:	2020: €2 to €54 (2019: €2 to €46)
		Premiums/(discounts) on the following:	
		Location:	2020: -30% to +10% (2019: -20% to +20%)
		Site size:	2020: -20% to 0% (2019: -20% to +20%)
		Asking vs transaction:	2020: 0% to +25% (2019: -15% to 25%)
		Frontage view:	2020: -50% to +50% (2019: -50% to +20%)
		Maturity/development potential:	2020: 0% to +50% (2019: 0% to +30%)
		Weight allocation:	2020: +5% to +50% (2019: +5% to +60%)
Property in Paphos, Cyprus	Market approach (sales comparison approach)	Asking prices per m²:	2020: €1 to €1.233 (2019: €1 to €953)
		Premiums/(discounts) on the following:	
		Location:	2020: -30% to +30% (2019: -30% to +40%)
		Site size:	2020: -40% to +40% (2019: -40% to +40%)
		Asking vs transaction:	2020: -30% to +25% (2019: -30% to +25%)
		Frontage view:	2020: -50% to +50% (2019: -40% to +50%)
		Maturity/development potential:	2020: -30% to +50% (2019: -20% to +50%)
		Weight allocation:	2020: +5% to +60% (2019: +10% to +50%)
Golf resort, Cyprus	Income approach	Quantity of villas: (174 sq.m each)	2020: 676 (2019: 675)
		Quantity of apartments: (100 sq.m each)	2020: 231 (2019: 231)
		Expected annual growth in selling price:	2020: 1% and 2% (2019: 1% and 2%)
		Cash flow velocity (years):	2020: 11 (2019: 11)
		Risk-adjusted discount rate:	2020: 9.10% (2019: 9.30%)
		Total NPV of project:	2020: €72.700.000 (2019: €70.220.000)
		– average rate per sq.m of villas;	2020: €3.000 (2019: €3.000)
		– average rate per sq.m of tourist village;	2020: €2.400 (2019: €2.400)
		– average rate per sq.m of apartment.	2020: €2.100 (2019: €2.100)

Notes to the consolidated financial statements

18. EQUITY-ACCOUNTED INVESTEES CONTINUED

As at 31 December 2020, SPV 14 had €33,060 thousand (31 December 2019: €38,292 thousand) contractual capital commitments on property, plant and equipment. Also, as at 31 December 2020, DCI H2 had €3,500 thousand (31 December 2019: €3,500 thousand) contractual capital commitments on investment property.

Summary of financial information for equity-accounted investees as at 31 December 2020 and 31 December 2019, not adjusted for the percentage of ownership held by the Group:

	DCI H2 €'000	SPV 14 €'000	Total €'000
31 December 2020			
Current assets	142,254	5,713	147,967
Non-current assets	206,065	33,937	240,002
Total assets	**348,319**	**39,650**	**387,969**
Current liabilities	105,439	1,513	106,952
Non-current liabilities	49,803	2,178	51,981
Total liabilities	**155,242**	**3,691**	**158,933**
Net assets	**193,077**	**35,959**	**229,036**
Carrying amount of interest in investee	**42,694**	**17,980**	**60,674**
Revenues	13,158	–	13,158
(Loss)/profit	(19,643)	1,045	(18,598)
Other comprehensive income	–	416	416
Total comprehensive income	**(19,643)**	**1,461**	**(18,182)**
Group's share of (loss)/profit and total comprehensive income	**(9,415)**	**731**	**(8,684)**
31 December 2019 (Restated)			
Current assets	145,439	11,692	157,131
Non-current assets	218,885	24,981	243,866
Total assets	**364,324**	**36,673**	**400,997**
Current liabilities	103,207	258	103,465
Non-current liabilities	48,397	1,916	50,313
Total liabilities	**151,604**	**2,174**	**153,778**
Net assets	**212,720**	**34,499**	**247,219**
Carrying amount of interest in investee	**42,694**	**17,249**	**59,943**
Revenues	64,263	–	64,263
Profit/(loss)	2,723	(1,831)	892
Other comprehensive income	–	139	139
Total comprehensive income	**2,723**	**(1,692)**	**1,031**
Group's share of profit/(loss) and total comprehensive income	**1,305**	**(1,406)**	**(101)**

Notes to the consolidated financial statements

19. TRADING PROPERTIES

	Note	31 December 2020 €'000	31 December 2019 €'000
At beginning of year		60,826	4,699
Net direct additions		212	424
Net transfers from investment property	16	–	56,516
Impairment loss	8b	(1,269)	(813)
At end of year		**59,769**	**60,826**

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

20. RECEIVABLES AND OTHER ASSETS

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Trade receivables	122	75
VAT receivables	771	1,215
Other receivables	425	141
Total trade and other receivables (see note 33)	**1,318**	**1,431**
Prepayments and other assets	12	21
Total	**1,330**	**1,452**

21. CASH AND CASH EQUIVALENTS

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Bank balances (see note 33)	**1,652**	**2,846**
Cash in hand	**9**	**8**
Total	**1,661**	**2,854**

During the year, the Group had no fixed deposits.

22. CAPITAL AND RESERVES

Capital

Authorised share capital

	31 December 2020		31 December 2019	
	'000 of shares	€'000	'000 of shares	€'000
Common shares of €0.01 each	2,000,000	20,000	2,000,000	20,000

Movement in share capital and premium

	Shares in issue '000	Share capital €'000	Share premium €'000
Capital at 1 January 2019 and up to 31 December 2020	**904,627**	**9,046**	**569,847**

Reserves

Translation reserve

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

Revaluation reserve

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

Notes to the consolidated financial statements

23. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years	
	2020 €'000	2019 (Restated) €'000	2020 €'000	2019 (Restated) €'000	2020 €'000	2019 (Restated) €'000
Loans in Euro	6,244	6,644	6,244	6,644	–	–
Redeemable preference shares	2,802	–	–	–	2,802	–
Total	**9,046**	**6,644**	**6,244**	**6,644**	**2,802**	**–**

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

As of 31 December 2020, 3,500 redeemable preference shares were issued as fully paid with value of €1,000 per share (2019: nil). The redeemable preference shares are issued with a zero-coupon rate and are discounted with a 0.66% effective monthly interest rate, do not carry the right to vote and are redeemable when net disposal proceeds are realised from the Project. As at 31 December 2020, the fair value of the redeemable preference shares was €2,802 thousand (2019: nil).

During the year, the maturity date of the outstanding loan of Azurna has been extended to 31 December 2021.

Terms and conditions

The terms and conditions of the outstanding loan were as follows:

Description	Currency	Interest rate	Maturity dates	31 December 2020 €'000	31 December 2019 €'000
Secured loans	Euro	2020: Euribor plus 4.25% (2019: Euribor plus 4.25%)	2020: 2021 (2019: 2020)	6,244	6,644
Total interest-bearing liabilities				**6,244**	**6,644**

Securities

As at 31 December 2020, the Group's loans and borrowings were secured as follows:

- Mortgage against the immovable property of the Croatian subsidiary, Azurna, with a carrying amount of €20.9 million (2019: €25.8 million), two promissory notes, a debenture note and a letter of support from its parent company Single Purpose Vehicle Four Limited.
- Upon transfer of the entire amount of €12 million from the investor in accordance with the terms of the agreement, a mortgage will be set against the immovable property of the Kilada Hills Project, in the amount of €15 million (2019: nil).

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

Notes to the consolidated financial statements

23. LOANS AND BORROWINGS CONTINUED

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

	Loans and borrowings €'000	Lease liabilities €'000	Non-controlling interests €'000	Total €'000
2020				
Balance at the beginning of the year	6,644	3,036	5,681	15,361
Changes from financing cash flows:				
Proceeds from issue of redeemable preference shares	3,500	–	–	3,500
Transaction costs related to loans and borrowings	(105)	–	–	(105)
Repayment of loans and borrowings	(250)	–	–	(250)
Payment of lease liability		(8)	–	(8)
Interest paid	(278)	–	–	(278)
Other movements	(724)	–	724	–
Total changes from financing cash flows	**2,143**	**(8)**	**724**	**2,859**
Other changes – Liability-related				
New leases	–	353	–	353
Interest expense	408	24	–	432
Other movements	(149)	–	118	(31)
Total liability-related other changes	**259**	**377**	**118**	**754**
Balance at the end of the year	**9,046**	**3,405**	**6,523**	**18,974**
2019 (Restated)				
Balance at the beginning of the year	24,475	3,013	5,752	33,240
Changes from financing cash flows:				
Repayment of loans and borrowings	(8,024)	–	–	(8,024)
Payment of lease liability	–	(66)	–	(66)
Interest paid	(531)	–	–	(531)
Total changes from financing cash flows	**(8,555)**	**(66)**	**–**	**(8,621)**
Other changes – Liability-related				
New leases	–	89	–	89
Interest expense	298	–	–	298
Gain on settlement of Symboula loan	(9,576)	–	–	(9,576)
Other movements	2	–	(71)	(69)
Total liability-related other changes	**(9,276)**	**89**	**(71)**	**(9,258)**
Balance at the end of the year	**6,644**	**3,036**	**5,681**	**15,361**

Notes to the consolidated financial statements

24. DEFERRED TAX LIABILITIES

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Balance at the beginning of the year	11,027	11,314
Recognised in profit or loss (see note 13)	(2,990)	(278)
Exchange differences	(37)	(9)
Balance at the end of the year	**8,000**	**11,027**

Deferred tax liabilities are attributable to the following:

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Investment properties	3,638	6,665
Trading properties	4,299	4,299
Property, plant and equipment	63	63
Total	**8,000**	**11,027**

25. LEASE LIABILITIES

	31 December 2020			31 December 2019		
	Future minimum lease payments '000	Interest €'000	Present value of minimum lease Interest €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	30	1	29	8	–	8
Between two and five years	283	10	273	245	5	240
More than five years	4,302	1,199	3,103	3,963	1,175	2,788
Total	**4,615**	**1,210**	**3,405**	**4,216**	**1,180**	**3,036**

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

26. DEFERRED REVENUE

	31 December 2020 €'000	31 December 2019 €'000
Prepayment from clients	109	433
Total	**109**	**433**

27. TRADE AND OTHER PAYABLES

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Trade payables	–	19
Land creditors	20,758	20,740
Investment Manager fees	3,498	1,932
Other payables and accrued expenses	5,260	4,127
Total	**29,516**	**26,818**

	31 December 2020 €'000	31 December 2019 (Restated) €'000
Non-current	20,366	20,529
Current	9,150	6,289
Total	**29,516**	**26,818**

Land creditors relate to contracts in connection with the purchase of land at Lavender Bay. The above outstanding amount bears an annual interest rate equal to the inflation rate, which cannot exceed 2%. Full settlement is due on 31 December 2025.

Notes to the consolidated financial statements

28. NAV PER SHARE

	31 December 2020 '000	31 December 2019 '000
Total equity attributable to owners of the Company (€)	148,648	169,547
Number of common shares outstanding at end of year	904,627	904,627
NAV per share (€)	**0.16**	**0.19**

29. RELATED PARTY TRANSACTIONS

29.1 Directors' interest and remuneration

Directors' interest

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

The interests of the Directors as at 31 December 2020, all of which are beneficial, in the issued share capital of the Company as at this date were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	66,019
Mark Townsend	1,532
Andrew Coppel	942

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

Directors' remuneration

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Remuneration	379	496
Total remuneration	**379**	**496**

The Directors' remuneration details for the years ended 31 December 2020 and 31 December 2019 were as follows:

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Andrew Coppel	179	237
Graham Warner	134	174
Mark Townsend	66	85
Total	**379**	**496**

Directors have deferred 25% of their fees for the period 1 April 2020 to 31 December 2020.

Miltos Kambourides has waived his fees.

29.2 Investment Manager remuneration

	From 1 January 2020 to 31 December 2020 €'000	From 1 January 2019 to 31 December 2019 €'000
Fixed management fee	3,600	4,000
Total remuneration	**3,600**	**4,000**

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

i. Fixed management fee

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

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

Notes to the consolidated financial statements

29. RELATED PARTY TRANSACTIONS CONTINUED

29.2 Investment Manager remuneration continued

ii. Variable management fee

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

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

The Investment Manager was entitled to a performance fee payable under the terms of the previous IMA. There is no change to this entitlement. However, any performance fees earned under this arrangement will be fully deducted from any future annual management fees and variable management fees payable over the term of the IMA.

29.3 Other related parties

During the years ended 31 December 2020 and 31 December 2019 the Group did not enter into any significant related party transactions.

30. EQUITY-SETTLED SHARE-BASED PAYMENT ARRANGEMENTS

Director Awards

On 9 June 2015, Graham Warner was granted nil-cost share option awards under a Stock Incentive Plan (the 'Director Awards'). These awards would have vested in equal tranches dependent upon the average closing price of the shares trading at or above certain relevant target share prices for a continuous period of 30 trading days. The relevant target share prices for the purposes of these awards were 35p, 40p, 45p, and 50p. Director Awards remained exercisable up until the day before the fifth anniversary of the grant date of the awards. The number of shares to which the Director Awards related was 2,261,567 common shares of €0.01 each with reductions in the event that certain non-market performance targets were not met. During the year, the awards have lapsed since the vesting conditions were not met.

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

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

Notes to the consolidated financial statements

31. BUSINESS COMBINATIONS

On 30 January 2020, the Group finalised the sale of the one remaining Seafront Villa (owned by the Collection Group), creating a net gain on disposal of €336 thousand (see note 17).

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

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

On 1 November 2017, the Company along with the project's current minority shareholder entered into an agreement through its relevant project subsidiary companies, for a €16 million equity investment by One & Only Resorts Limited ('One&Only') in exchange for a 40% shareholding in SPV 14, 100% holding company of Kéa Resort. The consideration will be deployed in the development of the Kéa Resort, with the transaction including the operation of the Kéa Resort and its residences by One&Only through long-term management and branding agreements. In May 2019, following the satisfaction of all relevant conditions precedent included in the One&Only at Kéa Island ('OOKI') Subscription Agreement, the Group signed the completion documents with Kerzner International Management FZ LLC (current owner of 40% of the project) and Kéa Assets Limited (current owner of 10% of the project). As a result, the Company's percentage holding in the project fell from 67% to 33%, which is retained as an equity-accounted investee (see note 18). The turn-key construction contract for the development of OOKI was executed on 9 August 2019.

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

Notes to the consolidated financial statements

32. NON-CONTROLLING INTERESTS

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

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

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

31 December 2019	SPV 10 (Kéa Resort) €'000
Non-controlling interests' percentage	**33.33%**
Non-current assets	17,249
Current assets	16
Non-current liabilities	–
Current liabilities	(207)
Net assets	17,058
Carrying amount of non-controlling interests	**5,686**
Revenue	–
Loss	(284)
Other comprehensive income	69
Total comprehensive income	(215)
Loss allocated to non-controlling interests	**(71)**
Other comprehensive income allocated to non-controlling interests	**–**
Cash flow from operating activities	1
Cash flow used in investing activities	–
Cash flow from financing activities	–
Net increase in cash and cash equivalents	**1**

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

Notes to the consolidated financial statements

33. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(i) Credit risk

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

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

	Carrying amount	
	31 December 2020 €'000	31 December 2019 (Restated) €'000
Trade and other receivables (see note 20)	1,318	1,431
Cash and cash equivalents (see note 21)	1,652	2,846
Total	**2,970**	**4,277**

Trade and other receivables

Credit quality of trade and other receivables

The Group's trade and other receivables are unimpaired.

Cash and cash equivalents

Exposure to credit risk

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

	31 December 2020		31 December 2019 (Restated)	
	No. of banks	€'000	No. of banks	€'000
Bank group based on credit ratings by Moody's				
Rating Aaa to A	1	267	1	2,054
Rating Baa to B	3	501	3	541
Rating Caa to C	3	884	3	251
Total bank balances		1,652		2,846

(ii) Liquidity risk

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

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

	Carrying amounts €'000	Contractual cash flows €'000	Within one year €'000	One to two years €'000	Three to five years €'000	Over five years €'000
31 December 2020						
Loans and borrowings	9,046	(9,983)	(6,483)	(2,400)	(1,100)	–
Lease obligations	3,405	(4,615)	(30)	(71)	(212)	(4,302)
Land creditors	20,758	(24,957)	(1,295)	(1,280)	(22,382)	
Trade and other payables	7,752	(7,752)	(7,752)	–	–	–
	40,961	**(47,307)**	**(15,560)**	**(3,751)**	**(23,694)**	**(4,302)**
31 December 2019 (Restated)						
Loans and borrowings	6,644	(6,694)	(6,694)	–	–	–
Lease obligations	3,036	(4,216)	(8)	(8)	(237)	(3,963)
Land creditors	20,740	(26,266)	(1,310)	(1,295)	(23,661)	–
Trade and other payables	4,618	(4,618)	(4,618)	–	–	–
	35,038	**(41,794)**	**(12,630)**	**(1,303)**	**(23,898)**	**(3,963)**

Notes to the consolidated financial statements

33. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(iii) Market risk

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

Interest rate risk

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

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €62 thousand (2019: €66 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit or loss and other equity.

Currency risk

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

Capital management

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

34. COMMITMENTS

As of 31 December 2020, the Group had a total of €1,395 thousand contractual capital commitments on property, plant and equipment (2019: €45 thousand).

35. CONTINGENT LIABILITIES

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

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

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

36. SUBSEQUENT EVENTS

On 3 June 2021 the Company entered into a €15 million senior secured term loan facility agreement with two institutional private credit providers acting on behalf of their managed and advised funds. The interest rate is 12.5% and the initial maturity date falls 18 months from the loan draw-down and is subject to a six-month extension of the Company's option with a 2% interest step-up. The facility agreement includes mandatory prepayment clauses with regard to revenues realised by the Company from the disposal of its asset as well as standard event of default provisions including, inter alia, borrower change of control, termination of investment management agreement and cancellation of existing borrower securities listing.

There were no other material events after the reporting period which have a bearing on the understanding of the consolidated financial statements as at 31 December 2020.

Valuation certificates

American Appraisal®

Athens, 23 June 2021
Board of Directors
Dolphin Capital Investors
Tortola Pier Park
Building 1
Second Floor
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands

Dear Sirs,

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

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

- Apollo Heights, Cyprus
- Plaka Bay, Greece
- Lavender Bay, Greece
- Scorpio Bay, Greece
- Killada Hills Golf Resort, Porto Heli, Greece
- One & Only Resort, at Kéa Island, Greece

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

The value estimates apply as of December 31, 2020 and are subject to the Standard Assumptions and Limiting Conditions attached to our valuation reports and are based on the reasonable assumptions contained in our valuation reports.

In the process of preparing these appraisals we have:

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

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

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

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

Valuation certificates continued

American Appraisal (Hellas) Limited's valuation services are performed in conformity with the Standards of *The Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards of the Red Book, January 2020*[1] and the relevant code of ethics, which incorporate the *International Valuation Standards (IVS)*[2] and the IFRS framework, and are globally recognized by the Public Authorities, as well as *The European Group of Valuers' Associations (TEGoVa)*. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

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

The basis of value is the 'Fair Value'. For reporting purposes, we have adopted the Royal Institution of Chartered Surveyors ('RICS') and the International Valuation Standards ('IVS') definition.

According to the International Valuation Standards, Fair Value is 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.[3] (This definition derives from International Financial Reporting Standards IFRS 13.)

According to VPS 4 of the Red Book, the Fair Value under IFRS is generally consistent with the concept of Market Value as defined in the IVS Framework.

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

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

Sincerely yours,

On behalf of American Appraisal (Hellas) Limited

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

[1] Royal Institution of Chartered Surveyors, the 'Red Book', January 2020
[2] International Valuation Standards (IVS), 2020 edition
[3] IVS 90: para. 90.1

Valuation certificates continued

Colliers INTERNATIONAL

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

Re: Certificate of Value as of 31 December 2020
Istanbul, Turkey, 16 June 2021

Dear Sirs,

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

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

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

The value estimates apply as of December 31, 2020 and are subject to the Disclaimers, Certifications and Limiting Conditions in addition to the assumptions contained in our valuation reports and that were addressed to the management of DCI. In the process of preparing this appraisal we have:

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

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

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

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

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

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

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

The date of valuation has been established as of December 31, 2020.

The basis of value is 'Fair Value'.

Valuation certificates continued

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

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

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

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

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

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation. On the basis of our research, study, inspection, investigation and analysis, it is our opinion that the subject Assets have an estimated 'Fair Value' as of December 31, 2020.

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

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

Valuation certificates continued

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

Re: Certificate of Value as of 31 December 2020
Zagreb, Croatia, 16 June 2020

Dear Sirs,

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

DOLPHIN CAPITAL INVESTORS LIMITED REAL ESTATE ASSETS – Q4 2020 REVALUATION

Location	Property
Croatia	Livka Bay Resort

The property is in the course of development.

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

The value estimates apply as of December 31, 2020 and is subject to the Disclaimers Certifications and Limiting Conditions in addition to the assumptions contained in our valuation reports and that were addressed to the management of DCI. In the process of preparing this appraisal we have:

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

Valuation Certificate

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

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

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

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

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

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

The date of valuation has been established as of December 31, 2020.

The standard of value is 'Fair Value'.

Valuation certificates continued

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

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

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

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

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

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation. On the basis of our research, study, inspection, investigation and analysis, it is our opinion that the subject Assets have an estimated 'Fair Value' as of December 31, 2020.

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

Respectfully submitted,

Vedrana Likan
General Manager

Management and administration

DIRECTORS

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

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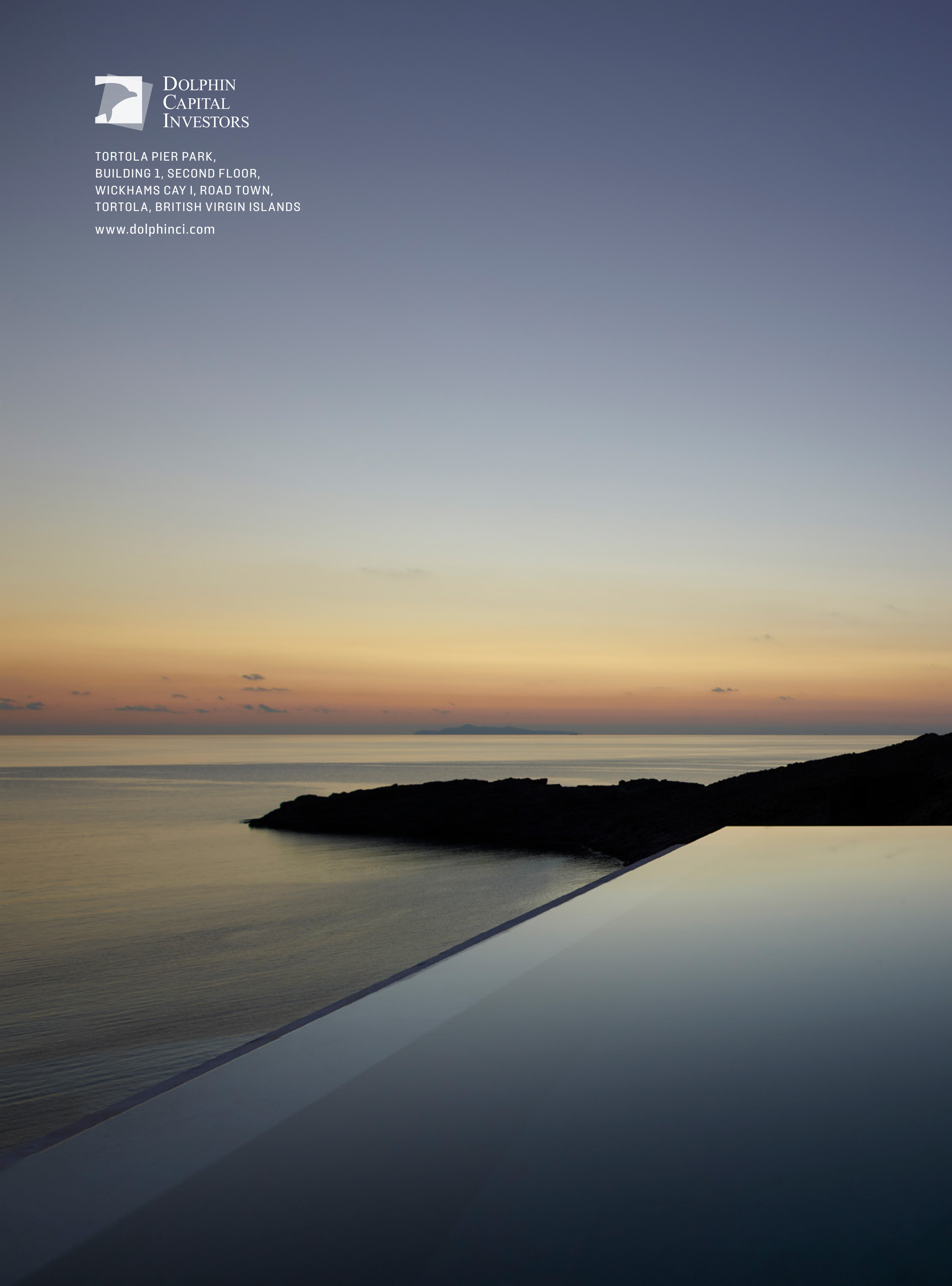
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