Grivalia Properties REIC

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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**Statement of the members of the Board of Directors**

**according to the article 4, par.2 of the Law 3556/2007**

To the best of our knowledge, the Annual Financial Statements of GRIVALIA PROPERTIES REIC for the year ended December 31, 2018 complies with applicable accounting standards, and presents fairly the assets, liabilities, equity and income statement of GRIVALIA PROPERTIES REIC and the undertakings included in the consolidation taken as a total.

Furthermore, to the best of our knowledge, the Annual Directors' Report for the year presents fairly the development, the performance and the status of GRIVALIA PROPERTIES REIC (Company) and the undertakings included in the consolidation taken as a total (Group), including the major risks and uncertainties they face.

Maroussi, February 07, 2019

The undersigned

| | | |
|---|---|---|
| Nikolaos A. Bertsos | Georgios Chryssikos | Georgios Katsibris |
| Chairman of the BoD<br>Non-executive member of the BoD | Chief Executive Officer<br>Executive member of the BoD | Independent non-executive<br>member of the BoD |

# THE ANNUAL BOARD OF DIRECTORS' REPORT FOR "GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY" FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

**Dear Shareholders,**

According to Law 3556/2007 and Codified Law 2190/1920, we present the Board of Directors' annual report of "Grivalia Properties REIC" for the Consolidated and Separate Financial Statements for the year ended December 31, 2018. This report contains the information as required by article 43bb of the codified law 2190/1920, the Annual Consolidated and Separate Financial Statements for the year 2018, the notes on these financial statements based on IFRS and the Independent Auditor's Report.

## GROUP FINANCIAL POSITION

In August 2018 the third financial adjustment program was completed. This important event had a positive effect on the economic climate and the prospects of the Greek economy, which was also reflected with the exit of Greece in the international markets. However, the successful implementation of structural reforms and the strengthening of the climate of confidence is a precondition for maintaining a favorable economic climate. The completion of financial adjustment should be matched with a growth plan and the lift of capital controls so that Greek economy can return to conditions of normality and growth.

The recession-oriented measures that underpinned the recovery of Greek economy impacted heavily on REICs through an excessive increase of tax rates. The unprecedented 614% increase in the tax rate on the Company's assets compared to the previous tax regime, combined with the 120% increase in the tax rate of supplementary single property tax (ENFIA) are depicted in the financial results for the closing year.

The commercial property sector posted slightly rising trends with prime assets holding a more advantageous position, posting a rising trend. The Company continued to successfully manage its credit risk both in terms of receivables and cash balances. The Company's portfolio was broadened to include high solvency tenants. As a result, the Group maintained very high occupancy rates of leased property compared to the Group's total property (circa 95%). Despite the adverse taxation environment, the Group preserved high profitability levels while pursuing in parallel the implementation of corporate social responsibility programs in schools, universities and multiple other social actions.

The Company proceeded to the energy upgrading of its existing portfolio aiming at modernizing work premises for its tenants and at adopting an ecologically sustainable approach in its business activity. The shift to the ecologically sustainable approach by the Group constitutes a key pillar in its strategy.

The Company continued to implement its investment strategy – carrying out significant investments as analyzed below-by maintaining high investment standards while continuously analyzing and assessing the prevailing economic conditions, it seeks to find new investment opportunities to invest its liquidity.

In 2018, the Group's portfolio posted upward trends; as a result its value grew higher by €18.168. This increase reflects the developments in economy and in the property industry. As at December 31, 2018, the Group's portfolio included one hundred and sixteen (116) properties. The majority of the Group's portfolio properties are located in Greece, seventy two (72) of which are located in the broader area of Attica and the remaining thirty eight (38) properties are situated in other big cities of Greece and one (1) land plot is located in the area of Spata. In Central and Eastern Europe, the Group holds two (2) commercial properties in Serbia and three (3) in Romania.

As at December 31, 2018, the Group's investment property portfolio encompassed properties of a total leasable area at approximately 880.546 sqm with a fair value at €1.008.225, as valued by the independent certified valuators AVENT S.A. (PEPPER HELLAS SUBSIDIARY OF PEPPER GROUP) and SAVILS HELLAS PRIVATE COMPANY.

The total number of Company and Group employees as at December 31, 2018 stands at 33 and 34 respectively (31.12.2017: 28 and 31).

As at December 31, 2018, the Company and the Group have no branch.

**Revenue:** The Group's revenue for the financial year 2018 amounts to €72.425 versus €64.985 posting an increase by €7.440 or by 11%. The turnover increase is mainly due to the incorporation of income deriving from investments that were implemented in 2017 as well as from new investments made during the closing year. An increase was also posted due to the leasing of empty spaces and the readjustment of rents.

**Net gain/(loss), from fair value adjustments on investment property:** The Group's profits from fair value adjustments on investment property for the financial year 2018 amounted to €18.168, versus gains of €18.855 in the previous year. From the acquisition of the new investment properties during the closing year, a gain resulted from the adjustment amounting to €961, while for the existing portfolio dated December 31 2017, gain came up standing at €17.207.

**Operating profit:** The Group's operating profit for the financial year 2018 stood at €65.862 versus profits of €65.368 in the previous year posting an increase by €494 or by 1%. The Group's operating profit not including profits/(losses) from fair value adjustments on investment property, provisions for bad debts and other income stood at €47.310 versus €46.379 in the previous year, posting an increase by €931 or 2%. The increase is mainly due to the increase of revenue and to the decrease of operating expenses.

**Finance income:** The Group's finance income for the financial year 2018 stood at €849 versus €993 in the previous year, posting a reduction by €144 or by 15%. The decline in finance income is mainly attributed to the very lower deposits interest rates, resulting from the Group's credit risk management policy.

**Finance costs:** The Group's finance costs for the financial year 2018 stood at €6.413 versus €4.177 in the previous year, posting an increase by €2.236 or by 54%. This increase is due to the Company's increased loans. Moreover, this account includes one-off financial expense amounting to €750 related to newly assumed loans.

**Taxes:** The Group's taxes for the financial year 2018 stood at €8.491 versus €7.927 in the previous year, posting an increase by €564 or by 7%. As described in note 25 in the Annual Consolidated and Separate Financial Statements, the Company is subject to a tax determined by reference to the fair value of its investment properties and to cash and cash equivalents at a tax rate of 10% on the applicable European Central Bank intervention (reference interest rate) plus one percentage unit (1%). Based on the new tax law, the tax due shall not be lower than 0.75% (annually) of its investments.

**Profit after tax:** As results from the above, the profit after tax for the financial year 2018 stood at €51.272 versus profits of €63.147 in the previous year.

**Treasury shares:** During the closing financial year, the Company purchased 810.784 treasury shares at a total cost of €6.657 with an average acquisition price (amount in €) €8,21 per share, in accordance with the decision by the Annual General Shareholders Meeting dated March 21, 2018, that granted anew a two-year license to purchase treasury shares by maximum 10% of the Company's Share Capital, namely the maximum permissible rate by law on the paid up Share Capital with a maximum purchase price (amount in €) €14 per share and a minimum price (amount in €) €2,13 per share, pursuant to the provisions of article 16, Codified Law 2190/1920 as in effect today. As at December 31, 2018, the Company held 4.857.273 treasury shares of a total cost of €34.462, excluding the sale of pre-emption rights of treasury shares amounting to €1.841, with an average acquisition price (amount in €) at €7,09 per share. As at December 31, 2017, the Company held 4.046.489 treasury shares of a total cost of €27.805, excluding the sale of pre-emption rights of treasury shares amounting to €1.841, with an average acquisition price (amount in €) at €6,87 per share.

(All amounts expressed in €'000s unless otherwise stated)

**Basic Ratios**

The Group evaluates its results and performance on a monthly basis identifying promptly and effectively any deviations from its objectives, taking corrective measures, when deemed necessary. Group's performance is measured with the financial performance indicators used internationally:

| | **31.12.2018** | **31.12.2017** |
|---|---|---|
| **Liquidity Ratio** | | |
| Current Ratio | 1,0x | 2,3x |
| **Gearing Ratio** | | |
| Total Debt to Total Assets | 19% | 13% |
| Loan-to-Value (L.T.V.) | 22% | 14% |
| **Market ratio** | | |
| Net Assets Value (N.A.V.) (Amount in €) | €8,60 | €8,96 |

**Funds from Operations**

| | **31.12.2018** | **31.12.2017** | **Movement** | **%** |
|---|---|---|---|---|
| Funds From Operations (F.F.O.) | 30.091 | 34.763 | (4.672) | (13%) |

**Adjusted EBITDA**

| | **31.12.2018** | **31.12.2017** | **Movement** | **%** |
|---|---|---|---|---|
| Adjusted EBITDA | 47.919 | 46.637 | 1.282 | 3% |

**SIGNIFICANT EVENTS DURING THE CLOSING FINANCIAL YEAR**

1. On March 12, 2018 the Company's hospitality platform Grivalia Hospitality S.A., completed the acquisition of 80% of Nafsika S.A. in implementation of the pre-agreement dated 20.02.2017 and its 31.07.2017 amendment. The company holds the long-term lease of the Asteria property in Glyfada, owned by ETAD, until 31.12.2081. The renowned "Asteria" Hotel, which used to operate within the property, is planned to be fully upgraded into an ultra-luxury urban resort run by an internationally acclaimed hotel operator. F&B and retail services will continue to be offered as part of the overall facilities.

2. On March 19, 2018 the Company proceeded to the acquisition, via a public auction, of a property located on 5 Grigoriou Lampraki Street in Glyfada. In particular, this property is a stand-alone commercial building in a central location of Glyfada. The total area is approximately 4.000 sqm, of which 1.570 sqm are retail and office areas in the ground floor and 3 upper-floors and 2.430 sqm for parking and storage on 3 underground levels. The offered bid was €5.080.

3. On March 21, 2018, the Company reached an agreement with Eurobank Ergasias Group for a stand-by facility of €75.000. This facility will take the form of a common bond loan secured with pledges that will be progressively

drawn. The loan will be fully covered by Eurobank Ergasias S.A. Bank and by Eurobank Private Bank Luxembourg and will be used to refinance selected past investments and to finance future investments. On June 15, 2018, November 21, 2018 and December 10, 2018, the amounts of €25.000, €25.000 and €15.000 were disbursed from the aforementioned bond loan.

4. On March 21, 2018, the Company's General Shareholders Meeting approved the dividend distribution of a total amount of €35.441 from the 2017 profits ([amount in €] €0,35 per share). The payment of dividend commenced on March 29, 2018, through the paying bank, Eurobank Ergasias S.A..

5. On May 08, 2018, the Company's hospitality platform Grivalia Hospitality S.A. acquired the hotel unit 'Meli Palace' in Crete. In particular, Grivalia Hospitality acquired through its 100% subsidiary, the shares of the company HELLENIC PALACE S.A that holds 100% of the property on which the hotel unit 'Meli Palance' has been constructed. The luxury hotel complex located on a privileged coastal location in Malia, Crete numbers 158 rooms on a land plot of 104 stremma approximately and is leased to a to prominent operator. This property is the first hotel in operation to be added to Grivalia Hospitality S.A investment portfolio.

6. On June 26, 2018, the Company acquired a stand-alone, multi-storey building at the junction of 2 Omirou and Stadiou Street, in the center of Athens. This building is of an excellent visibility, with unobstructed view to the Old Parliament Mansion, of a total surface of 4.500 sqm. The consideration for the property's acquisition amounted to €10.000. The Company's investment plan includes the building's radical reconstruction and energy upgrading in order to become a high specifications building, based on the international sustainability standards.

7. On July 24, 2018 the Company completed the indirect acquisition of 50% of the shares of the company with the distinctive title "Piraeus Port Plaza 1" (PPP1), by acquiring 100% of the shares of Staynia Holdings Ltd incorporated in Cyprus. The purchase consideration was €3.873. The Company now controls 100% of PPP1, as in October 2016 acquired the other 50% of its shares. The asset comprises an urban block in Piraeus and is located close to the Port of Piraeus. The property was former part of the "PAPASTRATOS" facilities and was converted and upgraded from a warehouse into a modern energy efficient office building in line with international sustainability standards. The redevelopment of the asset was recently completed and now has a GLA of c. 9.700 sqm above ground areas and c. 4.470 sqm of underground auxiliary and parking areas. The asset is already leased to a multinational company with strong presence in Greece.

8. On July 25, 2018 the Company's hospitality platform Grivalia Hospitality S.A. concluded successfully a new share capital increase of €60.000. The new share capital increase was fully subscribed by the company's existing shareholders proportionally to their shareholdings. More specifically, Grivalia properties and Eurolife ERB Life Insurance Company each covered €15.000, while €30.000 was contributed by a new investment vehicle also under the management of M&G Investment Management Limited with registered seat in London. Following the conclusion of the capital increase, the paid-up share capital of Grivalia Hospitality S.A. amounts to €180.000 and will be used to advance the implementation of the company's investment plan.

9. On August 01, 2018, the Company's hospitality platform Grivalia Hospitality S.A, in cooperation with Dolphin Capital Partners ('Dolphin'), agreed on the 100% acquisition of Amanzoe from the listed company in London Exchange, Dolphin Capital Investors ('DCI); Grivalia Hospitality S.A. by 85% and Dolphin by 15% on the same terms. The net consideration paid to DCI by the buyers proportionally amounted to (amount in €) €5,8m. Moreover, the buyers undertook all existing loan obligations of Amanzoe standing at (amount in €) €76,5m. Based on an agreement between the parties, Dolphin pursues the successful management of Amanzoe placing emphasis on the development and sale of new villas and on the introduction of new concepts that will create the appropriate conditions for the extension of its useful life cycle operation. Amanzoe constitutes the first composite development of hotel complex and luxury villas designed and implemented by Dolphin Capital group in Porto Heli. Since the beginning of its operation in 2012, Amanzoe has been recognized internationally as a top tourist destination and it is currently considered the most luxury resort in Europe. Amanzoe extends for a surface of approximately 1.000.000 sqm and includes an implemented and planned construction of approximately 69.000 sqm.

10. On September 17, 2018, the Company acquired 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 2" (PPP2). The purchase consideration was €3.615. PPP2 owns a unique property in Piraeus which was former part of the "Papastratos" facilities and is adjacent to the recently completed building owned by PPP1, a company already 100% controlled by Grivalia. The existing asset will be converted and upgraded from a former industrial facility into a modern, energy-efficient office complex in line with international sustainability standards with total areas of 26.755 sqm (including underground parking and auxiliary areas). The asset will be leased to a

multinational company with strong presence in Greece. Grivalia has already agreed to acquire the remaining 51% of PPP2 following the completion of the asset's redevelopment and its delivery to tenant.

11. On November 26, 2018, the Board of Directors of Eurobank Ergasias S.A. And the Company announced that they have decided unanimously to begin the Merger of the two companies with absorption of the Company by Eurobank, pursuant to the provisions of corporate law, l. 2515/1997 and l. 2166/1993, as applying and as in effect.

**A. Key terms of the Merger**

The exchange ratio proposed is c. 15,8 new Eurobank ordinary shares for every 1 Grivalia ordinary share, while Eurobank shareholders will retain the number of Eurobank ordinary shares they currently hold (the "Exchange Ratio"). Prior to completion of the Merger, Grivalia will proceed with (i) a distribution of approx. (amount in €) €40,5m ({amount in €} €0,42 per Grivalia share) to its shareholders via a share capital reduction (the "Pre-Transaction Distribution") and (ii) a distribution of (amount in €) €13,7m to its employees and BoD members, representing accrued bonus payments and BoD fees for 2018, deferred bonuses from previous years as well as partial vesting of the long term incentive plan.

The Merger will result in a pro forma ownership split of the enlarged share capital of c. 59% owned by existing Eurobank shareholders and c. 41% by existing Grivalia shareholders.

The Exchange Ratio plus the Pre-Transaction Distribution represent a premium of 9% over the share price of Grivalia, based on the closing prices as of Friday, 23 November 2018.

The Exchange Ratio is subject to (i) the Boards of Eurobank and Grivalia and (ii) Hellenic Financial Stability Fund ("HFSF"), all three entities, receiving fairness opinions from international investment banks.

The completion of the Merger is subject to (i) no event, fact, occurrence or change having (or reasonably expected to have) a material adverse effect on the business, financial condition or liabilities of either Eurobank or Grivalia (which would include any potentially significant unfavorable financial, legal or administrative outcomes) and (ii) obtaining all necessary approvals from the General Meetings ("GM") of the two companies, the HFSF and relevant regulatory authorities.

The date of the Merger balance sheet will be 31 December 2018.

Fairfax Financial Holdings Limited ("FFH"), which currently holds 18,23% and 51,43% in Eurobank and Grivalia, respectively, will become the largest shareholder in the merged entity with a 32,93% shareholding.

Subject to the relevant legal and regulatory requirements and Eurobank's corporate governance procedures, upon the completion of the Merger, Mr. George Chryssikos, currently non-executive director of Eurobank, will be proposed for non-executive Vice Chairman of the BoD of Eurobank and will join the Strategic Planning Committee. Mr. Nikolaos Bertsos, currently Chairman of the BoD of Grivalia, will be proposed for a non-executive member of the BoD of Eurobank.

**B. Transaction key points**

- Based on annualized 9-month results for Eurobank and Grivalia, the new group after the Merger ("New Group"), on a combined pro-forma basis, will have operating income of (amount in €) €1,9bn ({amount in €} €0,52 per share) and pre-provision income of €1bn ({amount in €} €0,28 per share). Furthermore, it will have a diversified revenue base, as c. 30% of its operating income will be generated from international operations and real estate activities.
- After the completion of the Merger, the New Group will have a total capital ratio of 19,0%, the highest in the Greek market, a phased-in CET1 ratio of 16,6% and a fully loaded CET1 ratio of 13,8% (pro forma based on September 2018 figures).
- The leading capital position of the New Group will enable the acceleration of its NPE reduction plan (the "Acceleration Plan") compared to the current 3-year NPE reduction plan (2019-2021) which is targeting a Group NPE ratio of c. 15% by the end of 2021.

Furthermore, the New Group will be able:

a. to focus on its core business of financing the economic growth in the countries where it has strategic presence, taking advantage of future credit growth prospects both in Greece and abroad;

b. to explore consolidation opportunities in Southeastern Europe – Eurobank has already taken a significant step in this direction with the announced agreement to acquire Piraeus Bank's Bulgarian subsidiary, which will result in Eurobank Bulgaria becoming the 3rd largest bank in the country;
c. to demonstrate excellence in dedicated management of real estate assets and to accelerate the unlocking of hidden value; and
d. to pursue further operating efficiency and proceed with further simplification and digitalization of the bank.

The Merger combined with the implementation of the Acceleration Plan will yield significant benefits for the New Group and its shareholders:

- Target an NPE ratio of c. 15% by the end of 2019 and pave the way for a single digit ratio by the end of the plan period (2021);
- Significant balance sheet de-risking following the de-recognition of a significant part of deeply delinquent, denounced NPEs, retaining those that have better curing and recovery potential; and
- Target RoTE in excess of 10% in 2020, based on a fully loaded CET1 ratio in excess of 12%.

**C. Acceleration Plan**

The New Group will proceed with the execution in 2019 of its already announced 3-year NPE reduction plan. Furthermore, the New Group will initiate the following plan:

I. Securitization of deep delinquency NPEs of gross book value (amount in €) c. €7bn ("Securitized NPEs") according to L. 3156/2003 via their transfer to a special purpose vehicle ("SPV") and the issuance of senior, mezzanine and junior notes, initially to be fully retained by the New Group.
II. Hive-down all existing assets and liabilities of the New Group, including DTC and excluding the SPV shares, the mezzanine and the junior notes, into a new banking subsidiary ("New" Eurobank).
III. De-recognition of the Securitized NPEs through the distribution to shareholders, or the disposal to third party investors, or any combination thereof of the SPV's mezzanine/junior notes. The structure of the transaction ensures that the New Group shareholders will not be diluted as DTC conversion will not be triggered and, depending on the option chosen, it will provide them with the benefit of any upside on the Securitised NPEs.
IV. In this context, "New" Eurobank may also contemplate the entry into the capital of Financial Planning Services S.A. ("FPS"), the licensed 100% owned loan servicer of "New" Eurobank, of a strategic investor, which may acquire a significant stake. The SPV will enter into a service level agreement ("SLA") with FPS for the professional servicing of its loans and the maximization of the value for all its noteholders. Furthermore, "New" Eurobank will also enter into a SLA with FPS for the professional servicing of its remaining on balance sheet NPEs.

The Acceleration Plan has been presented to the Single Supervisory Mechanism ("SSM") and Bank of Greece and is subject to the approvals of the General Meetings and the relevant regulatory authorities. It is estimated that key approvals may be received by mid-2019 and the plan may be executed by the end of 2019.

**D. Real estate management company**

After the combination of Grivalia's real estate portfolio and Eurobank's own-use, investment property and repossessed real estate assets, the New Group will have a real estate portfolio of (amount in €) €2,2bn, pro-forma as of 30 September 2018.

The New Group will enter into a 10-year SLA for the management of all its real estate assets with a new company ("Grivalia Management Company"), which will be established prior to the completion of the Merger by key members of Grivalia's management team and will employ the personnel of Grivalia. Mr. Chryssikos will be the Executive Chairman and one of the key founding partners of Grivalia Management Company with a stake of 70%.

The SLA will be proposed for approval to the General Meetings of both Eurobank and Grivalia, as a related party transaction, along with the Merger terms, and become effective upon completion of the Merger.

For the management of the real estate portfolio, Grivalia Management Company will charge market level fees based on cost and performance criteria. Based on the current real estate holdings of the New Group, the net incremental cost expected to be incurred by the combined New Group will be (amount in €) c. €3,5m (before VAT) per annum. The fees paid by the New Group to Grivalia Management Company will be subject to a cap of (amount in €) €12m (before VAT) per annum.

**E. HFSF matters**

Both before and after the Merger and the Acceleration Plan, the rights of the HFSF, according to Law 3864/2010, as in force, and the Relationship Framework Agreement as well as the public interest will be fully protected as will be evidenced in the hive-down deed. Furthermore, prior to the Merger, an agreement shall be entered into between the Bank and the HFSF ("HFSF Agreement") according to which after the hive-down the obligations of the Bank vis-à-vis the HFSF and the rights of the HFSF under the Law 3864/2010 shall apply both in relation to the existing legal entity of the Bank and New Eurobank.

Both the Merger and the Acceleration Plan are subject to approval by the Bank's General Meetings, the SSM and all other relevant regulatory authorities.

12. On December 17, 2018, the Extraordinary General Shareholders Meeting resolved upon the following:

    - To reduce the Company's share capital by the amount of €10.346 by canceling 4.857.273 Company treasury shares corresponding to approximately 4.80% of the Company's share capital and to modify article 5 in the Articles of Association.

    - To further reduce the share capital by €40.489 through the decrease of the nominal value of each share by (amount in €) €0.42 and to refund this reduction amount to the shareholders in cash and to modify article 5 of the Articles of Association.

    - To distribute past years profit and profit carried forward up to the financial year 2016 to members of the Board and to the Company's personnel, amounting totally to €13.736.

13. On December 19, 2018, the Company acquired 49% of the shares of the company "Value Touristiki S.A." The purchase consideration was €1.813. Value Touristiki S.A has been the successful bidder in the public tendering process for the sale of an independent offices building, of a total surface of 14.427 sqm, at the junction of Ilia Iliou Street and Minoos in Neos Kosmos, that belonged to the company H.K. Tegopoulos S.A. until it went bankrupt. The property will be renovated and will be upgraded into a state-of-the-art property for professional use.

14. On December 20, 2018, the Company sold horizontal properties in its ownership located within a multi-storey building at the junction of 31 Lefkados and 47$^{A}$ Evelpidon Street in Athens (Louzitania Complex). These are three horizontal properties of the 3rd, 4th and 5th floor of office premises and one horizontal ownership for auxiliary use. The total area of the above-mentioned horizontal properties is 2.889,98 sqm. The consideration for the sale of all horizontal properties amounted to €2.070.

15. On December 21, 2018, the Company acquired 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 3" (PPP3). The purchase consideration was €5.038. PPP3 owns only one property in Piraeus, a former tobacco industry plant and tobacco warehouses of Papastratos. The property will be upgraded and will be converted from a former industrial facility into an offices complex, stores and parking slots of modern specifications, in accordance with the international sustainability standards covering a total surface of 43.992 sqm (including underground parking slots and auxiliary spaces). Grivalia has concluded a preliminary agreement to acquire the remaining 51% of PPP3 upon completion of the property's conversion.

**SUBSEQUENT EVENTS**

Apart from the above-mentioned events (notes 11, 13 and 14) there are no other significant events after December 31, 2018 which affect either the Group or the Company's financial position.

**OUTLOOK**

The year 2019 will be a milestone year for the Company. The suggested merger with Eurobank constitutes a unique opportunity for the Company and its shareholders. The Company's shareholders will obtain a significant shareholding in the New Group that will occupy a leading position in the Greek banking system, based on profitability, the capital adequacy ratios and the portfolio quality. In addition, the transaction will strengthen the Company's business position giving immediate access to a broadened portfolio of assets, avoiding the structural inadequacies resulting from the recent changes in the tax regime governing REICs. In this context and combined with the positive outlook for Greek economy, the growth prospects for the New Group are significant.

## SIGNIFICANT RISKS

### Fluctuations in Property Values

Changes in property values have an impact on the Income Statement and the Balance Sheet according to their market value. During the financial year that ended on December 31, 2018, the Group recorded profits from fair value readjustments on investment property, as analysed on page 6. Any fluctuations in market values have a significant impact on the Group's profitability and assets. The Company concludes long term lease agreements with quality tenants.

### Non-Performance of Tenants

Receivables will be negatively affected in case tenants default on their liabilities. However, the Group has a well-diversified portfolio consisting mainly of well-known companies in Greece, in Central and Eastern Europe and this should mitigate the impact of any individual defaulting tenant.

### Interest rate risk

The interest rate risk for the Group derives mainly from long term financial leases and bank borrowing on variable interest rate.

### Financial risk

The Group is exposed to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. Financial risks are related to the following financial instruments: "Other long term receivables", "Trade and other receivables", "Cash and cash equivalents", "Trade and other payables", "Other non-current liabilities", "Short term tenant deposits", "Long term tenant deposits" and "Borrowings, including finance leases". The accounting policies related to the above financial instruments are described in note 2.

Risk management primarily focuses on the identification and evaluation of financial risks, such as currency risk, interest rate risk and credit risk.

a) Market Risk

i) Currency risk

The Group operates internationally but is not significantly exposed to foreign currency risks. Currency risk derives mainly from investments in foreign subsidiaries and is not deemed significant. The Group exposure to currency risk as at December 31, 2018 and December 31, 2017 was not significant.

Group's policy, in accordance with the legislation governing Greek REICs, is not to enter into any currency hedging transactions.

ii) Price Risk

The Group is exposed to risk from fluctuation of prices in the value of property and rents. To reduce price risk, the Group concludes long term operating leases with most of the tenants for a duration of 12 up to 20 years. The annual readjustments of rents are connected with the Greek CPI and the harmonized CPI on a case by case basis; in case of deflation, there is no negative impact on the Group and Company income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales. Contingent rents for the year ended December 31, 2018 have had no material effect on the income statement either for the Group or the Company. The Group is not exposed to financial instruments related risk since it does not hold equity instruments.

iii) Cash flows risk and risk of fair value changes due to interest rate changes

The Group numbers important interest-bearing assets that include sight and term deposits.

The Group's exposure to risk from interest rates fluctuations derives from long term financial leases and bank borrowing (note 14). Financial leases on variable rates expose the Group to cash flows risk due to fluctuation of interest rates.

The Group is exposed to fluctuations in the interest rates prevailing in the market affecting its financial position and cash flows. The borrowing cost is likely to rise as a result of such changes and losses may be incurred, or the borrowing cost is likely to decrease upon occurrence of unforeseen events. To mitigate the Group's exposure to interest rates fluctuations due to long term financial leases and its loan contracts, the readjustment dates of interest rates are limited based on agreement in a maximum six-month period. If the reference rate changes by +/-1%, the impact on the Group's results is estimated at -/+ €1.662 (31.12.2017: -/+ €844).

b) Credit Risk

The Group presents significant credit risk concentrations vis-à-vis cash balances, sight deposits and income from rents deriving from real property operating lease contracts. No significant losses are anticipated since procedures are in place in order to ensure that real property lease agreements are concluded with customers with sufficient creditworthiness and that cash transactions are only limited to credit institutions. The Group receives guarantees on operating lease contracts. It should be noted that, in order to minimize the credit risk, Group’s cash are invested in systemic banks and in subsidiaries of systemic banks. If credit rating is in place for customers, then said rating is used. If there is no credit rating, the credit quality of the customer is assessed, taking into account its financial position, past experience and other factors It should be noted that the Group places its cash in systemic banks and subsidiaries of systemic banks. More specifically, as at 31.12.2018, approximately 94% of the Group's cash are placed in Greek Systemic Banks and the remaining 6% in countries of New Europe.

The Group's maximum exposure to credit risk equals the book value of the above transactions.

c) Liquidity risk

Prudent management of liquidity risk entails sufficient cash balances, possibility to raise funds through an adequate amount of committed credit facilities and possibility to close out open market places. Due to the dynamic nature of its business activity, the Company's management aims to maintain flexibility in fund raising by keeping adequate cash balances and open credit with overdraft accounts and time deposits.

**Inflation Risk**

The Group's exposure to inflation risk has been minimized because it concludes long term operating leases with most of the tenants for a duration of 12 up to 20 years. The annual readjustments of lease payments are connected with the Greek CPI and the harmonized CPI on a case by case basis; in case of deflation, there is no negative impact on the Group and Company income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property’s net sales. Contingent rents for the year ended December 31, 2018 have had no material effect on the income statement either for the Group or the Company

**Regulatory and Compliance Risk**

The Company has expanded to investments in Central and Eastern Europe and Central America. The Company has investments in Romania, Serbia, Luxembourg and Central America. The lack of familiarity with the local legislative framework could result in increased taxes and sanctions at local and international level. To avoid this risk, we have consultants in every country, such as legal advisors and accountants, offering us their advice before every investment we make and after its implementation with regard to the regulatory context, our rights and obligations.

**Sustainability Risks**

The Company recognizes aspects related to Environment, Employment, Occupational Health and Safety and Human Rights as significant for its Sustainable Development and addresses related risks according to applicable international and national laws, standards and best practices applicable to its operations.

**External Factors**

The Company has investments in Romania, Serbia, Luxembourg and Central America. The Group may be influenced by external factors such as political and economic instability and changes in tax regimes.

## TRANSACTIONS WITH RELATED PARTIES

All transactions from and with related parties are carried out under prevailing market terms. All significant related party transactions, as defined by IAS 24, are fully disclosed in note 30 in the Annual Consolidated and Separate Financial Statements for the financial year ended on December 31, 2018.

## CORPORATE GOVERNANCE

### i. Corporate Governance Code

The Company, in compliance with the stipulations of the codified law 2190/1920 as applying after its modification, has established and adheres to a Corporate Governance Code, which is posted on the Company's website at www.grivalia.com

**Practices of Corporate Governance applied by the Company in addition to the provisions of Law**

In addition to the practices that have been adopted, in compliance with the legislative framework governing the Company (indicatively, L. 2190/1920, L. 3016/2002, L. 3693/2008, L. 4209/2013, L. 4449/2017 etc), the latter applies the following practices of sound corporate governance:

1) The Company's Board of Directors has established a Remuneration-Nomination Committee; this Committee was conferred upon, inter alia, the duty to suggest to the BoD the candidatures for the Board of Directors members election, the appointment of the key management executives, both of the Company as well as its subsidiaries and for the determination of their remuneration and earnings.

2) In its majority, the Company's Board of Directors consists of non-executive members.

3) By a BoD decision, a performance evaluation procedure has been established, both for the Board and its committees; such evaluation takes place at least every two years.

The aforementioned practices are outlined in detail both in the Internal Rules of Operation and in the Corporate Governance Code followed by the Company (Corporate Governance Code), uploaded on its website www.grivalia.com.

### ii. Description of the internal audit and risk management system in relation to the preparation of the Consolidated and Separate Financial Statements

**Internal Audit System**

The Board of Directors bears the ultimate responsibility for monitoring the Company's internal audit system adequacy including the internal audit system for the preparation of financial statements that has been designed to provide reasonable and not absolute reassurance in relation to the protection of assets (a) from their unlicensed use or assignment (b) the keeping of appropriate accounting records and the reliability of financial reporting being used inside the company or for disclosure purposes. Such audits are designed with the aim to mitigate and not to eliminate the risk of failure to attain the corporate targets due to conditions that could be prevented and could possibly provide a reasonable and not absolute reassurance for every inaccuracy or damage.

**Code of conduct**

The Company has established a Code of Conduct which is followed by the Board of Directors and the Company's personnel. The rules of the Code of Conduct are applied also on the direct members of the family members of the BoD members and the personnel. The obligation to adhere to the rules applies for the behaviors or/and the actions that could possibly be directly linked with a BoD or personnel member (e.g. transactions on securities, dissemination of falsified and untrue information to third parties etc).

**Organizational Structure**

The Company's organizational structure is clear. The personnel's high level of professionalism and skills is ensured through rigorous procedures of recruitment and performance evaluation.

**Duties and Responsibilities**

By a decision of the Company's Board of Directors, approval limits have been fixed for all types of payments through bank accounts-remittances or/and issue of cheques and other responsibilities pertaining to the corporate assets management.

**Information Systems**

The Company has developed information systems that actively support its long term corporate targets. All the Company's significant business activities are covered by adequate policies and procedures.

**Planning-Monitoring**

Sufficient detailed budgets are drawn up being subject to continuing monitoring.

Comparisons are made between true, historic and budgeted profit and loss accounts with adequate detailed explanation of all important deviations.

**Accounting Program**

An adequate accounting program is installed providing the Management with the indicators that measure the Company's financial and business performance. Results are analyzed on a monthly basis covering all the significant fields of business activity.

**Internal Audit Framework**

Ensuring an effective corporate governance is considered a very important target for the Company. The internal audit system is evaluated continuously in order to confirm the upkeep of a safe and effective audit environment.

The annual internal audit program that has been drawn up by the Internal Audit Service, based on prior risk evaluation, offering reasonable reassurance as to the key corporate activities and the financial risks faced by the Company, is approved annually by the Audit Committee.

Special business policies and procedures have been established for the areas subject to high risk of fraud, including the areas that are related to transactions with vendors and any kinds of payments. These procedures describe all the approval stages required in order to secure an effective control on these transactions.

The Regulatory Compliance & Risk Management Division has been set up to identify the Company's risks arising from improper compliance with the institutional and regulatory framework governing its operation; the Division is also responsible for communicating such risks to the Board of Directors through the Audit Committee, to the Management and the Company's Personnel. Moreover, this Division is competent to prepare policies and procedures in order to promote a steady and constant compliance of the Company with the above. It also assists the Board of Directors and the Company's management in detecting, evaluating and coping with all those events that are likely to pose a risk for the Company's smooth operation.

The Audit Committee oversees all the serious audit issues raised both by the Management as well as the internal and external auditors and submits its findings to the Board of Directors. For all the ascertained weaknesses of the internal audit system, the Audit Committee makes sure that the Management shall take all the necessary remedy measures.

**Risk Management**

The Company has created the appropriate structures and procedures in order to evaluate and manage the risks related to the compilation of the financial statements. The Company's senior executives meet on a weekly basis in order to examine the current issues, including the ones that are relevant to the financial statements as well as fraud issues.

**iii. Regarding points (c), (d), (f), (h) and (i) of paragraph 1, article 10, Directive 2004/25/EC**

- The required information under point (c) of para. 1, article 10 of Directive 2004/25/EC is included already in a different part of the Management Report referring to the additional information of article 4, para. 7 of L.3556/2007.
- As regards the required information under point (c) of para. 1, article 10 of the Directive 2004/25/EC, there are no Company securities granting any special control rights to their holders.
- As regards the required information under point (f) of para. 1, article 10 of the Directive 2004/25/EC, there is not any restriction whatsoever on voting rights.
- As regards the required information under point (h) of para. 1, article 10 of the Directive 2004/25/EC, the amendment of the Company's articles of association presupposes an approval by the General Meeting, in accordance with the C.L. 2190/1920. The appointment of board members shall be carried out by the General Meeting following a relevant proposal by the Board of Directors. In case of a board member replacement, the decision shall be taken by the Board of Directors and it shall be subject to ratification by the next General Meeting.
- The required information under point (i) of para. 1, article 10 of Directive 2004/25/EC is included already in a different part of the Management Report referring to the additional information of article 4, para. 7 of L.3556/2007.

**iv. Information on the General Shareholders Meeting**

- **Main powers**

  The General Meeting is the supreme company body, convened by the Board of Directors and entitled to decide on any affair regarding the Company; shareholders are entitled to participate in the General Meeting either in person by a lawfully authorized proxy, in line with the legal procedure in force.

- **General Meeting operation/ description of Shareholders Rights and their exercise.**

  The Board must ensure that the General Shareholders Meeting preparation and realization facilitates effective exercise of shareholders' rights, who are informed on all issues pertaining to their participation in the General Meeting, including the items on the agenda and their rights during the General Meeting. In detail, with regard to the General Meeting preparation, in combination with the provisions of Law 3884/2010, the company must upload on its website at least twenty (20) days prior to the General Meeting, both in Greek and English, information relative to:

  - the date, time and location of the General Shareholders Meeting,
  - the basic rules and participation practices, including the right to introduce items on the agenda and submit questions as well as the deadlines for exercising such rights,
  - the voting procedures, the terms of representation by proxy and the forms to be used for voting by proxy,
  - the suggested agenda of the Meeting, including the drafts of the decisions for discussion and voting and any accompanying documents,
  - the suggested list of candidate Board members and their CVs (if there is a member election item) and
  - the total number of shares and voting rights on the convocation date.

i. The Company's Board Chairman, the General Manager and the BoD Committees' Chairmen must be present at the General Shareholders' Meeting, in order to provide information on items for discussion or clarifications requested by shareholders. Moreover, the Company's Internal Audit Officer must be present at the General Meeting.

ii. The Board Chairman is temporarily chairing the General Meeting sittings. One or two of the shareholders present or representatives of shareholders appointed by the Chairman serve as interim secretaries.

iii. After the ratification of the table of shareholders with a voting right, the General Meeting immediately elects the final presidium, composed of the Chairman and one or two secretaries serving as scrutineers. The General Meeting decisions are taken, in line with the legislation in effect and the provisions of the Company's articles of association.

iv. A summary of the General Meeting minutes must be available on the company's website within five (15) days since the General Shareholders Meeting, translated into English.

v. Any shareholder bearing the qualification of shareholder in the body's records where the Company's transferable securities are kept should be entitled to participate and vote in the General Meeting. Exercising such rights does not require blocking of the beneficiary's shares, nor adherence to a similar procedure. The shareholder may appoint a proxy if he/she so wishes. As for the rest, the Company complies with the stipulations of the codified law 2190/1920 (article 28a).

## v. Information on the Board of Directors and its Committees

### a) Board of Directors composition and operation

The Company is governed by the Board of Directors, consisting of at least seven (7) up to eleven (11) members the majority of whom is non-executive; of these members, at least two (2) are independent non-executive members. All board members are elected by the General Meeting fixing the duration of their mandate. A legal entity may be elected member of the Board of Directors.

The current composition of the Board consists of the following eleven (11) members:

Nikolaos A. Bertsos, Non-executive Chairman

Wade Sebastian Burton, Non-executive Vice-Chairman

Georgios Chryssikos, CEO- Executive Member

Stavros Ioannou, Non-Executive Member

Georgios Bersis, Non-Executive Member

Jamie Lowry, Non-Executive Member

Takis Kanellopoulos, Independent Non-Executive Member

Georgios Katsimbris, Independent Non-Executive Member

Dimitrios Papadopoulos, Independent Non-Executive Member

Georgios Papazoglou, Independent Non-Executive Member

Ignace Charles Rotman, Independent Non-Executive Member

The Board elects its Chairman and one up to three Vice-Chairmen from its members. When the Chairman is absent, has another engagement or in case there is no Chairman, his duties shall be exercised by the first Vice-Chairman (as laid down by law provisions or statutory requirements). In case of the Vice-Chairman's absence or impediment, the Chairman duties shall be exercised by the second or third Vice-Chairman in a row or a consultant appointed by the Board of Directors.

The board may validly meet, except for the company's seat, at the following places: a) domestically: in the municipalities of Attica and Thessaloniki prefectures, b) abroad: in Belgrade, Serbia, in Bucharest, Romania, in Kiev, Ukraine and in Sofia, Bulgaria and c) where the Company has an installed business activity or subsidiary.

The Board of Directors may also meet via teleconference. The Board should meet sufficiently regularly to discharge its duties effectively.

The board meetings are chaired by its Chairman, who can appoint a person to assume the duties of the Board Secretary. The Board decides on the majority of its members being present or/and legally represented. The Board meetings minutes must be signed either by its Chairman, or by any of its Vice-Chairmen or the CEO or by the Board Secretary, each one of them being entitled to issue copies and extracts thereof.

**b) Board of Directors Committees composition and operation**

**Audit Committee**

- The Audit Committee is a BoD committee that monitors and supervises the financial reporting and information procedure, the Company's compliance and its subsidiaries with the legal and regulatory operation framework, the audit system procedure and the exercise of audit function oversight; it assists the BoD in fulfilling its supervisory duty in these sectors.

- The Audit Committee members are appointed by the General Shareholders Meeting, following a relevant BoD proposal, after a corresponding evaluation considering the respective suggestion by the Remuneration-Nomination Committee. The Audit Committee consists of at least three (3) members the majority of whom should be independent non-executive board members, while the rest of them should be non-executive board members. The Audit Committee members should evidently have adequate knowledge in the sector the Company operates in while at least one (1) of them should have a documented sufficient knowledge in accounting and auditing. The Committee's members appoint an independent, non-executive Board member as Chairman.

- The Audit Committee mandate is fixed at three (3) years with a possibility of further renewal following a relevant BoD proposal to the Company's General Shareholders Meeting.

- The Audit Committee meets as many a time as deemed necessary; but at least four times per year following a Chairman's invitation with always all its members being present or represented.

- The Audit Committee reports to the Board on its activities and their results at least once (1) quarterly. Information is given through the meeting minutes, written reports or by the Committee Chairman in person during the Board meetings. The Chairman attends in person during the annual General Meeting and is bound to inform the shareholders on the Committee's activities, upon request.

The current composition of the Audit Committee consists of the following three (3) members:

1) Georgios Katsimbris, Chairman (independent non-executive Board member)

2) Stavros Ioannou, Member (non-executive Board member)

3) Takis Kanellopoulos, Member (independent non-executive Board member)

**Investment Committee**

- The Investment Committee oversees any decision making related to the Company's investment strategy implementation and the realization of new investments, liquidation of existing ones and any other relevant activities, such as new leases or renegotiation of existing leases.

- The Investment Committee consists of five (5) members, appointed by the Board of Directors. One of the members must necessarily be the Company's CEO, acting as its Chairman and being hierarchically the senior member of the Investment Committee.

- The Investment Committee meets at any time deemed necessary or suitable (by any of its members), after an invitation by its Chairman.

The current composition of the Investment Committee consists of the following five (5) members:

1) Georgios Chryssikos, Chairman (Chief Executive Officer)

2) Nikolaos A. Bertsos, Member

3) Dimitrios Papadopoulos, Member

4) Georgios Papazoglou, Member

5) Wade Sebastian Burton, Member

**Remuneration-Nomination Committee**

- The Company's Board of Directors has conferred upon the Remuneration-Nomination Committee 1) the duty to examine the establishment of the Company and its subsidiaries personnel benefit policy, 2) the board members effectiveness and efficacy and the finding and recruitment of the key management executives, both of the parent company as well as its subsidiaries. In particular, the Remuneration-Nomination Committee:

    I. suggests to the Board any kinds of benefits paid to management and senior management executives, regulating at the same time issues pertaining to the overall remuneration policy of the Company and its subsidiaries.

    II. tests the ability and effectiveness of the BoD both as a body and of its members individually; it suggests the reelection or not of existing members at the expiry of their tenure and finds and suggests new candidates to fill in the vacancies.

- The committee consists of three (3) up to four (4) non-executive members. The Committee meets following the Chairman's invitation as many a time as deemed necessary; but at least once (1) per year.

The current composition of the Remuneration-Nomination Committee consists of the following three (3) members:

1) Wade Sebastian Burton, Chairman (non-executive member of the Board)

2) Ignace Charles Rotman, Member (independent non-executive Board member)

3) Georgios Papazoglou, Member (independent non-executive Board member)

**Sustainability Committee**

- The Sustainability Committee is a Committee staffed by both the staff of the Company and BoD members and is formed to oversee on behalf of the Board, strategies, policies and processes, designed to manage environmental, human, political and social risks and achieve compliance with regulations and directives on sustainable development.

- The Committee is appointed by the Board of Directors and is consisted of no less than two members of the Board of Directors, one of which is the Company's CEO and at least one non-executive member who undertakes the role of Chairman, the COO, the Commercial Director and the Human Resources Director.

- The Sustainability Committee meets following Chairman's invitation as often as deemed necessary, but at least two times per year.

The current composition of the Sustainability Committee consists of the following five (5) members:

1) George Chryssikos – CEO & Member of BoD

2) Natalia Strafti – COO

3) Aikaterini Kalfamanoli – Director

4) Andreas Parmaxis – Director

**vi. Environment**

**a) Current and Potential Impacts**

Grivalia believes that it can create value for its business and stakeholders by understanding how its operations impact the environment and by taking measures to minimize any actual or potential negative impacts.

Grivalia is committed to reducing its environmental footprint through concrete actions. The Company focuses on maintaining and enhancing sustainable and environmentally sound practices that drive its growth strategy and its approach to innovation. Understanding stakeholders' expectations regarding risks and opportunities related to environmental and social issues is very important to Grivalia.

The Company acknowledges that its business activities as owner and manager of real estate have both direct and indirect impacts on the environment. The aspects with the most material environmental impacts are:

- Energy consumption and GHG Emissions
- Water consumption
- Waste
- Materials
- Environmental Impacts related to Suppliers of goods and services

**b) Management Approach**

Grivalia adopts best practices to ensure that its activities, as a real estate owner and property manager, will minimize (to the extent possible) any potential negative impact on the environment and the communities in which it operates.

Grivalia is committed to managing these environmental impacts in the most effective and responsible manner.

The Company is using an appropriate Environmental Management System (EMS) to proactively improve its level of environmental performance.

Grivalia's objective is to ensure that its policies actively promote environmental protection and, wherever possible, environmental conservation and enhancement. In this context, it undertakes improvement programs by:

- Setting annual environmental objectives and targets while continuously monitoring and reviewing its environmental performance.
- Using energy and water efficiently, while seeking means of reducing consumption through improved management practice and technological upgrades.
- Reducing consumption of materials through re-use rather than disposal, wherever possible, and also promoting recycling.
- Understanding the risks posed by changing climate patterns, and mitigating their effects on its investment properties.
- Developing policies and practices, which raise awareness, encouraging and enabling its employees and tenants to contribute to the achievement of environmental efficiency.
- Encouraging its suppliers of goods and services to minimize the impact of their operations on the environment through its procurement policies and practices.

- Working with its external property and facilities managers to drive environmental improvements through day-to-day operation of its investment properties.
- Taking into account environmental considerations as part of its investment process.
- Applying the principles of best environmental practices while planning, developing, refurbishing and decommissioning of its own buildings.
- Developing environmental considerations and stewardship into a central pillar of its business strategy.

The Company, through its processes, ensures compliance of its activities with its Environmental policy through the following ways:

- Being informed of legislation and regulations on environmental aspects and carrying out all necessary actions to ensure compliance.
- Ensuring -prior to acquisition- that taking into consideration environmental issues and energy efficiency aspects is part of the technical due diligence performed on all new investment opportunities.
- Being aware of how the "green profile" of each new building impacts its value and its acquisition price, in addition to the potential income premium, as a result of tenants' savings.
- Ensuring that the annual technical review of the buildings of the existing portfolio includes environmental and energy efficiency issues and results to proposals for improvement (Technical Audits).
- Ensuring that as part of its annual reporting on budgeting and portfolio strategy, the Company reviews environmental issues and decides on an annual action plan.
- Introducing sustainability criteria in the selection process of suppliers and in the purchasing process of durables and consumables.
- Gathering data, monitoring and reporting on energy consumption of buildings included in the existing portfolio, at least once a year.

Grivalia acknowledges that employees, at all levels, have an important role to play to the success of the Company's Environmental policy. To achieve its objectives, Grivalia requires all employees to:

- Comply with Company's environmental procedures and guidelines.
- Ensure the prevention of unnecessary use of resources (paper, stationery and unnecessary travel, switch off all non-essential equipment when not in use).
- Cooperate with the Company's Management in the implementation of environmental initiatives.
- Consider the use of environmentally responsible practices in order to minimise their impact, within the scope of their work activities.

Grivalia informs respectively all tenants and provides guidance through the following best practice guidelines:

- Sustainable purchasing best practice guidelines.
- Solid waste management best practice guidelines.
- Building exterior & landscape management plan.
- Integrated pest management, erosion control and landscape management plan.
- Water fixture and fittings best practice guidelines.
- Green Cleaning best practice guidelines.

Tenants are committed through lease agreements to provide all necessary energy, water and waste consumption data, so that the Company is able to monitor, report, and improve the environmental efficiency.

Data is collected at least annually. The data analysis is used in order to plan and budget necessary actions -on an annual basis- aiming to the minimization of energy use, water consumption and environmental impact.

The Company is also responsible for the motivation of, and guidance to, its suppliers and contractors to use specific materials for their service provision, based on sustainable purchasing and green cleaning best practices guidelines, and to be engaged through contracts and other actions in adopting sustainable ways of service provision.

**c) Green Certifications**

Grivalia invests in the energy upgrade of its existing portfolio and proceeds to the gradual certification of upgraded properties, based on standards published from internationally recognized organizations, and also includes sustainability criteria in the new investments technical due diligence process.

The Company's goal is to gradually obtain internationally recognized green building certifications for as many of its buildings in Company's portfolio as possible.

Grivalia acknowledges that green buildings not only can reduce or eliminate negative environmental impacts, through lower use of water, energy or natural resources, but they can -in many cases- have a positive impact on the environment (at the building or city scale), through the generation of their own energy or the conservation of biodiversity.

Green buildings offer a number of economic or financial benefits, which are relevant to a range of different people or groups of people. These include cost savings on utility bills for tenants or households (through energy and water efficiency); lower construction costs and higher property value for building developers; increased occupancy rates or operating costs for building owners; and job creation.

The past 4 years the Company has certified 16 properties of total surface 244.950 sqm. Within the past year there was a 62,6% increase of certified surface in the portfolio. Currently there is 69.897 sqm under certification.

**vii. Employment**

**a) Equal Opportunities**

The Company is committed to supporting, developing and promoting diversity and equality in all of its employment practices and activities, and aims to establish an inclusive culture, free from discrimination and based on the values of fairness, dignity and respect. Grivalia supports and develops employees through the provision of access for everyone to facilities, personal and career development opportunities and employment on an equal basis regardless race, national or ethnic origin, disability, age, gender, sexual orientation, transgender identity or religion/belief.

The Company has adopted a relevant policy that aims, not only to comply with legal requirements, but also, to use these to ensure that Grivalia endeavors to exemplify best practice.

Grivalia values diversity and recognizes that the Company is significantly enhanced by the different range of backgrounds, experiences, views, beliefs and cultures represented by its employees. Expects all employees, contractors and agency staff to act in accordance with this Policy.

The main purpose of this Policy is to attract, employ, and retain the best candidates to fill vacant positions, while providing equal opportunities to potential employees who share the same ethical standards with the Company.

Grivalia believes in treating people with respect and dignity, both as an individual and as a part of its workforce and organization. Grivalia does not tolerate any acts of discrimination. The Company further recognizes the diversity of its employees as an organizational strength and understands that the contribution of a wide variety of capabilities, ideas and insights enhances the quality of decision making and entrepreneurship.

**b) Human Rights and Freedom of Association**

Grivalia supports and complies with all applicable laws and respects internationally recognized human rights, by:

- providing safe and healthy working conditions,
- ensuring freedom of association,
- ensuring non-discrimination in personnel practices,
- ensuring that the Company does not, directly or indirectly, employ or utilize forced labor or child labor.

**c) Human Resources**

***(i) Health and Safety***

The Company has established mechanisms aiming to improve working conditions and ensure the health and safety of its employees.

The Company recognizes the responsibility of all employees in maintaining a safe workplace and the importance of consultation and collaboration between management and employees.

There is a health and safety policy in place by which the Company makes sure that:

- all levels of management are held accountable for the exercise of health and safety responsibilities,
- the policy is regulatory reviewed and monitored for its effectiveness; and sufficient funds are available to ensure the proper implementation of this policy.

The purpose of this policy is to define the security rules at the premises of Grivalia buildings and the incorporation of best practices for health and safety at work.

***(ii) Training and Education***

Grivalia believes that effective training and development benefits the individual and the organization as a whole and contributes to the achievement of Grivalia's objectives.

These benefits include:

- high standards of work performance
- greater understanding and appreciation of factors affecting work performance
- sharing ideas and dissemination of best practice
- effective management and implementation of change
- building strong and effective teams
- increased motivation and job satisfaction for individuals
- professional development
- greater understanding of Grivalia's business.

The Company aims to ensure that:

- its stated objectives are met
- each employee understands what his or her work role involves
- each individual is developed to be able to achieve his/her job objectives
- employees are prepared and equipped to deal with potential changes in Grivalia
- each individual is encouraged to develop his/her potential, both personally and professionally
- lifelong learning is supported and encouraged for all employees
- training is provided equally to all employees, free of any type of discrimination.

The performance review process is an important part of Grivalia's approach to training and development. It involves at least two annual meetings between individuals and their directors, to discuss and review the post holder's work activities and their personal development, and to plan ahead for the future. The performance review meetings provide the time and space to identify development needs, plan how these should be addressed, and evaluate the effectiveness of development activities undertaken previously. Grivalia's policy on training and development is therefore closely related to that of the performance review process.

***(iii) Promotions***

The Company has an employee evaluation system (the "System") which applies to all employees and reflects its principles on the progress and development of its human resources.

The System aims, firstly, to set up an integrated Company staff management procedure and, secondly, to provide appropriate guidance for, and evaluation of, the work performed by people, as well as, to ensure that the value of that work is recognized and rewarded objectively.

The System consists of the following four stages:

- Target setting
- Guidance and support
- Evaluation
- Recognition of performance

Based on the valuation, the Company's performance and the Company's needs promotions or other type of recognitions are provided.

**viii. Non-Financial Key Performance Indicators**

The Company considers non-financial information reporting as important as financial information reporting. Transparency is a critical element of good business practice through which it can enhance sustainable portfolio management, benchmark its performance against its peers, while building and maintaining trust with its stakeholders.

During the past two years Grivalia reported and published on its official website the following Environmental Indicators, according to EPRA Sustainability Best Practices Recommendations Guidelines (Second Version):

- Electricity ((Elec-Abs, Elec-LfL)
- Fuel (Fuels-Abs, Fuels-LfL)
- Direct GHG Emissions (GHG-Dir-Abs, GHG-Dir-LfL)
- Indirect GHG Emissions (GHG-Indir-Abs, GHG-Indir-LfL)
- Waste (Waste-Abs, Waste-LfL)

(All amounts expressed in €'000s unless otherwise stated)

- Water (Water-Abs, Water-LfL)
- Intensity of all the above measures
- Number of sustainability certified assets (Cert-Tot)

In 2018, Grivalia published its first Sustainability Report according to the GRI Standards (Core option) and EPRA Sustainability Performance Measurements (according to EPRA Sustainability Best Practices Recommendations Guidelines) and reported the above environmental indicators together with other social and governance indicators.

It is noted that the environmental indicators are based on consumption data collected through bills, which by the publishing date of the present are not available for the whole year of 2018. This is why, in the current financial statement, which is published on 08/02/2019, only some of the above indicators are presented. Further indicators will be available by 30/06/2019 and will be included in the 2018 Sustainable Development Report, which will be also published on the official Company website.

***2018 Employee health and safety indicators***

The company has undertaken employee health and safety checks during the last four years. In particular, 100% of employees have received work station and/or workplace checks.

It also monitors the following employee health and safety indicators:

- Injury rate: 0%
- Lost day rate: 0% (how many days in total employees were absent due to accident or disease caused by working place or work).

**Environmental Indicators**

**Green building Certifications (31/12/2018)**

| Portfolio | Assets [Total = 115 ]* | Surface ($m^2$) [Total = 884.558] |
|---|---|---|
| **LEED** | 7 | 73.665 |
| **BREEAM** | 9 | 171.285 |
| **Total certified** | **16** | **244.950** |

| Asset type | LEED | BREEAM |
|---|---|---|
| **Logistics** | - | - |
| **Mixed use** | 2 | 2 |
| **Office** | 4 | 2 |
| **Retail** | 1 | 5 |
| **Special use** | - | - |
| **Surface ($m^2$)** | **LEED** | **BREEAM** |
| **Logistics** | - | - |
| **Mixed use** | 14.138 | 23.282 |
| **Office** | 56.862 | 56.484 |
| **Retail** | 2.665 | 91.519 |
| **Special use** | - | - |

*****Excluding the land plot*

(All amounts expressed in €'000s unless otherwise stated)

## Social and Human Resources Indicators 2018

### Diversity of governance bodies and employees [GRI 405-1]

**Board of Directors**

| 31/12/2018 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **<30 years old** | | | **30-50 years old** | | | **>50 years old** | | |
| | Male | Female | **Total** | Male | Female | **Total** | Male | Female | **Total** |
| Individuals (#) | - | - | **-** | 5 | - | **5** | 6 | - | **6** |
| Total no of individuals (#) | - | - | **-** | 5 | - | **5** | 6 | - | **6** |
| Percentage of individuals | - | - | **-** | 100% | - | **100%** | 100% | - | **100%** |

**Employees**

**31/12/2018**

| | **<30 years old** | | | **30-50 years old** | | | **>50 years old** | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | **Total** | Male | Female | **Total** | Male | Female | **Total** |
| Senior Management | - | - | **-** | 5 | 2 | **7** | - | 1 | **1** |
| *Total no of employees* | *-* | *-* | *-* | *15* | *15* | *30* | *2* | *1* | *3* |
| Senior Management (%) | - | - | **-** | 33% | 13% | **23%** | 0% | 100% | **33%** |
| Middle Management # | - | - | **-** | 2 | 4 | **6** | 2 | 0 | **2** |
| *Total no of employees* | *-* | *-* | *-* | *15* | *15* | *30* | *2* | *1* | *3* |
| Middle Management (%) | - | - | **-** | 13% | 27% | **20%** | 100% | 0% | **67%** |
| Other # | - | - | **-** | 8 | 9 | **17** | - | - | **-** |
| *Total no of employees* | *-* | *-* | *-* | *15* | *15* | *30* | *2* | *1* | *3* |
| Other (%) | - | - | **-** | 53% | 60% | **57%** | 0% | 0% | **0%** |

(All amounts expressed in €‘000s unless otherwise stated)

**New employee hires & employee turnover [GRI 401-1]**

**Ratio of new hires**

| | **<30 years old** | | | **30-50 years old** | | | **>50 years old** | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | **Total** | Male | Female | **Total** | Male | Female | **Total** |
| Number of new hires | - | - | - | 4 | 4 | **8** | - | - | - |
| **Total no of employees 31/12** | - | - | - | 15 | 15 | **30** | 2 | 1 | **3** |
| Ratio of new hires | - | - | - | 26,7% | 26,7% | **26,7%** | 0,0% | 0,0% | **0,0%** |

**Total ratio of new hires**

| | Male | Female | **Total** |
|---|---|---|---|
| **Total number of new hires** | 4 | 4 | **8** |
| **Total no of employees 31/12** | 17 | 16 | **33** |
| **Total ratio of new hires** | 23,5% | 25,0% | **24,2%** |

**Ratio of employee turnover**

| | **<30 years old** | | | **30-50 years old** | | | **>50 years old** | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | **Total** | Male | Female | **Total** | Male | Female | **Total** |
| Number of employee turnover | - | - | - | 0 | 3 | **3** | - | - | - |
| **Total no of employees 31/12** | - | - | - | 15 | 15 | **30** | 2 | 1 | **3** |
| Ratio of employee turnover | - | - | - | 0,0% | 20,0% | **10,0%** | 0,0% | 0,0% | **0,0%** |

| **Total ratio of employee turnover** | Male | Female | **Total** |
|---|---|---|---|
| **Number of turnovers** | - | 3 | **3** |
| **Total no of employees 31/12** | 17 | 16 | **33** |
| **Total ratio of employee turnover** | 0,0% | 18,8% | **9,1%** |

**Average hours of training per year per employee category [GRI 404-1]**

| | | **31/12/2018** | | |
|---|---|---|---|---|
| | | **Male** | **Female** | **Total** |
| Senior Management | Number of training hours provided to employees | 190 | 87 | 277 |
| | Number of employees | 5 | 3 | 8 |
| | **Average hours of training** | **38** | **29,0** | **34,6** |
| Middle Management | Number of training hours provided to employees | 43 | 69 | 112 |
| | Number of employees | 4 | 4 | 8 |
| | **Average hours of training** | **10,8** | **10,2** | **14,0** |
| Other | Number of training hours provided to employees | 80 | 88 | 168 |
| | Number of employees | 8 | 9 | 17 |
| | **Average hours of training** | **10,0** | **9,8** | **9,9** |
| **TOTAL** | **Number of training hours provided to employees** | **313** | **244** | **557** |
| | **Number of employees** | **17** | **16** | **33** |
| | **Average hours of training** | **18,4** | **15,3** | **16,9** |

(All amounts expressed in €'000s unless otherwise stated)

**Additional information, pursuant to article 4, para. 7, L. 3556/2007 and article 2 of Decision 7/448/11.10.2007 by the Capital Market Commission – Explanatory report**

**1. Company share capital structure**

The company's share capital as at 31.12.2018 amounts to €215.684 divided in 101.260.000 shares of €2,13 nominal value (amount in €) each share. All Company shares are common, nominal shares with a voting right, listed for trading on Athens Exchange having all rights and obligations stipulated by Law.

Note that the Extraordinary General Shareholders Meeting decided the following on 17.12.2018 regarding the share capital:

- The reduction of the share capital of the Company by the amount of €10.346 through the cancellation of 4.857.273 treasury shares of the Company corresponding to approximately 4,80% of the share capital of the Company and the related amendment of article 5 of the Articles of Association.

- The further reduction of the share capital of the Company by €40.489 through reduction of the nominal value of each share by (amount in €) €0,42 and return of the amount of reduction to the Shareholders in cash and the respective amendment of article 5 of the Articles of Association.

Following the abovementioned reductions, the Company's share capital will amount to €164.849 divided in 96.402.727 registered shares with a nominal value of (amount in €) €1,71 per share.

The amendment to article 5 of the Articles of Association of the Company as per the above, was adopted in succession:

- by the decision no. 306/10.01.2019 of the Hellenic Capital Market Commission (Protocol No. 113/10.01.2019) dated January 10, 2019, and

- by the decision no. 6339/18.01.2019 of the Ministry of Economy and Development, with which was registered in the General Commercial Register (GEMI) under Registration Number 1635191 on January 18, 2019.

**2. Restrictions on the transfer of the Company's shares**

Company shares transfer is carried out in accordance with the Law and there are no constraints in their transfer in the articles of association.

**3. Significant direct or indirect holdings in the sense of articles 9 to 11 of L. 3556/2007.**

The Company's shareholding with shareholders above 5% as at 31.12.2018, based on the TR1 disclosures the liable persons have proceeded to, is the following;

| | |
|---|---|
| • Fairfax Financial Holdings Limited | 51,43% |
| • Pacific Investment Management Company LLC | 5,00% |
| • Julius Baer Group Ltd | 5,00% |

It should be underscored that the above amounts arise based on the received disclosures made by the aforementioned persons, pursuant to the legislation in effect.

**4. Holders of any kind of shares providing specific controlling rights**

There are no Company shares granting any special control rights to their holders.

**5. Restrictions on voting rights**

The Company's articles of association does not foresee restrictions in the voting right.

**6. Company's shareholders agreements resulting in limitations in the transfer of the Company's shares or limitations in voting rights**

There are no shareholders agreements, shares transfer or repurchase agreements, limitation agreements on the transfer right or encumbrance of Company shares, including any agreements related to voting rights, pre-emption rights, purchase or sale rights.

**7. Rules regarding appointment and replacement of the members of the Board of Directors and amendment of the articles of association**

The rules foreseen by the Company's Articles of Association on the appointment and replacement of its BoD members and the modification of its provisions do not differ from what is foreseen by the Codified Law 2190/1920 are applied.

(All amounts expressed in €'000s unless otherwise stated)

**8. Authority by the Board of Directors or some of its members to issue new shares or purchase treasury shares**

The Board of Directors is in charge of purchasing the Company's treasury shares, in the context of a decision by the Extraordinary General Meeting dated 21.03.2018 that resolved upon a treasury shares acquisition plan for a period of two years, pursuant to article 16 of C.L. 2190/1920, by up to 10% of the share capital, namely up to 6.079.511 additional shares; by virtue of this decision, the Board was authorized to regulate any individual issue regarding the implementation of this plan. The Company's Extraordinary General Shareholders' Meeting decided on 17.12.2018 to cancel all Company treasury shares (4.857.273) that correspond to a percentage of approximately 4,80% of the Company's share capital and to modify article 5 of the Articles of Association. The decision will be implemented after the approval of the competent supervising bodies; such an approval was pending on 31.12.2018

**9. Every agreement concluded by the Company with its BoD members or its personnel, providing for compensation in case of resignation or dismissal for no substantial reason or termination of tenure or employment due to a public offering.**

There are no agreements with members of the Board of Directors or the Company's personnel, foreseeing payment of remuneration especially in case of resignation or dismissal, without a valid reason or expiry of term in office or employment due to a public offering.

Maroussi, February 07, 2019

The undersigned

| Nikolaos A. Bertsos | Georgios Chryssikos | Georgios Katsibris |
|---|---|---|
| Chairman of the BoD | Chief Executive Officer | Independent non-executive |
| Non-executive member of the BoD | Executive member of the BoD | member of the BoD |

**[Translation from the original text in Greek]**

## Independent Auditor's Report

To the Shareholders of "Grivalia Properties R.E.I.C."

## Report on the Audit of the Consolidated and Separate Financial Statements

We have audited the accompanying consolidated and separate financial statements of "Grivalia Properties R.E.I.C." ("the Company") which comprise the consolidated and separate balance sheet as of December 31, 2018, the consolidated and separate statements of income statement and comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from January 1st, 2018 till December 31st, 2018, are disclosed in note 22 to the consolidated and separate financial statements.

## Key Audit Matters

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

| Key Audit Matters | Our procedures in relation to the Key Audit Matters |
|---|---|
| **Valuation of Investment Properties (Consolidated and Separate Financial Statements)**<br><br>The Group's investment property portfolio comprises mainly of offices and retail properties. According to the provisions of International Accounting Standard 40, the Group measures investment properties at fair value using the discounted cash flow approach in combination with the comparative approach. This accounting policy is consistent with prior year consolidated and separate financial statements and the applicable law concerning REIC classification.<br><br>As stated in Note 6 of the consolidated and separate financial statements, the fair value of the Company's and Group's investment property amounted to € 839.1 m. and € 1,008.2 respectively as at 31 December 2018, representing 78% and 87% of Company's and Group's total assets, while the gain from the revaluation of the aforementioned investment properties for the year then ended amounted to € 18,2 m. for both the Company and the Group.<br><br>The valuation of investment properties requires a high level of judgement by the management. This is due to factors such as the special nature of each property, the specific location and the outlook relating to the future rental income of each property.<br><br>According to the applicable law, management engaged certified valuators to prepare the valuation of the Group's investment properties as at 31 December 2018 in order to support the relevant estimates that form the basis of these properties' fair value determination. The certified valuators perform their valuation in accordance with International Valuation Standards.<br><br>In addition, the certified valuators made assumptions regarding elements such as market rent and discount rates based on available market information, in order to arrive at appropriate estimates.<br><br>We focused on this matter because of the relative size of the investment property balances in the consolidated and separate Balance Sheet, the inherently subjective nature of investment property valuations due to the use of assumptions in the valuation methodology and the sensitivity | Our audit procedures relating to the Group's investment property portfolio for the year ended 31 December 2018 included the following:<br><br>• We obtained the valuations prepared by management's certified auditors as of 31 December 2018 and we reconciled the fair values with the Group accounting records.<br><br>• We compared the fair values as of 31 December 2018 with those of 31 December 2017, in order to appreciate whether the values moved according to market trends and asked management to justify the major movements.<br><br>• We evaluated and verified the independence of management's external certified valuators, their capabilities and their objectivity.<br><br>• We tested, on a sample basis, the accuracy and relevance of the data provided by management to the certified valuators and used for the determination of the fair value of the Group's investment properties as at 31 December 2018. These data mainly concern leasing information based on the relevant contracts in place.<br><br>• We cooperated with experts in property valuation, evaluated, on a sample basis, the appropriateness of the methodology used and the reasonableness of the underlying assumptions that were adopted in these valuations (such as the discount rates and the market rents). We compared market rents and discount rates by location and asset utilization to determine a reasonable range based on benchmark market data for these assumptions. Where market rents and discount rates fell outside of the determined ranges, we asked management to justify the reasonableness of these assumptions applied in the valuation.<br><br>According to our audit procedures we found that the valuations were based on reasonable assumptions and appropriate data.<br><br>Revenues relating to the leasing of the Group's investment properties were supported by existing contracts while the discount rates and the market rents were in line with our expectations, based on |

| | |
|---|---|
| of valuations to key input assumptions, specifically rents in less active markets and discount rates. | the current market conditions.<br><br>Finally, we noted that the disclosures included in Note 6 of the consolidated and separate financial statements were appropriate and in line with the requirements of International Accounting Standard 40. |
| **Valuation of investments in subsidiaries (Separate Financial Statements).**<br><br>As stated in Note 8 of the consolidated and separate financial statements, the Company's investments in subsidiaries amounted to € 93,0m. as at 31 December 2018. Management assesses the recoverable value of the Company's investments in subsidiaries annually and compares it with the carrying value in which they are included in the Company's accounted records in order to determine whether an impairment provision is required. Management has determined the recoverable amount of each investment to be the higher amount between its fair value (less cost to sale) and its value in use, according to the provisions of International Accounting Standard 36. The determination of the fair value of each investment depends directly on the fair value of the investment properties held by each subsidiary as of 31 December of each year, since this is the most significant asset in their Balance Sheet and most of them do not have loans in their liabilities. As for the subsidiaries that have loans, these have been provided by financial institutions in line with market conditions.<br><br>The determination of the value in use is based on management's estimates and assumptions of factors such as the future cash flows of each company, its future performance and the discount rates used. Furthermore, these assumptions vary due to the different market conditions in the countries in which the Group operates.<br><br>We focused on this matter because of the relative size of the investment in subsidiaries balance in the Company's separate Balance Sheet, the inherently subjective nature of investment property valuations (as explained in the first Key Audit Matter) the projection of each subsidiary's future cash flows based on assumed future performances and the discount rates used for the calculation of the recoverable amount of these investments. | As for the determination of the fair value of investments in subsidiaries, our procedures included, in cooperation with experts in property valuation, the procedures that have been described in the above section *"Valuation of investment properties"* in order to estimate the value of the Company's interest in the equity of each subsidiary, which is substantially affected by the changes in the fair value of their investment property.<br><br>For all investments in subsidiaries that their fair values were less than their cost in the Company's accounting records, we performed audit procedures relating to the determination of their value in use. In cooperation with our experts, we assessed the appropriateness of the mathematical model used by management and the reasonableness of its assumptions. For this purpose we proceeded to:<br><br>• Comparative assessment of key assumptions used in management's valuation models, with market trends and corresponding assumptions made in previous years.<br><br>• Check of the mathematical accuracy of cash flow models (including sample testing relating to formulas used in the assessment) and agreement of the relevant data with approved business plans where applicable.<br><br>• Assessment of the reasonableness of the discount rates that have been applied compared to those of the current market.<br><br>• Evaluation of any cash flow calculations in perpetuity.<br><br>• Assessment of the fact that the overall calculations and assumptions are consistent with the provisions of International Accounting Standard 36. |

| | |
|---|---|
| | Finally, we verified the appropriateness of the relevant disclosures included in note 8 of the financial statements.<br><br>Based on our procedures, we found that the key assumptions made by management were within a reasonable range. |

## Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2018 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

## Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and 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 Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

**Auditor's responsibilities for the audit of the separate and consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the separate and 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 Company's and 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and 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 auditor's report to the related disclosures in the separate and 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 auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Company and Group audit. We remain solely responsible for our audit opinion.

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

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

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

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**Report on other legal and regulatory requirements**

**1. Additional Report to the Audit Committee**

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

**2. Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on June 29, 1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 20 years.

Athens, 8 February 2019

The Certified Public Accountant


PricewaterhouseCoopers
268 Kifissias Ave.
15232 Athens, Greece
AM SOEL 113

Konstantinos Michalatos
Certified Public Accountant
Reg. No 17701

# ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## DECEMBER 31, 2018

(All amounts expressed in €'000s unless otherwise stated)

## Consolidated and Separate Balance Sheet

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment property | 6 | 1.008.225 | 954.393 | 839.088 | 804.995 |
| Property, plant and equipment | 7 | 7.898 | 7.345 | 3.941 | 3.359 |
| Intangible Assets | | 356 | 343 | 19 | 3 |
| Investment in subsidiaries | 8 | - | - | 93.049 | 94.434 |
| Investment in joint ventures | 9 | 61.684 | 40.980 | 56.810 | 32.173 |
| Deferred tax asset | | 58 | 99 | - | - |
| Other long term receivables | 10 | 4.850 | 5.740 | 14.195 | 15.367 |
| | | **1.083.071** | **1.008.900** | **1.007.102** | **950.331** |
| **Current assets** | | | | | |
| Trade and other receivables | 11 | 13.551 | 7.261 | 12.812 | 6.606 |
| Greek Government Treasury Bills | | - | 8.962 | - | 5.975 |
| Cash and cash equivalents | 12 | 64.003 | 44.725 | 55.838 | 40.385 |
| | | **77.554** | **60.948** | **68.650** | **52.966** |
| **TOTAL ASSETS** | | **1.160.625** | **1.069.848** | **1.075.752** | **1.003.297** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | |
| **Shareholders' equity** | | | | | |
| Share Capital | 13 | 215.684 | 215.684 | 215.684 | 215.684 |
| Share capital return to Shareholders | 13 | (40.489) | - | (40.489) | - |
| Share premium | 13 | 571.234 | 571.234 | 571.234 | 571.234 |
| Treasury shares - nominal value | 13 | (10.346) | (8.619) | (10.346) | (8.619) |
| Treasury shares - at par | 13 | (22.275) | (17.345) | (22.275) | (17.345) |
| Share based payment reserve | 13 | - | 4.860 | - | 4.860 |
| Other reserves | 13 | 10.239 | 12.267 | 9.583 | 11.812 |
| Retained earnings | 13 | 147.935 | 130.123 | 96.573 | 88.053 |
| **Total shareholders' equity** | | **871.982** | **908.204** | **819.964** | **865.679** |
| **Non-current liabilities** | | | | | |
| Borrowings, including finance leases | 14 | 203.209 | 130.111 | 186.831 | 109.076 |
| Tenant deposits | | 5.239 | 4.829 | 5.073 | 4.752 |
| Other non-current liabilities | | 181 | 209 | 181 | 209 |
| | | **208.629** | **135.149** | **192.085** | **114.037** |
| **Current liabilities** | | | | | |
| Trade and other payables | 15 | 7.998 | 12.826 | 6.943 | 11.799 |
| Liabilities to Shareholders | 13 | 40.489 | - | 40.489 | - |
| Dividends payable | | 46 | 40 | 46 | 40 |
| Current tax liabilities | | 7.953 | 5.253 | 7.373 | 4.763 |
| Borrowings, including finance leases | 14 | 23.033 | 7.952 | 8.463 | 6.555 |
| Tenant deposits | | 495 | 424 | 389 | 424 |
| | | **80.014** | **26.495** | **63.703** | **23.581** |
| **Total liabilities** | | **288.643** | **161.644** | **255.788** | **137.618** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **1.160.625** | **1.069.848** | **1.075.752** | **1.003.297** |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

## Consolidated and Separate Income Statement

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Revenue** | | | | | |
| Rental income | 16 | 72.425 | 64.985 | 60.389 | 53.541 |
| Gain from disposal of investment property | 6 | 114 | - | 114 | - |
| | | **72.539** | **64.985** | **60.503** | **53.541** |
| Net gain from fair value adjustments on investment property | 6 | 18.168 | 18.855 | 18.223 | 18.919 |
| Direct property relating expenses | 17 | (2.112) | (3.308) | (1.984) | (3.139) |
| Property taxes | 18 | (6.693) | (5.773) | (5.678) | (4.797) |
| Corporate Social Responsibility | | (199) | (200) | (199) | (200) |
| Provision for doubtful debts | 11 | (6) | - | - | - |
| Employee benefit expense- BoD | 19 | (13.782) | (7.387) | (13.757) | (7.096) |
| Depreciation of assets | | (225) | (124) | (129) | (99) |
| Other income | 20 | 390 | 134 | 6.782 | 6.101 |
| Impairment of subsidiaries | 21 | - | - | (8.463) | - |
| Other expenses | 22 | (2.218) | (1.814) | (1.984) | (2.035) |
| **Operating profit** | | **65.862** | **65.368** | **53.314** | **61.195** |
| Finance income | | 849 | 993 | 1.327 | 1.431 |
| Finance costs | | (6.413) | (4.177) | (5.488) | (3.418) |
| Negative goodwill arising from investment in joint ventur | 23 | 1.390 | - | - | - |
| Gain on change in status of joint venture | | 47 | - | - | - |
| Negative goodwill arising from subsidiary's acquisition | 24 | 1.162 | - | - | - |
| Gain from loss of control of subsidiary | | - | 253 | - | (253) |
| Gain from change in percentage of participation in joint venture | | - | 163 | - | 127 |
| Share of net gain / (loss) of investments accounted for using the equity method | 9 | (3.134) | 8.474 | - | - |
| **Profit before tax** | | **59.763** | **71.074** | **49.153** | **59.082** |
| Taxes | 25 | (8.491) | (7.927) | (7.416) | (6.836) |
| **Profit for the year** | | **51.272** | **63.147** | **41.737** | **52.246** |
| **Earnings per share (expressed in € per share)** | | | | | |
| **- Basic & Diluted** | 26 | **0,53** | **0,65** | | |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

## Consolidated and Separate Statement of Comprehensive Income

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Profit for the year** | **51.272** | **63.147** | **41.737** | **52.246** |
| **Other comprehensive income:** | | | | |
| **Items that may be subsequently reclassified to profit or loss** | | | | |
| Exchange rate differences transferred to income/ (loss) after taxes | (14) | (88) | - | - |
| Changes in the fair value of available-for-sale financial assets | (86) | 86 | (58) | 58 |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | - | (687) | - | - |
| **Items that will not be reclassified to profit or loss** | | | | |
| Actuarial gains / (losses) on post employment benefit obligations net of tax | 53 | (62) | 53 | (62) |
| Total comprehensive (loss) after taxes | (47) | (751) | (5) | (4) |
| **Total comprehensive income after taxes for the year** | **51.225** | **62.396** | **41.732** | **52.242** |
| | | | | |
| **Total comprehensive income for the year attributable to:** | | | | |
| - Shareholders (Owners of the parent) | 51.225 | 62.396 | 41.732 | 52.242 |
| - Minority interest | - | - | - | - |
| **Total comprehensive income after taxes for the year** | **51.225** | **62.396** | **41.732** | **52.242** |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

## Consolidated Statement of Changes in Shareholders' Equity

| | Note | Share capital | Share capital return to Shareholders | Share premium | Treasury shares - nominal value | Treasury shares - at par | Share based payment reserve | Other reserves | Retained earnings | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance January 01, 2017** | | **215.684** | - | **571.234** | **(8.617)** | **(17.340)** | **3.682** | **12.596** | **85.886** | **863.125** |
| Profit for the year | | - | - | - | - | - | - | - | 63.147 | 63.147 |
| Foreign exchange differences | | - | - | - | - | - | - | (85) | (3) | (88) |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method | | - | - | - | - | - | - | (687) | - | (687) |
| Actuarial (losses) on post employment benefit obligations net of tax | | - | - | - | - | - | - | (76) | 14 | (62) |
| Changes in the fair value of available-for-sale financial assets | | - | - | - | - | - | - | 86 | - | 86 |
| **Total comprehensive income for the year** | | - | - | - | - | - | - | **(762)** | **63.158** | **62.396** |
| **Transactions with shareholders:** | | | | | | | | | | |
| Acquisition of treasury shares | | - | - | - | (2) | (5) | - | - | - | (7) |
| Formation of statutory reserve of local subsidiary | | - | - | - | - | - | - | 433 | (433) | - |
| Equity settled share based payments | | - | - | - | - | - | 1.178 | - | - | 1.178 |
| Dividend relating to 2016 approved by the shareholders | | - | - | - | - | - | - | - | (18.488) | (18.488) |
| **Balance December 31, 2017** | | **215.684** | - | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **12.267** | **130.123** | **908.204** |
| | | | | | | | | | | |
| **Balance January 01, 2018** | | **215.684** | - | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **12.267** | **130.123** | **908.204** |
| Profit for the year | | - | - | - | - | - | - | - | 51.272 | 51.272 |
| Foreign exchange differences | | - | - | - | - | - | - | (14) | - | (14) |
| Actuarial gains on post employment benefit obligations net of tax | | - | - | - | - | - | - | 53 | - | 53 |
| Changes in the fair value of available-for-sale financial assets | | - | - | - | - | - | - | (86) | - | (86) |
| **Total comprehensive income for the year** | | - | - | - | - | - | - | **(47)** | **51.272** | **51.225** |
| **Transactions with shareholders:** | | | | | | | | | | |
| Acquisition of treasury shares | **13** | - | - | - | (1.727) | (4.930) | - | - | - | (6.657) |
| Formation of statutory reserve of local subsidiary | | - | - | - | - | - | - | 243 | (243) | - |
| Transfer of other reserves to retained earnings | | - | - | - | - | - | - | (2.224) | 2.224 | - |
| Equity settled share based payments | **13** | - | - | - | - | - | (4.860) | - | - | (4.860) |
| Share capital return to Shareholders | | - | (40.489) | - | - | - | - | - | - | (40.489) |
| Dividend relating to 2017 approved by the shareholders | **26** | - | - | - | - | | - | - | (35.441) | (35.441) |
| **Balance December 31, 2018** | | **215.684** | **(40.489)** | **571.234** | **(10.346)** | **(22.275)** | - | **10.239** | **147.935** | **871.982** |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

## Company Statement of Changes in Shareholders' Equity

| | Note | Share capital | Share capital return to Shareholders | Share premium | Treasury shares - nominal value | Treasury shares - at par | Share based payment reserve | Other reserves | Retained earnings | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance January 01, 2017** | | **215.684** | **-** | **571.234** | **(8.617)** | **(17.340)** | **3.682** | **11.830** | **54.281** | **830.754** |
| Profit for the year | | - | - | - | - | - | - | - | 52.246 | 52.246 |
| Actuarial (losses) on post employment benefit obligations net of tax | | - | - | - | - | - | - | (76) | 14 | (62) |
| Changes in the fair value of available-for-sale financial assets | | - | - | - | - | - | - | 58 | - | 58 |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **(18)** | **52.260** | **52.242** |
| **Transactions with shareholders:** | | | | | | | | | | |
| Acquisition of treasury shares | | - | - | - | (2) | (5) | - | - | - | (7) |
| Equity settled share based payments | | - | - | - | - | - | 1.178 | - | - | 1.178 |
| Dividend relating to 2016 approved by the shareholders | | - | - | - | - | - | - | - | (18.488) | (18.488) |
| **Balance December 31, 2017** | | **215.684** | **-** | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **11.812** | **88.053** | **865.679** |
| | | | | | | | | | | |
| **Balance January 01, 2018** | | **215.684** | **-** | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **11.812** | **88.053** | **865.679** |
| Profit for the year | | - | - | - | - | - | - | - | 41.737 | 41.737 |
| Actuarial (losses) on post employment benefit obligations net of tax | | - | - | - | - | - | - | 53 | - | 53 |
| Changes in the fair value of available-for-sale financial assets | | - | - | - | - | - | - | (58) | - | (58) |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **(5)** | **41.737** | **41.732** |
| **Transactions with shareholders:** | | | | | | | | | | |
| Acquisition of treasury shares | 13 | - | - | - | (1.727) | (4.930) | - | - | - | (6.657) |
| Transfer of other reserves to retained earnings | | - | - | - | - | - | - | (2.224) | 2.224 | - |
| Equity settled share based payments | 13 | - | - | - | - | - | (4.860) | - | - | (4.860) |
| Share capital return to Shareholders | | - | (40.489) | - | - | - | - | - | - | (40.489) |
| Dividend relating to 2017 approved by the shareholders | 26 | - | - | - | - | - | - | - | (35.441) | (35.441) |
| **Balance December 31, 2018** | | **215.684** | **(40.489)** | **571.234** | **(10.346)** | **(22.275)** | **-** | **9.583** | **96.573** | **819.964** |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

# Consolidated and Separate Cash Flow Statement

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 01/01 - 31/12/2018 | 01/01 - 31/12/2017 | 01/01 - 31/12/2018 | 01/01 - 31/12/2017 |
| **Cash flows from operating activities** | | | | | |
| **Profit for the year** | | **51.272** | **63.147** | **41.737** | **52.246** |
| Other income | | (266) | - | (256) | - |
| Gain from disposal of investment property | 6 | (114) | - | (114) | - |
| Dividend from a subsidiary | 20 | - | - | (6.402) | (6.022) |
| Negative goodwill arising from the acquisition of subsidiary | 24 | (1.162) | - | - | - |
| Negative goodwill arising from investment in joint ventures | 23 | (1.390) | - | - | - |
| Share of net gain / (loss) of investments accounted for using the equity method | 9 | 3.134 | (8.474) | - | - |
| Gain from change in percentage of participation in joint venture | | (47) | - | - | - |
| Gain / (loss) from loss of control of subsidiary | | - | (253) | - | 253 |
| Gain from change in percentage of participation in joint venture | | - | (163) | - | (127) |
| Provisions from impairments of assets and share based program | | 891 | 1.096 | 9.354 | 1.096 |
| Other Provisions | | (17) | | (17) | |
| Finance income | | (849) | (993) | (1.327) | (1.431) |
| Finance costs | | 6.413 | 4.177 | 5.488 | 3.418 |
| Taxes | 25 | 8.491 | 7.927 | 7.416 | 6.836 |
| (Increase)/decrease of fair value of investment property | 6 | (18.168) | (18.855) | (18.223) | (18.919) |
| Depreciation of assets | | 225 | 124 | 129 | 99 |
| **Changes in working capital:** | | | | | |
| Decrease/ (increase) in receivables | | (1.273) | (3.854) | (1.413) | (3.377) |
| Increase / (decrease) in payables | | (3.073) | 10.403 | (4.628) | 9.369 |
| Cash generated from operating activities | | 44.068 | 54.282 | 31.744 | 43.441 |
| Interest paid | | (5.831) | (4.456) | (4.952) | (3.697) |
| Taxes paid | | (10.259) | (8.617) | (8.327) | (6.742) |
| **Net cash generated from operating activities** | | **27.978** | **41.209** | **18.465** | **33.002** |
| **Cash flows from investing activities** | | | | | |
| Subsidiary's share capital increase | 8 | - | - | (370) | (60) |
| Investment in subsidiary | 8 | (3.873) | - | (3.873) | - |
| Investment in Joint Venture | 9 | (10.466) | (28.050) | (10.466) | (28.050) |
| Joint Venture's share capital increase | 9 | (16.971) | - | (16.971) | - |
| Cash and cash equivalents excluded due to loss of control of subsidiary | | - | (643) | - | - |
| Dividend received from a subsidiary | | - | - | 6.372 | 5.972 |
| Subsequent capital expenditure on investment property | | (3.531) | (2.425) | (3.496) | (2.397) |
| Purchases of investment property | | (16.130) | (86.816) | (15.517) | (86.816) |
| Purchases of property, plant and equipment | | (145) | (250) | (145) | (250) |
| Loan to foreign subsidiaries | 10 | - | - | - | (2.500) |
| Loan to local Joint Venture | 11 | (2.900) | - | (2.900) | - |
| Movement of Greek Government Treasury Bills | | 8.875 | (4.902) | 5.917 | (3.434) |
| Interest received | | 866 | 967 | 1.345 | 1.405 |
| **Net cash used in investing activities** | | **(44.275)** | **(122.119)** | **(40.103)** | **(116.130)** |
| **Cash flows from financing activities** | | | | | |
| Acquisition of treasury shares | 13 | (6.657) | (7) | (6.657) | (7) |
| Loans received | 14 | 83.000 | 92.000 | 83.000 | 92.000 |
| Repayments of loans | | (4.195) | (4.764) | (2.665) | (1.160) |
| Repayments of finance leases | | (1.159) | (1.138) | (1.159) | (1.138) |
| Dividends paid | | (35.428) | (18.488) | (35.428) | (18.488) |
| **Net cash used in financing activities** | | **35.561** | **67.603** | **37.091** | **71.207** |
| **Net increase / (decrease) in cash and cash equivalents for the year** | | **19.264** | **(13.307)** | **15.453** | **(11.921)** |
| Cash and cash equivalents at the beginning of the year | 12 | 44.725 | 57.944 | 40.385 | 52.306 |
| Exchange gains / (losses) on cash and cash equivalents | | 14 | 88 | - | - |
| **Cash and cash equivalents at the end of the year** | 12 | **64.003** | **44.725** | **55.838** | **40.385** |

The notes on pages 41 to 88 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2018.

# Notes to Consolidated and Separate Financial Statements

## 1. General Information

The present financial statements include the financial statements of the Company Grivalia Properties Real Estate Investment Company (the "Company") as well as the consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended December 31, 2018 and they are published in the parent's Company website (www.grivalia.com).

The Company and the Group is an investment property Group with a significant portfolio located in Greece, in Central Eastern Europe and in Central America. Its business is leasing out investment property under operating leases and it is classified as a Real Estate Investment Company under Greek Law 2778/1999 with effect from September 29, 2005. Furthermore pursuant to decision no. 7/708/17.03.2015 of the Board of Directors of the Hellenic Capital Markets Commission, the Company has been licensed as an Alternative Investment Fund with internal management pursuant to article 6 and paragraphs 1 & 5 of article 53 of Law 4209/2013, as currently in force.

The Company is incorporated and domiciled in Greece. The address of its registered office is 117 Kifissias Avenue & Ag. Konstantinou, Maroussi, Attica (General Comm. Registry 000239101000) and it is furthermore listed on the Athens Stock Exchange.

The total number of employees of the Company and the Group as at December 31, 2018 was 33 and 34 respectively (31.12.2017: 28 and 31).

These Consolidated and Separate Financial Statements (hereafter the "Financial Statements') were approved by the Board of Directors on February 07, 2019 and are subject to approval from the Annual General Assembly Meeting.

## 2. Summary of accounting policies

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

### 2.1 Basis of preparation

**Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the IASB, as endorsed by the European Union (EU), and in particular with those IFRSs and IFRS Interpretation Committee's (IC) interpretations, issued and effective or issued and early adopted as at the time of preparing these statements.

**Preparation of Financial Statements**

The Financial Statements have been prepared under the historical cost convention and have been adjusted for the fair value of investment properties. The preparation of financial statements, in accordance with I.F.R.S., requires that certain critical accounting estimates are used along with management exercising its judgement in the process of applying the accounting policies (see note 4).

**Going Concern Considerations for the Company and the Group**

On November 26, 2018, the Board of Directors of Eurobank Ergasias S.A. And the Company announced that they have decided unanimously to begin the Merger of the two companies with absorption of the Company by Eurobank, pursuant to the provisions of corporate law, l. 2515/1997 and l. 2166/1993, as applying and as in effect.

**A. Key terms of the Merger**

The exchange ratio proposed is c. 15,8 new Eurobank ordinary shares for every 1 Grivalia ordinary share, while Eurobank shareholders will retain the number of Eurobank ordinary shares they currently hold (the "Exchange Ratio"). Prior to completion of the Merger, Grivalia will proceed with (i) a distribution of approx. (amount in €) €40,5m ({amount in €} €0,42 per Grivalia share) to its shareholders via a share capital reduction (the "Pre-Transaction Distribution") and

## Notes to Consolidated and Separate Financial Statements

(ii) a distribution of (amount in €) €13,7m to its employees and BoD members, representing accrued bonus payments and BoD fees for 2018, deferred bonuses from previous years as well as partial vesting of the long term incentive plan (note 19).

The Merger will result in a pro forma ownership split of the enlarged share capital of c. 59% owned by existing Eurobank shareholders and c. 41% by existing Grivalia shareholders.

The Exchange Ratio plus the Pre-Transaction Distribution represent a premium of 9% over the share price of Grivalia, based on the closing prices as of Friday, 23 November 2018.

The Exchange Ratio is subject to (i) the Boards of Eurobank and Grivalia and (ii) Hellenic Financial Stability Fund ("HFSF"), all three entities, receiving fairness opinions from international investment banks.

The completion of the Merger is subject to (i) no event, fact, occurrence or change having (or reasonably expected to have) a material adverse effect on the business, financial condition or liabilities of either Eurobank or Grivalia (which would include any potentially significant unfavorable financial, legal or administrative outcomes) and (ii) obtaining all necessary approvals from the General Meetings ("GM") of the two companies, the HFSF and relevant regulatory authorities.

The date of the Merger balance sheet will be 31 December 2018.

Fairfax Financial Holdings Limited ("FFH"), which currently holds 18,23% and 51,43% in Eurobank and Grivalia, respectively, will become the largest shareholder in the merged entity with a 32,93% shareholding.

Subject to the relevant legal and regulatory requirements and Eurobank's corporate governance procedures, upon the completion of the Merger, Mr. George Chryssikos, currently non-executive director of Eurobank, will be proposed for non-executive Vice Chairman of the BoD of Eurobank and will join the Strategic Planning Committee. Mr. Nikolaos Bertsos, currently Chairman of the BoD of Grivalia, will be proposed for a non-executive member of the BoD of Eurobank.

### B. Transaction key points

- Based on annualized 9-month results for Eurobank and Grivalia, the new group after the Merger ("New Group"), on a combined pro-forma basis, will have operating income of (amount in €) €1,9bn ({amount in €} €0,52 per share) and pre-provision income of €1bn ({amount in €} €0,28 per share). Furthermore, it will have a diversified revenue base, as c. 30% of its operating income will be generated from international operations and real estate activities.
- After the completion of the Merger, the New Group will have a total capital ratio of 19,0%, the highest in the Greek market, a phased-in CET1 ratio of 16,6% and a fully loaded CET1 ratio of 13,8% (pro forma based on September 2018 figures).
- The leading capital position of the New Group will enable the acceleration of its NPE reduction plan (the "Acceleration Plan") compared to the current 3-year NPE reduction plan (2019-2021) which is targeting a Group NPE ratio of c. 15% by the end of 2021.

### C. Acceleration Plan

The New Group will proceed with the execution in 2019 of its already announced 3-year NPE reduction plan. Furthermore, the New Group will initiate the following plan:

I. Securitization of deep delinquency NPEs of gross book value (amount in €) c. €7bn ("Securitized NPEs") according to L. 3156/2003 via their transfer to a special purpose vehicle ("SPV") and the issuance of senior, mezzanine and junior notes, initially to be fully retained by the New Group.

II. Hive-down all existing assets and liabilities of the New Group, including DTC and excluding the SPV shares, the mezzanine and the junior notes, into a new banking subsidiary ("New" Eurobank).

III. De-recognition of the Securitized NPEs through the distribution to shareholders, or the disposal to third party investors, or any combination thereof of the SPV's mezzanine/junior notes. The structure of the transaction ensures that the New Group shareholders will not be diluted as DTC conversion will not be triggered and, depending on the option chosen, it will provide them with the benefit of any upside on the Securitised NPEs.

## Notes to Consolidated and Separate Financial Statements

IV. In this context, "New" Eurobank may also contemplate the entry into the capital of Financial Planning Services S.A. ("FPS"), the licensed 100% owned loan servicer of "New" Eurobank, of a strategic investor, which may acquire a significant stake. The SPV will enter into a service level agreement ("SLA") with FPS for the professional servicing of its loans and the maximization of the value for all its noteholders. Furthermore, "New" Eurobank will also enter into a SLA with FPS for the professional servicing of its remaining on balance sheet NPEs.

The Acceleration Plan has been presented to the Single Supervisory Mechanism ("SSM") and Bank of Greece and is subject to the approvals of the General Meetings and the relevant regulatory authorities. It is estimated that key approvals may be received by mid-2019 and the plan may be executed by the end of 2019.

**D. Real estate management company**

After the combination of Grivalia's real estate portfolio and Eurobank's own-use, investment property and repossessed real estate assets, the New Group will have a real estate portfolio of (amount in €) €2,2bn, pro-forma as of 30 September 2018.

The New Group will enter into a 10-year SLA for the management of all its real estate assets with a new company ("Grivalia Management Company"), which will be established prior to the completion of the Merger by key members of Grivalia's management team and will employ the personnel of Grivalia. Mr. Chryssikos will be the Executive Chairman and one of the key founding partners of Grivalia Management Company with a stake of 70%.

The SLA will be proposed for approval to the General Meetings of both Eurobank and Grivalia, as a related party transaction, along with the Merger terms, and become effective upon completion of the Merger.

**E. HFSF matters**

Both before and after the Merger and the Acceleration Plan, the rights of the HFSF, according to Law 3864/2010, as in force, and the Relationship Framework Agreement as well as the public interest will be fully protected as will be evidenced in the hive-down deed. Furthermore, prior to the Merger, an agreement shall be entered into between the Bank and the HFSF ("HFSF Agreement") according to which after the hive-down the obligations of the Bank vis-à-vis the HFSF and the rights of the HFSF under the Law 3864/2010 shall apply both in relation to the existing legal entity of the Bank and New Eurobank.

Both the Merger and the Acceleration Plan are subject to approval by the Bank's General Meetings, the SSM and all other relevant regulatory authorities.

The annual financial statements of the Company and the Group have been prepared under the going concern principle.

### 2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 01, 2018. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

**<u>Standards and Interpretations effective for the current financial year</u>**

**IFRS 9 "Financial Instruments"**

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39.

On January 1, 2018, the Group adopted IFRS 9 Financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement, and changes the requirements for the impairment of the Group's financial assets.

As permitted by IFRS 9, the Group has chosen not to restate the information for the prior year.

## Notes to Consolidated and Separate Financial Statements

The application of the above standard did not have a significant impact on Financial Statements of the Group. All assumptions, accounting policies and calculation techniques that have been applied since 01.01.2018 to assess the impact of the initial application of IFRS 9 will continue to be subject to review and improvements.

**IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:

- Financial instruments and other contractual rights or obligations within the scope of IFRS 9 'Financial Instruments', IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures';

- Lease contracts within the scope of IAS 17 'Leases' (or IFRS 16 'Leases'); and

- Insurance contracts within the scope of IFRS 4 'Insurance Contracts'.

The adoption of the standard did not have a significant impact on the Group's Financial Statements since rental income is a key source of revenue for the Group that is not affected by the adoption of IFRS 15.

**IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"**

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

**IAS 40 (Amendments) "Transfers of Investment Property"**

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

**IFRIC 22 "Foreign currency transactions and advance consideration"**

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The relevant amendment have no impact in the Group.

**Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)**

**IAS 28 "Investments in associates and Joint ventures"**

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

# Notes to Consolidated and Separate Financial Statements

**Standards and Interpretations effective for subsequent periods**

**IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"** (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group is currently assessing the impact of the amendment.

**IFRS 16 "Leases"** (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently assessing the impact of IFRS 16.

**IAS 28 (Amendments) "Long term interests in associates and joint ventures"** (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

**IFRIC 23 "Uncertainty over income tax treatments"** (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**IAS 19 (Amendments) "Plan amendment, curtailment or settlement"** (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

**IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)**

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

**IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)**

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRS (2015 – 2017 Cycle)** (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

## Notes to Consolidated and Separate Financial Statements

*IFRS 3 "Business combinations"*

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

*IFRS 11 "Joint arrangements"*

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

*IAS 12 "Income taxes"*

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

*IAS 23 "Borrowing costs"*

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

### 2.3 Consolidation

#### (a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

The Company recognizes its investments in subsidiaries in separate financial statements at cost less impairment. In addition, the acquisition cost is adjusted to reflect changes in price resulting from any modifications of contingent consideration.

## Notes to Consolidated and Separate Financial Statements

**(b) Disposal of subsidiary**

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

**(c) Joint ventures**

According to IFRS 11 joint arrangements classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor. The Group has classified its joint arrangements as joint ventures and they will be accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Investments in joint ventures are accounted for in the financial statements of the Company at the cost less impairment basis.

### 2.4 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker of the Group is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer of the Company.

### 2.5 Foreign currency translation

(a) Functional and presentational currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

## Notes to Consolidated and Separate Financial Statements

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which income and expenses are translated at the rate of the dates of the transactions).
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the closing entity and translated at the closing rate. All resulting exchange differences are recognised in other comprehensive income.

### 2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property and is not used by the Group.

Investment property comprises mainly from offices and retail from freehold land, freehold buildings and property held under finance leases, as well as properties under construction which are being developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the investment property is substantially complete, or suspended if the development of the investment property is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are appraised as at June 30 and December 31 each year by independent professional valuers in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property under construction is measured at fair value only if it can be measured reliably.

Investment property further qualified for continued use as investment property, or for which the market has become less active, continues to be valued at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas others, including contingent rent payments, are not recognised in the financial statements.

In several cases of acquisition of investment properties, there is a profit for the Group and the Company due to purchase at a bargain price. The relevant gain is included in the line "Net profit / (loss) from revaluation of investment property at fair value". Please see note 6.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer, is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment

## Notes to Consolidated and Separate Financial Statements

loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in Other comprehensive income by increasing the asset revaluation reserve in equity.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to non-current assets as available for safe if they meet the criteria of IFRS 5. A property's deemed cost for subsequent accounting is its fair value at the date of change in use.

### 2.7 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Group didn't capitalize borrowing costs within the year.

### 2.8 Property, Plant and equipment

All property, plant and equipment is stated in the balance sheet at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on the component approach, is calculated so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

| | |
|---|---|
| Land | Nil |
| Buildings | 50 years |
| Fixtures and equipment | 4 – 9 years |

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at least each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the income statement.

### 2.9 Leases

α) Where the Group is the lessee:

(i) Operating lease – leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. There were no material operating leases for the periods covered by the financial statements.

(ii) Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease

## Notes to Consolidated and Separate Financial Statements

liability outstanding. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance charges are charged to the income statement. The investment properties acquired under finance leases are carried at their fair value.

b) Where the Group is the lessor

Operating lease – properties leased out under operating leases are included in investment property in the balance sheet (note 6). See note 2.23 for the recognition of rental income.

The Group does not currently lease out properties under finance leases.

**2.10 Intangible assets**

Intangible assets consist mainly of goodwill and software.

a) Goodwill

Goodwill is measured as the excess amount of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

b) Software

Acquired computer software licenses are capitalized based on the costs incurred to acquire and install specific software. The software is valued at cost less accumulated depreciation. Depreciation is calculated on a straight line over the useful life of these items which has been estimated at 4 years.

**2.11 Impairment of non-financial assets**

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

# Notes to Consolidated and Separate Financial Statements

## 2.12 Financial Assets

### 2.12.1 Classification

The group’s financial assets consist of loans and receivables and available for sale financial assets. The Group does not hold other financial assets such as financial assets at fair value through profit or loss and investments held to maturity at the balance sheet date. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group’s loans and receivables comprise ‘trade and other receivables’ and ‘cash and cash equivalents’ in the balance sheet (notes 2.13 and 2.14).

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets if they do not expire or the Management does not intend to liquidate them within 12 months from the Balance Sheet date. Otherwise, they are included in current assets.

### 2.12.2 Recognition and measurement

When recognized as financial assets, loans and receivables and available-for-sale financial assets are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest method, while available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from financial assets at fair value through profit or loss is recognized in other comprehensive income. When available-for-sale financial assets are sold or impaired, the accumulated changes in fair value that have been recognized in equity are transferred to the income statement.

### 2.12.3 Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

If there is objective evidence that there is an impairment loss for loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit rating), the reversal of the previously recognized impairment loss is recognized in the income statement.

## Notes to Consolidated and Separate Financial Statements

For available-for-sale financial assets related to debt, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

### 2.13 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method unless the discount is not material, less any impairment provision for expected credit losses. Expected credit losses represent the difference between the contractual cash flows and those that the Group expects to receive. All cash flow delays are discounted at the approximate original effective interest rate.

***Expected credit losses***

The Group has trade and other receivables as well as other financial assets that are measured at amortized cost and are subject to the new model of expected credit losses in accordance with IFRS 9.

***Trade and Other receivables***

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses. The provision for impairment is always measured in an amount equal to the expected credit losses over the life of the receivable. For the purposes of determining the expected credit losses in relation to trade and other receivables, the Group uses a credit loss provisioning table based on the maturity of the outstanding claims. Credit loss projections are based on historical data taking into account future factors in relation to debtor and the economic environment.

***Other financial assets measured at amortized cost***

For the other financial assets of the Group measured at amortized cost, the general approach is used. These financial assets are considered to be low credit risk and any provision for impairment is limited to the expected credit losses over the next 12 months.

### 2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash deposits and highly liquid time deposits held with banks with original maturities of approximately three months or less.

### 2.15 Share capital and share premium

Ordinary shares and share premium are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax), from the proceeds.

### 2.16 Treasury shares

Treasury shares consist of company's own equity shares, which are reacquired and not cancelled. The consideration paid is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders. Upon derecognition, the cost of the treasury share reduces the Share Capital and Share Premium and any difference is charged to Retained Earnings.

### 2.17 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured using the effective interest rate method.

# Notes to Consolidated and Separate Financial Statements

## 2.18 Guarantees

The Company receives advance payments from tenants as a guarantee under operating leases. These guarantees are financial liabilities under IAS 39 and are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Guarantees are recognized in short-term liabilities unless the Group has the right to postpone the settlement of the liability for 12 months after the balance sheet date, in which case they are recognized in the long-term liabilities.

## 2.19 Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as borrowing costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs, when borrowing costs are capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 2.20 Current and deferred tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

The Company and Greek subsidiaries are subject to an annual tax determined at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1% in the average semi-annual investments plus cash and cash equivalents, at current values. Under the new tax law, the tax due cannot be less than 0,75% (annually) of its investments.

Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 15% in Serbia, 16% in Romania and 12,5% in Cyprus.

Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

Deferred income tax is defined as the tax that is expected to be payable or recoverable on temporary differences arising between the carrying balances of assets and liabilities and the respective tax bases used in the calculation of the taxable profit or loss and is accounted for using the calculation method based on the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

With effect from September 29, 2005, when the Company obtained regulatory approval to operate as a real estate investment vehicle under Greek Law 2778/1999, the tax basis on which it will be subject to tax changed from an income tax basis to an asset tax basis (see Note 25). Accordingly, with effect from the above date, no further temporary differences will arise requiring the recognition of deferred income tax assets or liabilities since the Company will no longer be subject to income taxes as a result of its change in tax status.

# Notes to Consolidated and Separate Financial Statements

## 2.21 Employee benefits

### (a) Pension obligation

Post-employment benefits include both defined benefit plans and defined contribution schemes.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate social security fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a retirement plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognized immediately in the income statement.

The net interest is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### (b) Profit-sharing and bonus plans

The Group recognizes a liability and expense for additional benefits and profit sharing using a calculation method that takes into account the distributed earnings to shareholders after certain adjustments. The Group recognizes a provision when there is a legal or constructive obligation as a result of past events.

## 2.22 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Where the Group, as a lessee, is contractually required to restore a leased in property to an agreed condition, prior to release by a lessor, provision is made for such costs as they are identified.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

# Notes to Consolidated and Separate Financial Statements

### 2.23 Revenue recognition

Revenue includes rental income and income from property trading.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

Contingent rents, such as turnover rents, are recorded as income in the periods in which they are disclosed to the Company and the Group.

### 2.24 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

### 2.25 Earnings per share

Basic earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during the year adjusted for the impact of share based payments.

### 2.26 Share-Based Payment Transactions

The Group provides to key management personnel remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity settled transactions"). The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined at the grant date, using an appropriate pricing model, and is allocated over the period in which the conditions are fulfilled. The cost of equity settled transactions is recognized, together with a corresponding increase to equity over the vesting period.

### 2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Annual General Shareholders Meeting.

### 2.28 Interest expense

Interest expenses for borrowings are recognised within 'finance costs' in the income statement using the effective interest rate method. Exempt are borrowing costs directly attributable to the acquisition, construction or production of qualifying investment properties, which are investment properties that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those investment properties, until such time as the assets are substantially ready for their intended use or sale.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

# Notes to Consolidated and Separate Financial Statements

## 2.29 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 3. Financial risk management

### 3.1 Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to "Other long term receivables", "Trade and other receivables", "Cash and cash equivalents", "Trade and other payables", "Other non-current liabilities", "Short term tenant deposits", "Long term tenant deposits" and "Borrowings, including finance leases". The accounting policy with respect to these financial instruments is described in note 2.

Risk management primarily focuses on the identification and evaluation of financial risk, which includes the following specific areas: such as foreign exchange risk, interest rate risk and credit risk.

a) Market risk

i) Foreign exchange risk

The Group operates internationally, however is not significantly exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises due to foreign currency transactions, recognized financial assets and liabilities that are not in the functional currency of each Group's company and mainly from the Group's investments in subsidiaries abroad and is not considered significant. The Group's exposure to foreign exchange risk on 31 December 2018 and 2017 is not significant.

Group's policy, in accordance with the legislation governing Greek REICs, is not to enter into any currency hedging transactions.

ii) Price risk

The Group is not exposed to the price risk with respect to financial instruments as it does not hold any equity securities. The Group is exposed to price risk relating to non-financial instruments, such as property value and rental value. In order to reduce price risk, the Group in general enters into long term operating lease agreements with most tenants for a minimum of 12 to 20 years. The annual rental increases are linked to the Greek CPI and the HICP and in the case of deflation there is no negative impact to the Company's income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales. Contingent rents for the year ended December 31, 2018 have had no effect on the income statement either for the Group or the Company.

iii) Cash flow and fair value interest rate risk

Group's interest rate risk arises from long-term finance leases and bank borrowings (note 14). Finance leases and bank borrowings which are all issued at variable rates expose the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Finance cost may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise. In order to reduce Group's interest rate exposure under long term finance leases and bank borrowings, contractual re-pricing dates are restricted to a maximum period of 6 months. If interest rates fluctuate +/- 1% the effect on Group's Income Statement would be approximately -/+ €1.622 (31.12.2017: -/+ €844).

b) Credit risk

The Group has significant concentration of credit risk with respect to sight and time deposits and trade receivables from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place

(All amounts expressed in €‘000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

to ensure that rental contracts are entered into with customers with an appropriate credit history and cash transactions are restricted to financial institutions. The Group receives guarantees on operating lease contracts. If there is a credit rating for customers, then that rating is used. If there is no credit rating, then the client's creditworthiness is reviewed, taking into account his financial status, past experience and other factors. It should be noted that the Group places its cash in systemic banks and subsidiaries of systemic banks. More specifically, as at 31.12.2018, approximately 94% of the Group's cash are placed in Greek Systemic Banks and the remaining 6% in countries of New Europe.

The Group's maximum exposure to credit risk is the carrying value of those financial assets.

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, availability of funding through an adequate amount of committed credit facilities and ability to close out market positions. Due to the dynamic nature of the underlying business, the Group management aims to maintain flexibility in funding by keeping adequate cash and committed credit lines available for overdrafts and time deposits.

Group’s liquidity position is monitored on a regular basis by the management. A summary table is presented below with maturity of financial assets and liabilities (the tables include undiscounted flows for interest and principal):

For the year ended December 31st, 2018:

**Group**

| | Up to 1 year | 1 to 2 years | 2 to 5 years | over 5 years |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Other long term receivables | - | 2.025 | 1.843 | 982 |
| Trade and other receivables | 13.551 | - | - | - |
| Cash and cash equivalents | 64.003 | - | - | - |
| | **77.554** | **2.025** | **1.843** | **982** |
| **Financial Liabilities** | | | | |
| Borrowings, including finance leases | 28.464 | 61.244 | 141.293 | 17.608 |
| Tenant deposits | 495 | 127 | 1.616 | 3.496 |
| Trade and other payables (incl. dividends payable) | 4.491 | - | - | - |
| | **33.450** | **61.371** | **142.909** | **21.104** |

**Company**

| | Up to 1 year | 1 to 2 years | 2 to 5 years | over 5 years |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Other long term receivables | - | 1.466 | 1.267 | 11.462 |
| Trade and other receivables | 12.812 | - | - | - |
| Cash and cash equivalents | 55.838 | - | - | - |
| | **68.650** | **1.466** | **1.267** | **11.462** |
| **Financial Liabilities** | | | | |
| Borrowings, including finance leases | 12.975 | 60.277 | 131.832 | 9.521 |
| Tenant deposits | 389 | 127 | 1.459 | 3.487 |
| Trade and other payables (incl. dividends payable) | 3.436 | - | - | - |
| | **16.800** | **60.404** | **133.291** | **13.008** |

(All amounts expressed in €‘000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

For the year ended December 31st, 2017:

**Group**

| | Up to 1 year | 1 to 2 years | 2 to 5 years | over 5 years |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Other long term receivables | - | 2.300 | 2.064 | 1.376 |
| Trade and other receivables | 7.261 | - | - | - |
| Greek Government Treasury Bills | 8.962 | - | - | - |
| Cash and cash equivalents | 44.725 | - | - | - |
| | **60.948** | **2.300** | **2.064** | **1.376** |
| | | | | |
| **Financial Liabilities** | | | | |
| Borrowings, including finance leases | 11.127 | 23.380 | 103.659 | 13.747 |
| Tenant deposits | 424 | 101 | 445 | 4.283 |
| Trade and other payables (incl. dividends payable) | 9.288 | - | - | - |
| | **20.839** | **23.481** | **104.104** | **18.030** |

**Company**

| | Up to 1 year | 1 to 2 years | 2 to 5 years | over 5 years |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Other long term receivables | - | 1.901 | 1.556 | 11.910 |
| Trade and other receivables | 6.606 | - | - | - |
| Greek Government Treasury Bills | 5.975 | - | - | - |
| Cash and cash equivalents | 40.385 | - | - | - |
| | **52.966** | **1.901** | **1.556** | **11.910** |
| | | | | |
| **Financial Liabilities** | | | | |
| Borrowings, including finance leases | 9.107 | 8.641 | 96.357 | 13.747 |
| Tenant deposits | 424 | 101 | 368 | 4.283 |
| Trade and other payables (incl. dividends payable) | 8.261 | - | - | - |
| | **17.792** | **8.742** | **96.725** | **18.030** |

### 3.2 Fair value estimation

The Group uses the following hierarchy in order to determine and disclose the fair value of financial assets and liabilities per valuation technique:

**Level 1**: Financial assets that are traded on active markets, the fair value of which is determined based on published market prices at the reporting date for similar assets and liabilities.

**Level 2**: Financial assets that are not traded on active markets, the fair value of which is determined using valuation techniques and assumptions that are either directly or indirectly based on market conditions at the reporting date.

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

**Level 3**: Financial assets that are not traded on active markets, the fair value of which is determined using valuation techniques and assumptions that are essentially not based on market data.

As at December 31, 2018, the book value of all financial assets ( other long term receivables, trade and other receivables, cash and cash equivalents, short and long term debt, long and short term guarantees and trade and other payables and other long term payables) approximates the fair value.

There were no transfers between Level 1 and 2 during the closing year, or transfers in and out of Level 3 concerning the estimation of fair value.

### 3.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue operating in order to provide returns to shareholders, benefits to other stakeholders as well as maintain an optimal capital structure in order to reduce the cost of capital.

In order to sustain or adjust the capital structure, the Company can do one of the following: adjust the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

As with similar companies in the industry, the Group monitors capital based on the gearing ratio (debt ratio), calculated as the total loans (including finance leases) to the total value of assets as shown in the Consolidated Balance Sheet. The legal regime applicable to REICs in Greece allows Greek REICs and their subsidiaries to enter into loans and receive financing for the acquisition and development of real estate up to an amount that does not exceed 75% of the REIC's assets for the loans taken on by the REIC itself and up to an amount that does not exceed 75% of the assets of the REIC's consolidated balance sheet for the total loans of both the REIC and its subsidiaries, which the Company is in compliance with.

The Company's goal is to optimize its capital structure through the effective use of debt financing.

The gearing ratio (total debt ratio) as at December 31, 2018 and December 31, 2017, was as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| Borrowings, including finance leases | 226.242 | 138.063 | 195.294 | 115.631 |
| Total assets | 1.160.625 | 1.069.848 | 1.075.752 | 1.003.297 |
| **Gearing ratio** | **19%** | **13%** | **18%** | **12%** |

### 4. Critical accounting estimates and assumptions

**a) Estimation of the fair value of investment properties**

The Group uses the following hierarchy for determining and disclosing the fair value of its financial instruments for each valuation technique:

**Level 1**: Financial assets that are traded on active markets whose fair value is determined on the basis of quoted prices at the reporting date for identical assets or liabilities.

**Level 2**: Financial assets that are not traded on active markets, whose fair value is determined by using valuation techniques and assumptions based directly or indirectly on published market prices at the reporting date.

**Level 3**: Financial assets not traded on active markets, whose fair value is determined by the use of techniques not based on available market information.

## Notes to Consolidated and Separate Financial Statements

The best evidence of fair value is based on the current prices in an active market for similar lease and other contracts. In the event that such information is unavailable, the Group's Management determines the fair value amount through a range of reasonable fair value estimates based on advice received from its independent external valuers.

In order to make such a decision, Group's Management looks at information from various sources, including the following:

(i) Current prices in an active market for properties of a different nature, condition or location (or subject to a different lease or other contracts), adjusted to reflect those differences.

(ii) Recent prices of similar properties in less active markets, with adjustments made to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, as well as using discount rates that reflect current market assessments of the uncertainty in the amount and timing of those cash flows.

The principal assumptions underlying management's estimation regarding fair value are those related to: expected future market rentals, and appropriate discount rates.

**b) Estimation of the of the Company's investments in subsidiaries**

Management assesses the recoverable value of the Company's investments in subsidiaries annually and compares it with the carrying value in which they are included in the Company's accounted records in order to determine whether an impairment provision is required. Management has determined the recoverable amount of each investment to be the highest amount between its fair value (less cost to sale) and its value in use. The determination of the fair value of each investment depends directly on the fair value of the investment properties held by each subsidiary as of 31 December of each year, since this is the most significant asset and most of them do not have loans in their liabilities. As for the subsidiaries that have loans, these have been provided by financial institutions in line with market conditions.

The determination of the value in use is based on management's estimates and assumptions of factors such as the future cash flows of each company, their future performance and the discount rates used. Furthermore, due to the different market conditions in the countries in which the Group operates, we consider that there is a significant risk of impairment of these investments.

There are no other assumptions that would significantly affect the Group's financial position.

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 5. Analysis per segment

The following information refers to the sectors that should be reported separately in the financial statements and are reviewed by the decision makers of the Group responsible for taking the economic decisions.

The sectors of activity were determined based on the use of investment properties since the decision makers review this financial information separately.

Management evaluates each segment's performance based on operating profit including the finance costs before Corporate Social Responsibility expenses, Employee benefit expense- BoD, depreciation, other income and expenses. Below is an agreement between the operating profits of the sectors of activity evaluated by the Management and the net profits of the Group as they appear in the Consolidated Income Statement on 31.12.2018 and 31.12.2017.

Management does not evaluate investments in joint ventures, additions to tangible and intangible assets and liabilities per segment.

A) Group's operating segments

For the year ended December 31, 2018:

| | Offices | Logistics | Retail | Mixed use | Special use | Total |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Rental revenue | 24.896 | 4.163 | 24.061 | 14.535 | 4.824 | 72.479 |
| (Expenses) from service charges | (46) | - | - | (8) | - | (54) |
| Gain from disposal of investment property | 114 | - | - | - | - | 114 |
| **Total** | **24.964** | **4.163** | **24.061** | **14.527** | **4.824** | **72.539** |
| **RESULTS** | | | | | | |
| Net gain from fair value adjustments on investment property | 2.001 | 781 | 7.541 | 6.765 | 1.080 | 18.168 |
| Direct property relating expenses | (715) | (137) | (620) | (482) | (158) | (2.112) |
| Property taxes | (2.228) | (392) | (2.266) | (1.353) | (454) | (6.693) |
| Provision for doubtful debts | (6) | - | - | - | - | (6) |
| Finance costs | (6.364) | (31) | (2) | (16) | - | (6.413) |
| **Profit relating to investment property** | **17.652** | **4.384** | **28.714** | **19.441** | **5.292** | **75.483** |

| | |
|---|---|
| **Reconciliation of net profit for the year:** | |
| Profit relating to investment property | 75.483 |
| Finance income | 849 |
| Other expenses | (16.424) |
| Other income | 390 |
| Negative goodwill arising from investment in joint ventures | 1.390 |
| Gain on change in status of joint venture | 47 |
| Negative goodwill arising from subsidiary's acquisition | 1.162 |
| Share of net (loss) of investments accounted for using the equity method | (3.134) |
| Taxes | (8.491) |
| **Net profit for the year** | **51.272** |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

Additions in investment property per segment:

| | Offices | Logistics | Retail | Mixed use | Special use | Total |
|---|---|---|---|---|---|---|
| Acquisition of Investment Property | - | - | - | 15.383 | - | **15.383** |
| Subsequent capital expenditure on investment property | 1.430 | 204 | 221 | 1.166 | 529 | **3.550** |
| **Total** | **1.430** | **204** | **221** | **16.549** | **529** | **18.933** |

For the year ended December 31, 2017:

| | Offices | Logistics | Retail | Mixed use | Special use | Total |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Rental revenue | 23.939 | 4.175 | 20.744 | 11.416 | 4.762 | 65.036 |
| (Expenses) from service charges | (46) | - | - | (5) | - | (51) |
| **Total** | **23.893** | **4.175** | **20.744** | **11.411** | **4.762** | **64.985** |
| **RESULTS** | | | | | | |
| Net gain from fair value adjustments on investment property | 987 | 84 | 11.611 | 5.260 | 913 | 18.855 |
| Direct property relating expenses | (1.216) | (245) | (910) | (658) | (279) | (3.308) |
| Property taxes | (2.093) | (374) | (1.869) | (1.010) | (427) | (5.773) |
| Finance costs | (4.040) | (65) | (2) | (70) | - | (4.177) |
| **Profit relating to investment property** | **17.531** | **3.575** | **29.574** | **14.933** | **4.969** | **70.582** |
| **Reconciliation of net profit for the year:** | | | | | | |
| Profit relating to investment property | | | | | | 70.582 |
| Finance income | | | | | | 993 |
| Other expenses | | | | | | (9.525) |
| Other income | | | | | | 134 |
| Gain from loss of control in subsidiary | | | | | | 253 |
| Gain from change in percentage of participation in joint venture | | | | | | 163 |
| Share of net gain of investments accounted for using the equity method | | | | | | 8.474 |
| Taxes | | | | | | (7.927) |
| **Net profit for the year** | | | | | | **63.147** |

Additions in investment property per segment:

| | Offices | Logistics | Retail | Mixed use | Special use | Total |
|---|---|---|---|---|---|---|
| Acquisition of Investment Property | - | - | 47.148 | 39.704 | - | **86.852** |
| Subsequent capital expenditure on investment property | 752 | 60 | 107 | 1.219 | 145 | **2.283** |
| **Total** | **752** | **60** | **47.255** | **40.923** | **145** | **89.135** |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

B) Geographical segments

For the year ended December 31, 2018:

| | Revenue | Non-current assets |
|---|---|---|
| Greece | 66.893 | 993.066 |
| Romania | 4.889 | 70.946 |
| Serbia | 757 | 14.151 |
| | **72.539** | **1.078.163** |

For the year ended December 31, 2017:

| | Revenue | Non-current assets |
|---|---|---|
| Greece | 59.372 | 916.420 |
| Romania | 4.828 | 72.759 |
| Serbia | 785 | 13.882 |
| | **64.985** | **1.003.061** |

The "Non-current assets" don't include "Deferred tax assets" and "Other long term receivables".

Rental revenue which exceeds 10% of Group's total rental revenue as at 31.12.2018 derives from HRADF's portfolio (20%), Eurobank Ergasias Group (19%) and  Praktiker (14%).

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 6. Investment property

| | Group | |
|---|---|---|
| | **31/12/2018** | **31/12/2017** |
| **Balance at the beginning of the year** | **954.393** | **849.978** |
| Additions: | | |
| Acquisition of investment property | 15.383 | 86.852 |
| Subsequent capital expenditure on investment property | 3.550 | 2.283 |
| Acquisition of property through the buyout of a JV | 19.315 | - |
| Disposal of investment property | (1.956) | - |
| Transfer from investment property to property, plant and equipment (own use) | (628) | (3.575) |
| Net gain from fair value adjustments on investment property | 18.168 | 18.855 |
| **Balance at the end of the year** | **1.008.225** | **954.393** |

| | Company | |
|---|---|---|
| | **31/12/2018** | **31/12/2017** |
| **Balance at the beginning of the year** | **804.995** | **696.998** |
| Additions: | | |
| Acquisition of investment property | 15.383 | 86.852 |
| Subsequent capital expenditure on investment property | 3.007 | 2.226 |
| Disposal of investment property | (1.956) | - |
| Transfer from investment property to property, plant and equipment (own use) | (564) | - |
| Net gain from fair value adjustments on investment property | 18.223 | 18.919 |
| **Balance at the end of the year** | **839.088** | **804.995** |

On March 19, 2018 the Company proceeded to the acquisition, via a public auction, of a property located on 5 Grigoriou Lampraki Street in Glyfada. In particular, this property is a stand-alone commercial building in central location in Glyfada. The total area is approximately 4.000 sqm, of which 1.570 sqm are retail and office areas in the ground floor and 3 upper-floors and 2.430 sqm for parking and storage on 3 underground levels. The offered bid was €5.080 (excluding acquisition costs of €69).

On June 26, 2018 the Company acquired a stand-alone multi-storey building on the junction of 2 Omirou and Stadiou Street in the centre of Athens. This building is of an excellent visibility, with unobstructed view to the Old Parliament Mansion, of a total surface of 4.500 sqm. The acquisition price for the asset was €10.000 (excluding acquisition costs of €234).

On July 24, 2018 the Company completed the indirect acquisition of 50% of the shares of the company with the distinctive title "Piraeus Port Plaza 1" (PPP1), by acquiring 100% of the shares of Staynia Holdings Ltd incorporated in Cyprus (note 8). The Company now controls 100% of PPP1, as in October 2016 acquired the other 50% of its shares. As a consequence, the property of PPP1 whose estimated value was € 19.315 on July 24, 2018, was included in the Group's Investment property portfolio.

On December 20, 2018, the Company sold horizontal properties in its ownership located within a multi-storey building at the junction of 31 Lefkados and 47$^{A}$ Evelpidon Street in Athens (Louzitania Complex). These are three horizontal properties of the 3rd, 4th and 5th floor of office premises and one horizontal ownership for auxiliary use. The total area of the above-mentioned horizontal properties is 2.889,98 sqm. The consideration for the sale of all horizontal properties amounted to €2.070, receivable as of December 31, 2018. The estimated value of the property as of June 30, 2018 was €1.956. From the specific disposal, the Company realized a profit of €114 which was recognized in current income statement.

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

For the Group and the Company during the closing year, a transfer from investment property to property, plant and equipment (own use) of a total amount of € 628 and € 564 was made respectively. These transfers relate to the parking areas of the property located at 117 Kifisias Avenue and 50 Agiou Konstantinou Str., as well as part of the property located at 117 Kifisias Avenue, which was leased by another company of the Group.

The Group's investment property is measured at fair value. The following table analyses the Group's investment property per operating and geographical segment:

| Country | Greece | Greece | Greece | Greece | Greece | Romania | Romania | Serbia | Serbia | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Offices** | **Logistics** | **Retail** | **Mixed use** | **Special use** | **Retail** | **Offices** | **Mixed use** | **Retail** | **Total** | Total |
| Fair value hierarchy | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | | |
| **Fair value at the beginning January 01** | **265.251** | **52.631** | **302.100** | **203.220** | **48.461** | **9.381** | **59.467** | **12.814** | **1.068** | **954.393** | 849.978 |
| Additions: | | | | | | | | | | | |
| -Acquisition of investment property | - | - | - | 15.383 | - | - | - | - | - | **15.383** | 86.852 |
| -Subsequent capital expenditure on investment property | 1.368 | 204 | 221 | 1.166 | 529 | - | 62 | - | - | **3.550** | 2.283 |
| -Acquisition of property through the buyout of a JV | 19.315 | - | - | - | - | - | - | - | - | **19.315** | - |
| -Disposal of investment property | (1.956) | - | - | - | - | - | - | - | - | **(1.956)** | - |
| -Transfer from investment property to property, plant and equipment (own use) | - | - | - | (628) | - | - | - | - | - | **(628)** | (3.575) |
| -Net gain / (loss) from fair value adjustments on investment property | 4.663 | 781 | 6.658 | 6.520 | 1.080 | 859 | (2.662) | 245 | 24 | **18.168** | 18.855 |
| **Fair value at the end December 31** | **288.641** | **53.616** | **308.979** | **225.661** | **50.070** | **10.240** | **56.867** | **13.059** | **1.092** | **1.008.225** | 954.393 |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

Information concerning the fair value measurements of the investment property per operating and geographical segment is as follows:

| Country | Segment | Fair Value | Valuation technique | Monthly Rent | Discount rate (%) |
|---|---|---|---|---|---|
| Greece | Offices | 288.641 | 80% discounted cash flows (DCF) & 20% sales comparison or income method | 1.955 | 9% -13% |
| Greece | Logistics | 53.616 | 80% discounted cash flows (DCF) & 20% sales comparison or 100% sales comparison (which is used only for the valuation of the plot) | 377 | 10% -10,75% |
| Greece | Retail | 308.979 | 80% discounted cash flows (DCF) & 20% sales comparison | 2.169 | 8% -10,75% |
| Greece | Mixed use | 225.661 | 80% discounted cash flows (DCF) & 20% sales comparison | 1.412 | 8,75% -10,75% |
| Greece | Special use | 50.070 | 80% discounted cash flows (DCF) & 20% income method | 410 | 11,75% - 12,75% |
| Romania | Retail | 10.240 | 80% discounted cash flows (DCF) & 20% sales comparison | 70 | 9,90% |
| Romania | Offices | 56.867 | 80% discounted cash flows (DCF) & 20% sales comparison | 357 | 9,40% -9,90% |
| Serbia | Mixed use | 13.059 | 80% discounted cash flows (DCF) & 20% sales comparison | 101 | 10,50% |
| Serbia | Retail | 1.092 | 80% discounted cash flows (DCF) & 20% sales comparison | 7 | 10,75% |
| | **Total** | **1.008.225** | | | |

The Company evaluates investment property by taking the high and best use (HABU) of each asset wherever possible, legally permissible and financially possible, into consideration. This valuation is based on the physical characteristics of each asset, the allowed usage and the opportunity cost of each investment.

Were the discount rate as at December 31, 2018, used in the DCF analysis to increase or decrease by +/-5%, the carrying amount of investment properties would be an estimated €23.578 lower or €24.779 higher, respectively.

The net carrying amount of investment property held under finance leases as at December 31, 2018, amounts to €15.363 (31.12.2017: €14.728).

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed on June 30 and December 31 of each year. The valuations themselves are based on two methods according to the International Appraising Standards: for this portfolio, the comparative or income method in conjunction with the discounted cash flow method are used. Note that the income method has been used only for the assets leased to the Hellenic Republic.

Lease liabilities and bank borrowings which are effectively secured as the rights to the leased asset revert to the lessor in the event of default; please refer to note 14.

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 7. Property, plant and equipment

### Group

| | Land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| **Cost value:** | | | |
| Balance January 01, 2017 | 3.880 | 666 | 4.545 |
| Transfer from investment property to property, plant and equipment (own use) | 3.575 | - | 3.575 |
| Additions | 125 | 26 | 151 |
| Balance December 31, 2017 | 7.580 | 692 | 8.271 |
| **Accumulated depreciation:** | | | |
| Balance January 01, 2017 | 327 | 490 | 817 |
| Depreciation charge | 89 | 21 | 110 |
| Balance December 31, 2017 | 416 | 511 | 927 |
| **Net book value December 31, 2017** | 7.164 | 181 | 7.345 |
| **Cost value:** | | | |
| Balance January 01, 2018 | 7.580 | 692 | 8.272 |
| Transfer to own use | 628 | - | 628 |
| Additions | 9 | 140 | 149 |
| Disposals | - | (26) | (26) |
| Balance December 31, 2018 | 8.217 | 806 | 9.023 |
| **Accumulated depreciation:** | | | |
| Balance January 01, 2018 | 416 | 511 | 927 |
| Depreciation charge | 171 | 47 | 218 |
| Disposals | - | (20) | (20) |
| Balance December 31, 2018 | 587 | 538 | 1.125 |
| **Net book value December 31, 2018** | 7.630 | 268 | 7.898 |

### Company

| | Land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| **Cost value:** | | | |
| Balance January 01, 2017 | 3.441 | 631 | 4.072 |
| Additions | 125 | 25 | 150 |
| Balance December 31, 2017 | 3.566 | 656 | 4.222 |
| **Accumulated depreciation:** | | | |
| Balance January 01, 2017 | 296 | 479 | 776 |
| Depreciation charge | 72 | 15 | 87 |
| Balance December 31, 2017 | 368 | 494 | 863 |
| **Net book value December 31, 2017** | 3.198 | 161 | 3.359 |
| **Cost value:** | | | |
| Balance January 01, 2018 | 3.566 | 656 | 4.222 |
| Transfer from investment property to property, plant and equipment (own use) | 564 | - | 564 |
| Additions | 9 | 139 | 148 |
| Disposals | - | (26) | (26) |
| **Balance December 31, 2018** | 4.139 | 769 | 4.908 |
| **Accumulated depreciation:** | | | |
| Balance January 01, 2018 | 368 | 494 | 863 |
| Depreciation charge | 83 | 41 | 124 |
| Disposals | - | (20) | (20) |
| Balance December 31, 2018 | 451 | 515 | 967 |
| **Net book value December 31, 2018** | 3.688 | 254 | 3.941 |

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 8. Investment in subsidiaries

| | Country of incorporation | Percentage of interest | 31/12/2018 | 31/12/2017 |
|---|---|---|---|---|
| Reco Real Property A.D. | Serbia | 100% | 12.240 | 17.240 |
| Eliade Tower S.A. | Romania | 99,99% | 6.574 | 9.037 |
| Retail Development S.A. | Romania | 99,99% | 3.561 | 4.561 |
| Seferco Development S.A. | Romania | 99,99% | 21.486 | 21.486 |
| Cloud Hellas Ktimatiki S.A. | Greece | 100% | 42.000 | 42.000 |
| Grivalia New Europe S.A. | Luxembourg | 100% | 310 | 110 |
| Piraeus Port Plaza 1 | Greece | 51,96% | 2.970 | - |
| Staynia Holdings Ltd | Cyprus | 100% | 3.908 | - |
| | | | **93.049** | **94.434** |

On July 24, 2018 the Company completed the indirect acquisition of 50% of the shares of the company with the distinctive title "Piraeus Port Plaza 1" (PPP1), by acquiring 100% of the shares of Staynia Holdings Ltd incorporated in Cyprus. The purchase consideration was €3.873.

As a consequence, PPP1 ownership status changed from a joint venture into a subsidiary of an initial share of €2.800 as the Company controls 100% of PPP1 (51,96% directly and 48,04% indirectly through Staynia Holdings Ltd).

On November 5, 2018, a share capital increase of Staynia Holdings Ltd was approved amounting to €35.

On November 9, 2018, a share capital increase of PPP1 was approved with a cash payment of €170.

On December 20, 2018, a share capital increase of Grivalia New Europe was approved with a cash payment of €200.

It is noted that the financial statements of the consolidated non – listed subsidiaries of the Group are published in the parent's Company website (www.grivalia.com).

## 9. Investment in joint ventures

On March 12, 2018 the Company's hospitality platform Grivalia Hospitality S.A., completed the acquisition of 80% of Nafsika S.A. in implementation of the pre-agreement dated 20.02.2017 and its 31.07.2017 amendment. The company holds the long-term lease of the Asteria property in Glyfada, owned by ETAD, until 31.12.2081. The renowned "Asteria" Hotel, which used to operate within the property, is planned to be fully upgraded into an ultra-luxury urban resort run by an internationally acclaimed hotel operator. F&B and retail services will continue to be offered as part of the overall facilities.

On May 08, 2018, the Company's hospitality platform Grivalia Hospitality S.A. acquired the hotel unit 'Meli Palace' in Crete. In particular, Grivalia Hospitality S.A. acquired through its 100% subsidiary, the shares of the company HELLENIC PALACE S.A that holds 100% of the property on which the hotel unit 'Meli Palance' has been constructed. The luxury hotel complex located on a privileged coastal location in Malia, Crete numbers 158 rooms on a land plot of 104.000 sqm approximately and is leased to a prominent operator. This property is the first hotel in operation to be added to Grivalia Hospitality S.A investment portfolio.

On June 15, 2018, based on the Extraordinary General Assembly of the shareholders of "Piraeus Port Plaza 1" (PPP1) an increase of its share capital was made by an amount of €1.000, in which the Company participated with an amount of €500, resulting in an equal increase in the value of that shareholding in that joint venture. On July 24, 2018 the Company completed the indirect acquisition of 50% of the shares of PPP1, by acquiring 100% of the shares of Staynia Holdings Ltd incorporated in Cyprus (Note 8).

## Notes to Consolidated and Separate Financial Statements

On July 25, 2018 the Company's hospitality platform Grivalia Hospitality S.A. concluded successfully a new share capital increase of €60.000. The new share capital increase was fully subscribed by the company's existing shareholders proportionally to their shareholdings. More specifically, Grivalia Properties and Eurolife ERB Life Insurance Company each covered €15.000, while €30.000 was contributed by a new investment vehicle also under the management of M&G Investment Management Limited with registered seat in London. Following the conclusion of the capital increase, the paid-up share capital of Grivalia Hospitality S.A. amounts to €180.000 and will be used to advance the implementation of the company's investment plan.

On August 01, 2018, the Company's hospitality platform Grivalia Hospitality S.A, in cooperation with Dolphin Capital Partners ('Dolphin'), agreed on the 100% acquisition of Amanzoe from the listed company in London Exchange, Dolphin Capital Investors ('DCI); Grivalia Hospitality S.A. by 85% and Dolphin by 15% on the same terms. The net consideration paid to DCI by the buyers proportionally amounted to (amount in €) €5,8m. Moreover, the buyers undertook all existing loan obligations of Amanzoe standing at (amount in €) €76,5m. Based on an agreement between the parties, Dolphin pursues the successful management of Amanzoe placing emphasis on the development and sale of new villas and on the introduction of new concepts that will create the appropriate conditions for the extension of its useful life cycle operation. Amanzoe constitutes the first composite development of hotel complex and luxury villas designed and implemented by Dolphin Capital group in Porto Heli. Since the beginning of its operation in 2012, Amanzoe has been recognized internationally as a top tourist destination and it is currently considered the most luxury resort in Europe. Amanzoe extends for a surface of approximately 1.000.000 sqm and includes an implemented and planned construction of approximately 69.000 sqm.

On September 17, 2018, the Company acquired 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 2" (PPP2). The purchase consideration was €3.615. PPP2 owns a unique property in Piraeus which was former part of the "Papastratos" facilities and is adjacent to the recently completed building owned by PPP1, a company already 100% controlled by Grivalia. The existing asset will be converted and upgraded from a former industrial facility into a modern, energy-efficient office complex in line with international sustainability standards with total areas of 26.755 sqm (including underground parking and auxiliary areas). The asset will be leased to a multinational company with strong presence in Greece. Grivalia has already agreed to acquire the remaining 51% of PPP2 following the completion of the asset's redevelopment and its delivery to tenant.

On October 23, 2018, based on Board of Directors' meeting of PPP2, the decision of the share capital increase up to €3.000 was made with cash payments from the existing shareholders. The Company paid cash of €613 on September 28, 2018 and €858 on October 29, 2018 for the share capital increase corresponding to its shareholding. The share capital increase was approved by the Extraordinary General Assembly of PPP2 on 28 December 2018.

On October 29, 2018, the Company signed a pre-agreement for the acquisition of shares of the company named Value Touristiki S.A.. The company was proclaimed the selected bidder in the liquidation process of a stand-alone office building, with total areas of 14.427 sqm, on the junction of Ilias Iliou str. and Minoos str. in Neos Kosmos, Attica. The building was owned by "H.K. Tegopoulos S.A." until the latter was declared bankrupt. The offered price was (amount in €) €10,89m. The signing of the notarial deed for the transfer of the building will take place following the completion of all the necessary actions as per competent law. On December 19, 2018, the Company completed the acquisition of 49% of the shares of Value Touristiki SA for a consideration of € 1.813, constituting a joint venture to renovate the existing building and upgrade it to a modern professional property.

On December 21, 2018, the Company acquired 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 3" (PPP3). The purchase consideration was €5.038. PPP3 owns a unique property in Piraeus which is the ex-tobacco industrial and warehouse facilities of Papastratos. The property is adjacent to the building owned by PPP1 and the building under re-development owned by PPP2, companies already owned by Grivalia by 100% and 49% respectively. The investment is a joint venture for the re-development of the existing facilities. The existing asset will be converted and upgraded from a former industrial facility into a modern, energy-efficient office, retail and parking complex in line with international sustainability standards with total areas of 43.992 sqm (including underground parking and auxiliary areas). Grivalia has already agreed to acquire the remaining 51% of PPP3 following the completion of the asset's redevelopment.

The share of net profit of investments accounted for using the equity method as at December 31, 2018 was loss of €3.134 recognised at Group level and is analysed as follows:

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

- Loss of €893 from the joint venture PPP1 for the period from 01.01.2018 to 24.07.2018, date of change in ownership in PPP1 (from joint venture in subsidiary).
- Loss of €1.744 from the joint venture Grivalia Hospitality S.A.
- Loss of €448 from the joint venture PPP2.
- Loss of €46 from the joint venture PPP3.
- Loss of €3 from the joint venture Value Touristiki S.A.

As at December 31, 2018 at Company and Group level, the investment in Grivalia Hospitality S.A. (25%) amounted to €44.873 and €48.853 respectively, the investment in PPP2 (49%) amounted to €5.085 and €5.664 respectively, the investment in PPP3 (49%) amounted to €5.038 and €5.356 respectively and the investment in Value Touristiki S.A. (49%) amounted to €1.814 and €1.811 respectively.

### 10. Other long term receivables

The Company's "Other long term receivables" for the year ended December 31, 2018, includes a shareholders loan of €8.070 (31.12.2017: €8.070) receivable from the foreign subsidiary Retail Development S.A. and a shareholder's loan of €2.500 (31.12.2017: €2.500) receivable from the foreign subsidiary Reco Real Property A.D.. The intercompany loans are interest-bearing and are recognized in financial income. Additionally, it includes accrued rental receivable of €3.140 (31.12.2017: €2.857). Furthermore, an amount of €485 (31.12.2017: €1.940) is included, which relates to the long-term receivable undertaken by the company "Greek Supermarkets Sklavenitis SA".

The Group's "Other long term receivables" for the year ended December 31, 2018, includes an accrued rental receivable of €4.268 (31.12.2017: €3.410), as well as the long-term receivable of €582 (31.12.2017: €2.330), which was undertaken by the company "Greek Supermarkets Sklavenitis SA".

### 11. Trade and other receivables

The analysis of trade and other receivables is as follows:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Trade receivables | | 6.500 | 5.188 | 5.959 | 4.505 |
| Receivables from related parties | 30 | 3.190 | 67 | 3.066 | 165 |
| Other receivables | | 3.861 | 2.006 | 3.787 | 1.936 |
| **Trade and other receivables** | | **13.551** | **7.261** | **12.812** | **6.606** |

Trade receivables of the Company and the Group as at December 31, 2018, increased mainly due to the delayed rental payment from the Greek Public Sector.

The Company's trade receivables as at December 31, 2018, include provisions for bad debts amounting to €1.662 (31.12.2017: €1.662).

The Group's trade receivables as at December 31, 2018, include provisions for bad debts amounting to €2.135 (31.12.2017: € 2.129). Within the year a provision of €6 was formed relating to receivables from rents of the subsidiary company Eliade Tower S.A..

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

Other receivables, which include post-dated checks, and the receivables from related parties are not subject to impairment.

The ageing analysis of trade receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Trade receivables** | | | | |
| Due within due date | 4.848 | 5.134 | 4.307 | 4.451 |
| Past due but not impaired: | | | | |
| - 4 to 6 months | 1.652 | 54 | 1.652 | 54 |
| - over 6 months | - | - | - | - |
| Doubtful debts | 2.135 | 2.129 | 1.662 | 1.662 |
| Less: Provision for doubtful debts past due | (2.135) | (2.129) | (1.662) | (1.662) |
| | **6.500** | **5.188** | **5.959** | **4.505** |

Group's and Company's receivables from related parties as at December 31, 2018 include short-term shareholder's borrowings total amounting to €2.900 payable by PPP2 joint venture. These loans are interest bearing and interest is recognized in finance income. On January 31, 2019, these shareholder loans were fully paid by PPP2.

Group's and Company's other receivables include the consideration from the disposal of the horizontal properties amounting to €2.070, which is receivable on December 31, 2018 (note 6).

### 12. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Cash in hand | 2 | 2 | - | - |
| Cash at bank and short-term deposits | 64.001 | 44.723 | 55.838 | 40.385 |
| **Cash and cash equivalents** | **64.003** | **44.725** | **55.838** | **40.385** |

The Company can make use of its own funds freely as long as it upholds its articles of association and the limitations set by Law 2778/1999 as in force.

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# Notes to Consolidated and Separate Financial Statements

## 13. Shareholder equity

The Group's shareholder equity is analysed as follows:

| | Number of shares (thousands) | Share capital | Share capital return to Shareholders | Share premium | Treasury shares - nominal value | Treasury shares - at par | Share based payment reserve | Other reserves | Retained earnings | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance January 01, 2017** | **97.214** | **215.684** | **-** | **571.234** | **(8.617)** | **(17.340)** | **3.682** | **12.596** | **85.886** | **863.125** |
| Acquisition of treasury shares | (1) | - | - | - | (2) | (5) | - | - | - | (7) |
| Profit for the year | - | - | - | - | - | - | - | - | 63.147 | 63.147 |
| Foreign exchange differences | - | - | - | - | - | - | - | (85) | (3) | (88) |
| Share of other comprehensive income of joint ventures accounted for using the equity method | - | - | - | - | - | - | - | (687) | - | (687) |
| Actuarial (losses) on post employment benefit obligations net of tax | - | - | - | - | - | - | - | (76) | 14 | (62) |
| Changes in the fair value of available-for-sale financial assets | - | - | - | - | - | - | - | 86 | - | 86 |
| Formation of statutory reserve of local subsidiary | - | - | - | - | - | - | - | 433 | (433) | - |
| Equity settled share based payments | - | - | - | - | - | - | 1.178 | - | - | 1.178 |
| Dividend relating to 2016 approved by the shareholders | - | - | - | - | - | - | - | - | (18.488) | (18.488) |
| **Balance December 31, 2017** | **97.213** | **215.684** | **-** | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **12.267** | **130.123** | **908.204** |
| **Balance January 01, 2018** | **97.213** | **215.684** | **-** | **571.234** | **(8.619)** | **(17.345)** | **4.860** | **12.267** | **130.123** | **908.204** |
| Acquisition of treasury shares | (811) | - | - | - | (1.727) | (4.930) | - | - | - | (6.657) |
| Profit for the year | - | - | - | - | - | - | - | - | 51.272 | 51.272 |
| Foreign exchange differences | - | - | - | - | - | - | - | (14) | - | (14) |
| Actuarial gains on post employment benefit obligations net of tax | - | - | - | - | - | - | - | 53 | - | 53 |
| Changes in the fair value of available-for-sale financial assets | - | - | - | - | - | - | - | (86) | - | (86) |
| Formation of statutory reserve of local subsidiary | - | - | - | - | - | - | - | 243 | (243) | - |
| Transfer of other reserves to retained earnings | - | - | - | - | - | - | - | (2.224) | 2.224 | - |
| Equity settled share based payments | - | - | - | - | - | - | (4.860) | - | - | (4.860) |
| Share capital return to Shareholders | - | - | (40.489) | - | - | - | - | - | - | (40.489) |
| Dividend relating to 2017 approved by the shareholders | - | - | - | - | - | - | - | - | (35.441) | (35.441) |
| **Balance December 31, 2018** | **96.402** | **215.684** | **(40.489)** | **571.234** | **(10.346)** | **(22.275)** | **-** | **10.239** | **147.935** | **871.982** |
| Share capital return to Shareholders | - | (40.489) | 40.489 | - | - | - | - | - | - | - |
| Cancellation of treasury shares | - | (10.346) | - | (22.275) | 10.346 | 22.275 | - | - | - | - |
| **Balance post Share Capital Return and cancellation of Treasury Shares** | **96.402** | **164.849** | **-** | **548.959** | **-** | **-** | **-** | **10.239** | **147.935** | **871.982** |

The total authorised number of ordinary shares as at December, 31, 2018, is 101.260.000 (December 31, 2017 – 101.260.000) with a par value of (amount in €) €2,13 per share. The share capital is fully paid up amounting to €215.684 and the shares are listed on the main market of the Athens Stock Exchange. The Company's shares are ordinary shares with voting rights.

During the closing year, the Company purchased 810.784 treasury shares amounting to a total cost of €6.657 with an average price of (amount in €) €8,21 per share, according to the Annual General Meeting of the Shareholders dated on March 21, 2018, which approved the purchase of treasury shares for an additional period of two years. The maximum number of treasury shares to be acquired approved to be up to 10% of Company's Share Capital, i.e. the maximum permitted percentage by the law with a maximum purchase price of (amount in €) €14 per share and a minimum purchase price of (amount in €) €2,13 per share, in accordance with article 16 of Law 2190/1920 as in force.

As at December 31, 2018, the Company owned 4.857.273 treasury shares of a total cost of €34.462, excluding the sale of pre-emption rights of treasury shares amounting to €1.841, with an average price of (amount in €) €7,09 per share. As at

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## Notes to Consolidated and Separate Financial Statements

December 31, 2017, the Company owned 4.046.489 treasury shares of a total cost of €27.805 with an average price of (amount in €) €6,87 per share, excluding the sale of pre-emption rights of treasury shares amounting to €1.841.

As at December 31, 2018 the Company's shareholder structure with stakes of over 5% is as follows:

| | |
|---|---|
| • Fairfax Financial Holdings Limited | 51,43% |
| • Pacific Investment Management Company LLC | 5,00% |
| • Julius Baer Group Ltd | 5,00% |

The abovementioned percentage of Fairfax Financial Holdings Limited includes Odyssey Reinsurance Company (subsidiary of Fairfax), which owns directly 9.459.872 common shares amounting to 9,34% of Company's Share Capital. Furthermore it includes Clearwater Select Insurance Company (subsidiary of Fairfax) which owns directly 5.558.612 common shares amounting to 5,49% of Company's Share Capital.

On December 20, 2018, based on relevant information received by the Company from Pacific Investment Management Company LLC, Lilium S.a r.l. which held less than 5% of the share capital and voting rights of the Company, transferred all the Company's shares held in the company under the name LVS III LP. It is noted that Pacific Investment Management Company LLC manages both aforementioned companies, therefore there has been no change in the total shares and voting rights of the Company managed by Pacific Investment Management Company LLC totalling 5,00%.

On January 11, 2019, based on relevant information received by the Company from Julius Baer Group Ltd, Julius Baer Group Ltd held on December 13, 2018 indirectly through the managed companies Kairos International SICAV and Kairos Pegasus SA, 5% of the Company's share capital, ie 5.065.503 shares and voting rights. In addition, according to the aforementioned information, Kairos Partners SGR SpA, a subsidiary and controlled company of Julius Baer Group Ltd on January 08, 2019, indirectly held 5,07% of the share capital of the Company through the managed Kairos International SICAV , ie 5.136.171 shares and voting rights. As a result of the aforementioned, Julius Baer Group Ltd held on January 08, 2019 indirectly through managed companies by Julius Baer Group Ltd or its subsidiaries 7,12% of the share capital of the Company.

Note that the above percentages are in accordance with the disclosures notified by the above shareholders according to the existing legislation.

On December 17, 2018, the Extraordinary General Meeting of the Shareholders decided the following:

- The reduction of the share capital of the Company by the amount of €10.346 through the cancellation of 4.857.273 treasury shares of the Company corresponding to approximately 4,80% of the share capital of the Company and the related amendment of article 5 of the Articles of Association.

- The further reduction of the share capital of the Company by €40.489 through reduction of the nominal value of each share by (amount in €) €0,42 and return of the amount of reduction to the Shareholders in cash and the respective amendment of article 5 of the Articles of Association.

Following the abovementioned reductions, the Company's share capital will amount to €164.849 divided in 96.402.727 registered shares with a nominal value of (amount in €) €1,71 per share.

The amendment to article 5 of the Articles of Association of the Company as per the above, was adopted in succession:

- By the decision no. 306/10.01.2019 of the Hellenic Capital Market Commission (Protocol No. 113/10.01.2019) dated January 10, 2019, and

- By the decision no. 6339/18.01.2019 of the Ministry of Economy and Development, with which was registered in the General Commercial Register (GEMI) under Registration Number 1635191 on January 18, 2019

On January 24, 2019, the Athens Stock Exchange was informed of the cancellation of the Company's treasury shares and the reduction of the nominal value of the Company's shares from (amount in €) 2,13 per share to (amount in €) € 1,71 per share and the capital return by cash payment to the Shareholders (amount in €) of € 0,42 per share.

On January 29, 2019 the Company's treasury shares (4.857.273 shares) were cancelled and deleted.

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## Notes to Consolidated and Separate Financial Statements

From January 30, 2019 the remaining shares of the Company (96.402.727 shares) are traded on the ASE with the new nominal value (amount in €) of €1,71 per share.

The starting date for payment of the capital return was set on February 5, 2019.

*Share based payment reserve*

The share based payment reserve includes benefit transactions to personnel depending on the shares' value settled with equity instruments. The cost of these benefits is determined based on the fair value of these rights at the granting date and is recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

An amount of €891 was charged to the income statement of the closing year in "Employee benefit expense - BoD" with a corresponding increase of the reserve.

Based on the decision of the Annual General Meeting of the Shareholders on March 21, 2018, this reserve was reduced by an amount of €2.796 paid after the maturity of part of those rights. Finally, based on the decision of the Extraordinary General Meeting of the Shareholders on December 17, 2018, this reserve was further reduced by an amount of € 2.365 through cash payments.

In addition, this reserve includes the additional remuneration of the Company's senior management, the payment of which is postponed for 3 years, in accordance with Law 4209/2013 article 13.

An amount of €339 was included in the closing year, which concerns additional fees of the Company's senior management for the year 2017 and the payment of which was postponed for 3 years.

Based on the decision of the Annual General Meeting of the Shareholders on March 21, 2018, an amount of €187 was paid, which had been postponed for 3 years and was matured and an amount of €18 was reversed since it was not paid. Based on the decision of the Extraordinary General Meeting of the Shareholders on December 17, 2018 an amount of €724 was paid through cash.

*Other reserves*

Other reserves mainly include statutory reserves.

### 14. Borrowings including obligations under finance leases

All borrowings are incurred at variable interest rates. The Group takes on exposure from the effects of fluctuations in the prevailing market interest rates which can affect its financial position and cash flows. Interest costs may increase or decrease as a result of such changes.

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| **Non-current** | | | | |
| Bank borrowings | 202.205 | 127.925 | 185.827 | 106.890 |
| Finance lease liabilities | 1.004 | 2.186 | 1.004 | 2.186 |
| **Non-current borrowings, including finance leases** | **203.209** | **130.111** | **186.831** | **109.076** |
| **Current** | | | | |
| Bank borrowings | 21.850 | 6.793 | 7.280 | 5.396 |
| Finance lease liabilities | 1.183 | 1.159 | 1.183 | 1.159 |
| **Current borrowings, including finance leases** | **23.033** | **7.952** | **8.463** | **6.555** |
| **Total borrowings, including finance leases** | **226.242** | **138.063** | **195.294** | **115.631** |

On March 23, 2018, the remaining amount of €18.000 was disbursed from the loan granted by the International Finance Corporation.

On May 21, 2018 the Company reached an agreement with Eurobank Ergasias Group for a stand-by facility of €75.000. The facility has the form of a common bond loan secured with pledges that will be progressively drawn. The loan will be fully covered by Eurobank Ergasias S.A. and Eurobank Private Bank Luxembourg and will be used for the refinancing of

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

selective past investments and the financing of future investments. On June 15, 2018, November 21, 2018 and December 10, 2018 the amounts of €25.000, €25.000 and €15.000 were disbursed from the aforementioned bond loan, respectively.

The maturity of loans, including finance leases, is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Up to 1 year | 23.033 | 7.952 | 8.463 | 6.555 |
| From 1 to 5 years | 186.659 | 117.061 | 178.081 | 96.026 |
| Over 5 years | 16.550 | 13.050 | 8.750 | 13.050 |
| | **226.242** | **138.063** | **195.294** | **115.631** |

The exposure of the Group's borrowings to interest rate changes and contractual reprising dates are limited to a maximum period of 6 months.

The weighted interest rate paid is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Bank borrowings | 3,26% | 3,19% | 3,23% | 3,30% |
| Finance lease liabilities | 2,07% | 1,98% | 2,07% | 1,98% |

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on current variable interest rates.

The Group is not exposed to any foreign exchange risk in relation to the loans undertaken, as all borrowings are denominated in the presentational currency (Euro).

Minimum lease payments in respect to finance leases are as follows:

| | Group and Company | |
|---|---|---|
| | 31/12/2018 | 31/12/2017 |
| Up to 1 year | 1.215 | 1.215 |
| From 1 to 5 years | 1.013 | 2.228 |
| Over 5 years | - | - |
| | **2.228** | **3.443** |
| Future finance charges on finance leases | (41) | (98) |
| **Present value of finance lease liabilities** | **2.187** | **3.345** |

(All amounts expressed in €‘000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

The present value of finance lease liabilities is as follows:

| | Group and Company | |
|---|---|---|
| | **31/12/2018** | **31/12/2017** |
| Up to 1 year | 1.183 | 1.159 |
| From 1 to 5 years | 1.004 | 2.186 |
| Over 5 years | - | - |
| **Present value of finance lease liabilities** | **2.187** | **3.345** |

Obligations under finance leases and loan agreements are secured by collaterals on property.

A mortgage of €22.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Seferco Development S.A., located at Bd. Dimitrie Pompeiu, Nr. $6^A$ Bucharest, Romania.

A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Eliade Tower S.A., located at 18 Mircea Eliade Blvd Bucharest, Romania.

A prenotation of a mortgage of €29.900 has been registered in favor of Alpha Bank S.A. over the property of the parent Company located in Tavros, 25 Martiou & Thessalonikis Street and in Athens, at 49 Stadiou Street.

A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the parent Company located in Maroussi, Attica, in B.B. 507, enclosed by Amarousiou-Chalandriou No 18-20, Delfon, Sarantaporou and Dervenakion Streets.

A prenotation of a mortgage of €17.500 has been registered in favor of the International Finance Corporation (IFC) over the property of the parent Company located in Nea Ionia, at the crossing of Iolkou Street 8, Siniosoglou, Filiki Etaireia and Panagoulis (horizontal property under the BUILDING A ').

A prenotation of a mortgage of €27.000 has been registered in favor of the International Finance Corporation (IFC) on the property of the parent Company located in Nikaia, at 96-98 Kifissou Street.

A prenotation of a mortgage of €30.500 has been registered in favor of the International Finance Corporation (IFC) on the property of the parent Company located in Marousi Attica, at the crossing of 117 Kifisias Avenue and 59 – 61 Ag. Konstantinou Street (Green Plaza).

A prenotation of a mortgage of €12.000 has been registered in favor of Piraeus Bank S.A. on the property of the subsidiary under the d.t. Piraeus Port Plaza 1 located in Piraeus, in B.B. 128 enclosed by Gravias, Mavromichali, Dragatsaniou and Vlachakou Streets.

A prenotation of a mortgage of €15.916 has been registered in favor of Piraeus Bank S.A. on the property of the parent Company, i.e. horizontal property under the BUILDING D΄ located in Nea Ionia, at the crossing of Filikis Etaireias and Siniosoglou Streets.

A prenotation of a mortgage of €9.084 has been registered in favor of Piraeus Bank S.A. on the property of the parent Company, located in Pallini, at 10 Anthousas Avenue.

Subsequent of December 31, 2018 a prenotation of a mortgage of €19.050 has been registered in favor of Eurobank Ergasias S.A. on the property of the parent Company, i.e. land plot with the building located in Metamorfosi, and expands to the B.B. 365, which is enclosed by 8 Tatoiou, Mparkouli, Niovis and Karaiskaki Streets.

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

The movement in liabilities from financing activities is as follows:

**Group:**

| | Borrowings, including finance leases | Dividends payable | Total |
|---|---|---|---|
| **Liabilities from financing activities 1.1.2018** | **138.063** | **40** | **138.103** |
| Cash flows | 77.646 | (35.428) | 42.218 |
| Additions | - | 35.441 | 35.441 |
| Other non-cash movements | 10.533 | (7) | 10.526 |
| **Liabilities from financing activities 31.12.2018** | **226.242** | **46** | **226.288** |

**Company:**

| | Borrowings, including finance leases | Dividends payable | Total |
|---|---|---|---|
| **Liabilities from financing activities 1.1.2018** | **115.631** | **40** | **115.671** |
| Cash flows | 79.176 | (35.428) | 43.748 |
| Additions | - | 35.441 | 35.441 |
| Other non-cash movements | 487 | (7) | 480 |
| **Liabilities from financing activities 31.12.2018** | **195.294** | **46** | **195.339** |

### 15. Trade and other payables

The analysis of trade and other payables is as follows:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| Trade payables | | 2.146 | 1.659 | 1.959 | 1.496 |
| Amounts due to related parties | **30** | 35 | 78 | 54 | 62 |
| Other payables and accruals | | 5.817 | 11.089 | 4.930 | 10.241 |
| **Trade and other payables** | | **7.998** | **12.826** | **6.943** | **11.799** |

"Other payables and accruals" both for the Group and the Company as at December 31, 2018, include an amount of €3.553 (31.12.2017: €3.560), due to the recognition of deferred income relating to the following trimester according to the agreement signed with Hellenic Republic Asset Development Fund for the lease of 13 properties to the Hellenic Republic.

### 16. Rental income

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| Rental revenue | 72.479 | 65.036 | 60.389 | 53.541 |
| (Expenses) from service charges | (54) | (51) | - | - |
| **Rental income** | **72.425** | **64.985** | **60.389** | **53.541** |

The lease period that the Group leases out its property (located in Greece) under operating leases is, in most cases, for a term of 12 to 20 years. Annual rental increases are linked to the Greek CPI and the HICP indexes; in the case of deflation

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

there is no negative impact on the Group's and Company's income. Most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales.

Contingent rents for the year ended December 31, 2018 and December 31, 2017, had no effect on the income statement either for the Group or the Company.

The Group's rental income is not subject to seasonality.

Future aggregate minimum (non-cancellable) rentals receivable under operating leases, exclusive of future rental adjustments, were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Up to 1 year | 63.973 | 62.511 | 51.463 | 51.716 |
| From 1 to 5 years | 206.780 | 202.833 | 169.833 | 167.687 |
| Over 5 years | 258.118 | 298.067 | 246.907 | 283.437 |
| | **528.871** | **563.411** | **468.203** | **502.840** |

Future aggregate minimum (non-cancellable) rentals receivable under operating leases, of the properties acquired under a finance lease, exclusive of future rental adjustments, were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Up to 1 year | 1.224 | 1.212 | 1.224 | 1.212 |
| From 1 to 5 years | 4.895 | 4.833 | 4.895 | 4.833 |
| Over 5 years | 9.995 | 11.076 | 9.995 | 11.076 |
| | **16.114** | **17.121** | **16.114** | **17.121** |

### 17. Direct property related expenses

Direct property related expenses comprise the following:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Valuation fees | 170 | 154 | 157 | 140 |
| Lawyers' fees and other professional services | 128 | 43 | 103 | 33 |
| Stamp duty and other withholding taxes | 32 | 32 | 31 | 31 |
| Insurance expenses | 455 | 473 | 403 | 421 |
| Repair and maintenance expenses | 486 | 878 | 481 | 857 |
| Services charges | 504 | 451 | 498 | 449 |
| Other expenses | 337 | 1.277 | 311 | 1.208 |
| **Direct property relating expenses** | **2.112** | **3.308** | **1.984** | **3.139** |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

Direct property related expenses incurred in leased and vacant properties were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Leased property | 1.991 | 3.126 | 1.863 | 2.957 |
| Vacant property | 121 | 182 | 121 | 182 |
| | **2.112** | **3.308** | **1.984** | **3.139** |

### 18. Property taxes

"Property taxes" for both the Company and the Group as at December 31, 2018, amount to €5.678 and €6.693 respectively (31.12.2017: €4.797 and €5.773 respectively). This item mainly includes the aggregate tax on property (ENFIA), which for the Company and Group for the year ended December 31, 2018, amounted to €5.357 and €5.995 respectively (31.12.2017: €4.480 and €5.029).

### 19. Employee benefit expense– BoD

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Salaries, wages and allowances | 1.683 | 1.520 | 1.646 | 1.480 |
| Social security costs | 650 | 457 | 649 | 450 |
| Other benefits | 1.249 | 1.377 | 1.249 | 1.374 |
| Profit distributed to employees- BoD | 10.200 | 4.033 | 10.213 | 3.792 |
| **Employee benefit expense- BoD** | **13.782** | **7.387** | **13.757** | **7.096** |

According to the Extraordinary General Meeting of Shareholders of 17.12.2018, it was decided to distribute profits of past years to members of the Board of Directors and to the Company's personnel amounting to €10,531, which were recognized in the Company's current income statement. On December 31, 2018, the Company's amount includes a reversal of the provision made for additional fees for the year 2017 that were not paid in 2018 of a total amount of € 318.

In addition, the Group's amount includes, apart from the aforementioned reversal of the Company, a reversal of the provision for additional fees for the year 2017 which were not paid in 2018 of a total amount of €13.

### 20. Other revenue

As at December 31, 2018, the Company's "Other income" amount includes €6.402 dividends received from its subsidiaries. Specifically:

- Amount of €4.800 from subsidiary Cloud Hellas Ktimatiki SA which is based in Greece

- Amount of €600 from subsidiary Reco Real Property A.D. which is based in Serbia

- Amount of €1.002 from subsidiary Seferco Development S.A. which is based in Romania

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 21. Impairment of subsidiaries

As at December 31, 2018, the Company conducted an impairment test for the value of its subsidiaries, based on the Group's strategic plan and management's estimates. This assessment resulted to an impairment loss of €8.463, which was charged to the Income Statement. Specifically:

- An impairment loss of € 1.000 for the subsidiary Retail Development S.A. which is based in Romania.
- An impairment loss of €5.000 for the subsidiary Reco Real Property A.D. which is based in Serbia.
- An impairment loss of €2.463 for the subsidiary Eliade Tower S.A. which is based in Romania.

## 22. Other expenses

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Professional fees | 591 | 474 | 394 | 296 |
| Expenses relating to promotion, advertising and publicatio | 122 | 175 | 122 | 175 |
| Other | 1.505 | 1.165 | 1.468 | 1.564 |
| **Other expenses** | **2.218** | **1.814** | **1.984** | **2.035** |

The fees of the company "PricewaterhouseCoopers" in Greece for the services provided to the Company and its subsidiaries Cloud Hellas Ktimatiki SA. and Piraeus Port Plaza 1 for the years 2018 and 2017 are as follows:

| | 31/12/2018 | 31/12/2017 |
|---|---|---|
| Statutory Audit fees for the separate and consolidated financial statements of the Company. | 107 | 97 |
| ***Audit fees for services provided to the Company and its subsidiaries:*** | | |
| Statutory Audit fees for the separate financial statements of the subsidiary Cloud Hellas Ktimatiki S.A. | 16 | 14 |
| Statutory Audit fees for the separate financial statements of the subsidiary Piraeus Port Plaza 1 | 5 | - |
| Tax audit certificate (to be issued) in accordance with article 65A of L. 4174/2013 and the POL 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the Company. | 10 | 10 |
| Tax audit certificate (to be issued) in accordance with article 65A of L. 4174/2013 and the POL 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the subsidiary Cloud Hellas Ktimatiki S.A. | 6 | 6 |
| Tax audit certificate (to be issued) in accordance with article 65A of L. 4174/2013 and the POL 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the subsidiary Piraeus Port Plaza | 4 | - |
| Agreed Upon Procedures related to the "Statement of Investments" | The fee is included in that of the statutory audit of the annual separate and consolidated financial statements. | |
| Other tax services | 10 | - |
| **Audit fees** | **158** | **126** |

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 23. Negative goodwill arising from investment in joint ventures

The negative goodwill recognized on the acquisition of 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 2" for a consideration of €3.615, amounts to €1.027.

The fair values of assets and liabilities acquired are as follows:

| | |
|---|---|
| Investment property | 10.212 |
| Long term receivables | 1 |
| Other Receivables | 463 |
| Cash and cash equivalents | 48 |
| Prepaid expense | 55 |
| **Total assets** | **10.779** |
| | |
| Trade and other payables | 1.305 |
| **Total liabilities** | **1.305** |
| | |
| Net assets acquired (49%) | 4.642 |
| Purchase consideration | 3.615 |
| **Negative goodwill** | **1.027** |

The negative goodwill recognized on the acquisition of 49% of the shares of the company with the distinctive title "Piraeus Port Plaza 3" for a consideration of €5.038, amounts to €363.

The fair values of assets and liabilities acquired are as follows:

| | |
|---|---|
| Investment property | 14.575 |
| Long term receivables | 1 |
| Other Receivables | 585 |
| Advances from suppliers | 970 |
| Cash and cash equivalents | 65 |
| Prepaid expense | 14 |
| **Total assets** | **16.212** |
| | |
| Trade and other payables | 5.189 |
| **Total liabilities** | **5.189** |
| | |
| Net assets acquired (49%) | 5.401 |
| Purchase consideration | 5.038 |
| **Negative goodwill** | **363** |

## 24. Negative goodwill arising from subsidiary's acquisition

The negative goodwill recognized on the acquisition of 100% of the shares of Staynia Holdings Ltd for a consideration of €3.873 amounts to €1.162.

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

The fair values of assets and liabilities acquired are as follows:

| | |
|---|---|
| Investment in joint ventures | 5.036 |
| Cash and cash equivalents | 1 |
| **Total assets** | **5.037** |
| | |
| Trade and other payables | 2 |
| **Total liabilities** | **2** |
| | |
| Net assets acquired | 5.035 |
| Purchase consideration | 3.873 |
| **Negative goodwill** | **1.162** |

### 25. Taxes

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| Current tax | 8.448 | 7.834 | 7.416 | 6.836 |
| Deferred tax | 42 | 92 | - | - |
| Other taxes and duties | 1 | 1 | - | - |
| **Taxes** | **8.491** | **7.927** | **7.416** | **6.836** |

According to the provisions of art. 31 L. 2778/1999, Real Estate Investment Companies (REIC) are taxed at a rate equal to 10% of the intervention interest rate (Euribor rate) set by the European Central Bank increased by one (1) point. The tax is calculated on the REIC's average semi-annual investments plus cash and cash equivalents, at current values, as presented in the relevant Investment Statements of par. 1 art. 25 L. 2778/1999. In the event the intervention rate changes, the new tax base applies from the first day of the month following the month in which the change was effected. The respective rate cannot fall below the threshold of 0,375% applied on the average semi-annual investments plus cash and cash equivalents, at current rates as they are included in the above-mentioned Investment Statements. In case that REIC receives dividends, the respective withholding tax is offset against the tax payable as submitted in their tax statement within the month of payment. Any credit balance is transferred to be offset in special tax returns of the following periods. This tax is considered as final for both the company and its shareholders. Any real estate investment property held directly or indirectly by the REIC's subsidiaries is not taken into consideration when calculating the aforementioned tax, provided that it is presented separately in their Investment Statements.

Due to the fact that taxation of the company applied on its investments plus cash and cash equivalents, at current values and not on its taxable profits, no temporary differences and consequently no deferred tax asset and/or liabilities arise in this respect.

The figure "current tax" for the Company and the Group, for the year ended December 31, 2018, includes tax on assets of €7.416 and €8.015 respectively (31.12.2017: €6.836 and €7.370 respectively). Current tax for the Group includes the Company and its subsidiaries Cloud Hellas Ktimatiki S.A. and Piraeus Port Plaza 1 which are incorporated in Greece and taxed under the REICs' tax regime.

The Company's foreign subsidiaries are taxed on their taxable income based at tax rates of 16% in Romania, 15% in Serbia and 12,5% in Cyprus. For the year ended December 31, 2018, the subsidiaries located in Romania incurred income tax amounting to €415 (31.12.2017: €432), whereas for the subsidiary located in Serbia, in Cyprus and Luxembourg no significant tax arose.

## Notes to Consolidated and Separate Financial Statements

Current tax liabilities include short-term liabilities payable to the tax authorities related to the above taxes payable (tax on assets for the Company and the domestic subsidiary and income tax for foreign subsidiaries). Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

### 26. Dividends per share

On March 21, 2018, Company's Shareholders Meeting approved the distribution of dividend from profits of the year 2017 amounting to €35.441 ([amount in €] €0,35 per share).

The payment of dividend commenced on March 29, 2018, through the paying Bank, Eurobank Ergasias S.A..

### 27. Earnings per share

Basic earnings per share are calculated by dividing the consolidated net profits, attributable to the Group's equity holders, by the weighted average number of ordinary shares in issue during the year.

Basic and diluted earnings per share for the year ended December 31, 2018, amounted to (amounts in €) €0,53 (December 31, 2017: €0,65).

### 28. Contingent liabilities and unaudited tax fiscal years

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years up to December 31, 2004. The Company's Management, based on the opinion of its legal advisors, disputed these amounts and made appeals in regards to the cancellation for additional income tax and fines of up to amount €1.191. The hearing of the case took place on April 1, 2014, and the Administrative Court of Athens issued its decision 4324/2015, cancelling the additional income tax and fines to the amount referred to above, which was served to the Company on March 8, 2016. Although the Greek State filed for a revision of the decision 4324/2015 before the Council of State on 12.05.2016 (file number 994/2016) in which the Greek State requests the annulment of the Administrative Court of Athens decision and the rejection of the legal appeal of the Company (no 170/30.11.2015). Management believes that no provision needs to be made for the above amount as no significant obligations are expected to arise.

The Company, pursuant to contract no 5099/12.05.2014 of Mrs. Aikaterini Mavroudi, Notary of Athens, acquired from the Hellenic Republic Assert and Development Fund among others, the property at the Municipality of Amaroussion on 37-39 Kifissia Avenue, where the services of the Ministry of Infrastructure are housed from March 13th, 2018 (and of the Ministry of Health in the previous period). Due to the nature of the abovementioned asset, in which there was no independent electric meter of PPC installed and registered in PPC records, the change of the owner was not declared on time in the Municipality of Athens and Amaroussion, ie within the legal two-month period from the change according to Art. 24 para. 5 of Law 2130/1993 (for the submission of the application a prerequisite was the prior settlement of the issue according to the competent Department of the Municipality of Amaroussion), resulting to the imposition of fines once the Company declared this change. The Company appealed against the act of imposition of fine and property fee from the Municipality of Amaroussion of a total amount of €209 (for which a provision of €183 for the period 2014/2017) relating to the abovementioned asset and submitted to the Secretariat of the Single Administrative Court of Athens an action - application for out - of - court settlement of dispute against the Municipality of Amaroussion on June 26th, 2018 (application number ΠΡ6111/26.6.2018), which was noticed to the Municipality of Amaroussion in order to request for 40% of the amount (which was already certified and paid by the Company) and following to Company's call for the out-of-court settlement of the dispute.

The following table presents the unaudited tax years of the parent Company, the Group's subsidiaries and the joint ventures as of 31.12.2018:

(All amounts expressed in €‘000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

| | Country of incorporation | Percentage of interest | Kind of participation | Unaudited tax fiscal years |
|---|---|---|---|---|
| Grivalia Properties REIC | Greece | - | Parent | 2012-2018 |
| Reco Real Property A.D. | Serbia | 100% | Subsidiary | 2013-2018 |
| Eliade Tower S.A. | Romania | 99,99% | Subsidiary | 2011-2018 |
| Retail Development S.A. | Romania | 99,99% | Subsidiary | 2011-2018 |
| Seferco Development S.A. | Romania | 99,99% | Subsidiary | 2011-2018 |
| Cloud Hellas Ktimatiki S.A. | Greece | 100% | Subsidiary | 2012-2018 |
| Piraeus Port Plaza 1 | Greece | 51,96% | Subsidiary | 2016-2018 |
| Staynia Holdings Ltd | Cyprus | 100% | Subsidiary | 2016-2018 |
| Grivalia New Europe S.A. | Luxembourg | 100% | Subsidiary | 2015-2018 |
| Grivalia Hospitality S.A. | Luxembourg | 25% | Joint Venture | 2015-2018 |
| Piraeus Port Plaza 2 | Greece | 49% | Joint Venture | 2016-2018 |
| Piraeus Port Plaza 3 | Greece | 49% | Joint Venture | 2015-2018 |
| Value Touristiki S.A. | Greece | 49% | Joint Venture | 2014-2018 |

Up until 31.12.2018 the tax authorities have not notified for any control order of the Company for the fiscal year 2011 or for its subsidiary company Cloud Hellas Ktimatiki SA. for the fiscal years 2010 and 2011. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, per company, reported uses pursuant to (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases); b) paragraph 1 of article 57 of Law 2859/2000 (non-audited cases of VAT and c) ) of par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

In addition, the Company and the subsidiary company Cloud Hellas Ktimatiki S.A. have been audited by a certified auditor according to Law 4174/2013 article 65[A] and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and have received a tax certificate for the years 2011, 2012, 2013, 2014, 2015, 2016 and 2017. Moreover, the subsidiary Piraeus Port Plaza 1 has been audited by a certified auditor according to Law 4174/2013 article 65 [A] and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the years 2016 and 2017 (year of incorporation 2016). The Company and the aforementioned subsidiaries expect to receive the tax certificate for the year 2018. For the years that ended after December 31, 2011 and remain unaudited by the tax authorities, the Management estimates that the taxes that may arise will not have a material effect on the financial statements.

Finally, Management estimates that taxes that may arise from the tax authorities for the foreign subsidiaries and joint ventures will not have a material impact on the Group's financial statements.

### 29. Capital expenditures

On December 31, 2018, the Group’s capital expenditure relating to improvements on investment property amounted to €1.821.

### 30. Related party transactions

All transactions with related parties are entered into in the normal course of business on an arm’s length basis.

On July 4, 2017, Eurobank Ergasias SA, through a private placement, disposed 20.252.001 common voting shares, the total of its shareholding in the Company, which accounted for approximately 20% of the share capital of the latter. Hence balances with Eurobank Group are not included to the balances as at December 31, 2018 (from 04/07/2017 onwards).

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

Until the abovementioned date, the Company was associated with Eurolife through Eurobank Group and thereafter is associated through Fairfax.

The following transactions were carried out with related parties:

a)Rental income received

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Rental income** | | | | |
| Subsidiary (Cloud Hellas Ktimatiki S.A.) | - | - | 27 | 27 |
| Eurobank Ergasias S.A. | - | 6.110 | - | 6.110 |
| Other related parties | 10.196 | 13.284 | 4.772 | 5.804 |
| | **10.196** | **19.394** | **4.799** | **11.941** |

Other related parties as of 31.12.2018 include rental income from Praktiker Hellas amounting to €10.094.

b) Purchase of services

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Technical service fees** | | | | |
| Subsidiary of Eurobank Ergasias S.A. (Eurobank Property Services S.A.[Romania]) | - | 10 | - | - |
| Subsidiary of Eurobank Ergasias S.A. (ERB Property Services d.o.o. Beograd) | - | 4 | - | - |
| | - | **14** | - | - |

c) Insurance expense for investment property

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Insurance expense** | | | | |
| Subsidiary of parent company (Eurolife ERB General Insurance S.A.) | 423 | 422 | 381 | 380 |
| Subsidiary of parent company (Eurolife ERB Asigurari Generale | 26 | 26 | - | - |
| Other related parties | (53) | (53) | (29) | (28) |
| | **396** | **395** | **352** | **352** |

d) Insurance expenses for personnel

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Other employee benefits** | | | | |
| Subsidiary of parent company (Eurolife ERB Life Insurance S.A.) | 137 | 123 | 137 | 123 |
| | **137** | **123** | **137** | **123** |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

e) Other income from dividends received

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Subsidiary (Cloud Hellas Ktimatiki S.A.) | - | - | 4.800 | 3.400 |
| Θυγατρική (Reco Real Property A.D.) | - | - | 600 | 1.000 |
| Θυγατρική (Seferco Development S.A.) | - | - | 1.002 | 1.622 |
| | **-** | **-** | **6.402** | **6.022** |

f) Finance Costs

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Bank Borrowings** | | | | |
| Eurobank Ergasias S.A. | - | 931 | - | 808 |
| Subsidiary of Eurobank Ergasias S.A. (Eurobank Private Bank Luxembourg S.A.) | - | 261 | - | 44 |
| Subsidiary of Eurobank Ergasias S.A. (Eurobank A.D. Beograd) | - | 12 | - | - |
| Subsidiary of Eurobank Ergasias S.A. (SC Bancpost S.A.) | - | 2 | - | - |
| Subsidiary of Eurobank Ergasias S.A. (New Europe Funding B.V.) | - | 23 | - | - |
| **Finance lease liabilities** | | | | |
| Subsidiary of Eurobank Ergasias S.A. (Eurobank Ergasias Leasing S.A.) | - | 40 | - | 40 |
| | **-** | **1.269** | **-** | **892** |

g) Interest income earned on cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Subsidiary (Retail Development S.A.) | - | - | 491 | 492 |
| Subsidiary (Reco Real Property A.D.) | - | - | 96 | 5 |
| Eurobank Ergasias S.A. | - | 31 | - | 22 |
| Subsidiary of Eurobank Ergasias S.A. (Eurobank A.D. Beograd) | - | 1 | - | - |
| | **-** | **32** | **587** | **519** |

h) Property related taxes (property duties re-invoiced from tenants)

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Other related parties | 27 | 28 | 12 | 12 |
| | **27** | **28** | **12** | **12** |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

i) Key management compensation and benefits

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| Key management compensation | 20.204 | 1.838 | 20.014 | 1.648 |
| Equity settled share based payments | 1.188 | 1.096 | 1.188 | 1.096 |
| | **21.392** | **2.934** | **21.202** | **2.744** |

Key management compensation include compensation to management and members of the Board of Directors, which were approved by the Annual General Meeting of the Shareholders on March 21, 2018 and by the Extraordinary General Meeting of the Shareholders on December 17, 2018.

j) Year-end balances arising from transactions with related parties

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | 31/12/2018 | 31/12/2017 |
| **Other long term receivables** | | | | |
| Subsidiary (Retail Development S.A) | - | - | 8.070 | 8.070 |
| Subsidiary (Reco Real Property A.D.) | - | - | 2.500 | 2.500 |
| Other related parties | 287 | 337 | 287 | 337 |
| | **287** | **337** | **10.857** | **10.907** |
| **Trade and other receivables from other related parties** | | | | |
| Subsidiary (Retail Development S.A) | - | - | 124 | 124 |
| Subsidiary (Reco Real Property A.D.) | - | - | 5 | 5 |
| Other related parties | 3.190 | 67 | 2.937 | 36 |
| | **3.190** | **67** | **3.066** | **165** |
| **Trade payables to related parties** | | | | |
| Other related parties | 35 | 78 | 54 | 62 |
| | **35** | **78** | **54** | **62** |

It is noted that the Group's other long-term receivables relate to claims arising from the recognition of various incentives offered to tenants during the lease.

k) Commitments and contingent liabilities

There were no commitments and contingent liabilities between the Company and related parties.

(All amounts expressed in €'000s unless otherwise stated)

# Notes to Consolidated and Separate Financial Statements

## 31. Events after the balance sheet date

Apart from the above-mentioned events (notes 11, 13 and 14) there are no other significant events after December 31, 2018 which affect either the Group or the Company's financial position.

The Consolidated and Separate Financial Statements for the year ended December 31, 2018, were approved by the Board of Directors on February 07, 2019 and have been signed on its behalf by:

| Nikolaos A. Bertsos | Georgios Chryssikos | Panagiotis - Aristeidis Varfis | Evangelos Tentis |
|---|---|---|---|
| Chairman of the BoD | Chief Executive Officer | Chief Financial Officer | Chief Accountant |
| Non-executive member of the BoD | Executive member of the BoD | | |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

| Category | Title | Date of announcement |
|---|---|---|
| Transaction Disclosure | Notification concerning changes in voting rights (L.3556/2007) 02.01.2018 | 02/01/2018 |
| Press Releases and Other Announcements | Acquisition of horizontal properties in an asset in Maroussi, Attica 02.01.2018 | 02/01/2018 |
| Financial Log | Corporate events calendar 2018 17.01.2018 | 17/01/2018 |
| Transaction Disclosure | Notification concerning changes in voting rights (L.3556/2007) 26.01.2018 | 26/01/2018 |
| Transaction Disclosure | cquisition of GRIVALIA's shares by Eurolife ERB Life Insurance S.A 30.01.2018 | 30/01/2018 |
| Press Releases and Other Announcements | Net profit of €63.1 million for the year 2017 for Grivalia Properties 31.01.2018 | 31/01/2018 |
| Financial Results | Investment Schedule 31.12.2017 | 31/01/2018 |
| Transaction Disclosure | Notification concerning changes in voting rights 08.02.2018 | 08/02/2018 |
| Financial Results | Consolidated and Separate Financial Statements for the year ended 31.12.2017 | 22/02/2018 |
| Press Releases and Other Announcements | Proposal to distribute net dividend of 0.35 euro/share (0.36457 euro/share adjusted) for 2017 23.02.2018 | 23/02/2018 |
| Press Releases and Other Announcements | Information Pack for the Ordinary General Shareholders' Meeting on 21.03.2018_23.02.2018 | 23/02/2018 |
| Press Releases and Other Announcements | Proxy form for the participation in the Ordinary General Shareholders' Meeting on 21.03.2018_23.02.2018 | 23/02/2018 |
| Press Releases and Other Announcements | Invitation to the Ordinary General Shareholders' Meeting on 21.03.2018_23.02.2018 | 23/02/2018 |
| Press Releases and Other Announcements | Successful bid for the acquisition of property located on 5 Grigoriou Lampraki Street, Glyfada 08.03.2018 | 08/03/2018 |
| Press Releases and Other Announcements | Completion of the acquisition of 80% of Nafsika SA, lessee of Asteria in Glyfada, by Grivalia Hospitality 13.03.2018 | 13/03/2018 |
| Press Releases and Other Announcements | Stand-by facility of €75m | 21/03/2018 |
| Press Releases and Other Announcements | Announcement of Dividend Distribution for year 2017 21.03.2018 | 21/03/2018 |
| Press Releases and Other Announcements | Resolutions of Annual General Shareholders Meeting 21.03.2018 | 21/03/2018 |
| Offering Memoranda | Annual Report 2017 21.03.2018 | 27/03/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 27.03.2018 | 27/03/2018 |
| Presentations | Company Presentation to the Annual Shareholders Meeting 21.03.2018 | 27/03/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 13.04.2018 | 13/04/2018 |
| Press Releases and Other Announcements | Acquisition of "Meli Palace" hotel in Crete 08.05.2018 | 08/05/2018 |
| Press Releases and Other Announcements | Net profit of €10.3 million for the first quarter of 2018 for Grivalia Properties REIC 25.05.2018 | 25/05/2018 |
| Financial Results | Ενδιάμεσες Συνοπτικές Ενοποιημένες & Εταιρικές Οικονομικές Καταστάσεις 31.03.2018 | 25/05/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 04.06.2018 | 04/06/2018 |
| Presentations | Company Presentation at the Road Show in New York 06.2018 | 25/06/2018 |
| Press Releases and Other Announcements | Acquisition of stand-alone multi-storey building in the centre of Athens 26.06.2018 | 26/06/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 29.06.2018 | 02/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 06.07.2018 | 09/07/2018 |
| Press Releases and Other Announcements | Appointment of new Internal Auditor 09.07.2018 | 09/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 10.07.2018 | 11/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 11.07.2018 | 12/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 12.07.2018 | 13/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 13.07.2018 | 16/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 20.07.2018 | 23/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 23.07.2018 | 24/07/2018 |
| Press Releases and Other Announcements | Acquisition of the remaining 50% shares of Piraeus Port Plaza 1 24.07.2018 | 24/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 24.07.2018 | 25/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 25.07.2018 | 26/07/2018 |
| Press Releases and Other Announcements | New successful €60 million share capital increase for Grivalia Hospitality | 26/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 26.07.2018 | 27/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 27.07.2018 | 30/07/2018 |
| Press Releases and Other Announcements | Net profit of €29.7 million for the first semester of 2018 for Grivalia Properties REIC 31.07.2018 | 31/07/2018 |
| Financial Results | Εξαμηνιαία Οικονομική Έκθεση για την περίοδο που έληξε 30.06.2018 | 31/07/2018 |
| Financial Results | Κατάσταση Επενδύσεων 30.06.2018 | 31/07/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 31.07.2018 | 01/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 01.08.2018 | 02/08/2018 |
| Press Releases and Other Announcements | Grivalia Hospitality and Dolphin Capital Partners acquire 100% of Amanzoe 02.08.2018 | 02/08/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 03.08.2018 | 03/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 02.08.2018 | 03/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 03.08.2018 | 06/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 06.08.2018 | 07/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 09.08.2018 | 10/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 10.08.2018 | 13/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 13.08.2018 | 14/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 14.08.2018 | 16/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 16.08.2018 | 17/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 17.08.2018 | 20/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 21.08.2018 | 22/08/2018 |

(All amounts expressed in €'000s unless otherwise stated)

## Notes to Consolidated and Separate Financial Statements

| Category | Title | Date of announcement |
|---|---|---|
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 22.08.2018 | 23/08/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 24.08.2018 | 24/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 23.08.2018 | 24/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 27.08.2018 | 28/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 28.08.2018 | 29/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 29.08.2018 | 30/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 30.08.2018 | 31/08/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 31.08.2018 | 03/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 03.09.2018 | 04/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 04.09.2018 | 05/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 05.09.2018 | 06/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 06.09.2018 | 07/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 07.09.2018 | 10/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 10.09.2018 | 11/09/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 12.09.2018 | 12/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 11.09.2018 | 12/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 12.09.2018 | 13/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 13.09.2018 | 14/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 14.09.2018 | 17/09/2018 |
| Press Releases and Other Announcements | Acquisition of 49% of Piraeus Port Plaza 2 17.09.2018 | 17/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 17.09.2018 | 18/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 18.09.2018 | 19/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 19.09.2018 | 20/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 20.09.2018 | 21/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 21.09.2018 | 24/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 24.09.2018 | 25/09/2018 |
| Press Releases and Other Announcements | Stand-by facility up to €75m 25.09.2018 | 25/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 25.09.2018 | 26/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 26.09.2018 | 27/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 27.09.2018 | 28/09/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 28.09.2018 | 01/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 01.10.2018 | 02/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 02.10.2018 | 03/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 03.10.2018 | 04/10/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 05.10.2018 | 05/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 04.10.2018 | 05/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 05.10.2018 | 08/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 08.10.2018 | 09/10/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 10.10.2018 | 10/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 09.10.2018 | 10/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 10.10.2018 | 11/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 11.10.2018 | 12/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 12.10.2018 | 15/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 15.10.2018 | 16/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 16.10.2018 | 17/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 19.10.2018 | 22/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 23.10.2018 | 24/10/2018 |
| Press Releases and Other Announcements | Signing of a pre-agreement for the acquisition of shares of company 29.10.2018 | 29/10/2018 |
| Transaction Disclosure | Announcement- Acquisition of Treasury Shares 29.10.2018 | 30/10/2018 |
| Presentations | Company Presentation at the Road Show in London 09.2018 | 08/11/2018 |
| Financial Log | Update of the Corporate Events Calendar- Change of date of publication of Q3 2018 Financial Results 15.11.2018 | 15/11/2018 |
| Press Releases and Other Announcements | Announcement of Draft Amended Articles of Association 26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Draft amended Articles of Association of Grivalia Properties REIC 26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Information Pack for the Extraordinary General Shareholders' Meeting on 17.12.2018_26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Ballot for the Extraordinary General Shareholders' Meeting on 17.12.2018_26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Proxy form for the participation in the Extraordinary General Shareholders' Meeting on 17.12.2018_26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Invitation to the Extraordinary General Shareholders' Meeting on 17.12.2018_26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Eurobank and Grivalia Join Forces and Announce Merger 26.11.2018 | 26/11/2018 |
| Press Releases and Other Announcements | Net profit of €41.2 million for the nine month period of 2018 for Grivalia Properties REIC 26.11.2018 | 26/11/2018 |
| Financial Results | Ενδιάμεση Συνοπτική Ενοποιημένη και Εταιρική Χρηματοοικονομική Πληροφόρηση για την περίοδο που έληξε 30.09.2018 | 26/11/2018 |
| Presentations | Merger of Grivalia into Eurobank to create undisputed Leader in Banking and Real Estate Market in Greece | 26/11/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 30.11.2018 | 30/11/2018 |
| Press Releases and Other Announcements | Response letter to shareholder information request regarding EGM of 17.12.2018 | 14/12/2018 |
| Press Releases and Other Announcements | Shareholder information request regarding EGM of 17.12.2018 | 14/12/2018 |
| Press Releases and Other Announcements | Resolutions of Extraordinary General Shareholders Meeting 17.12.2018 | 17/12/2018 |
| Press Releases and Other Announcements | Sale of horizontal properties in multi-storey building in Athens 20.12.2018 | 20/12/2018 |
| Press Releases and Other Announcements | Acquisition of 49% of the shares of the company with the distinctive title «Value Touristiki S.A.» 20.12.2018 | 20/12/2018 |
| Transaction Disclosure | Notification concerning changes in voting rights 21.12.2018 | 21/12/2018 |
| Transaction Disclosure | Announcement of regulated information according to Law 3556/2007, 21.12.2018 | 21/12/2018 |
| Press Releases and Other Announcements | Acquisition of 49% of the shares of the company with the distinctive title «PPP3" 24.12.2018 | 24/12/2018 |