Grivalia Properties REIC

FINANCIAL REPORT
for the six month period ended
June 30, 2017
According to Article 5 of Law 3556/30.04.2007

This financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.

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STATEMENT OF THE BOARD OF DIRECTORS OF
«GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY»
FOR THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017
(in accordance with article 5 par.2 of Law 3556/2007)

We state that to the best of our knowledge the Interim Condensed Financial Information of the Company and the Group of "Grivalia Properties" for the six month period ended June 30, 2017, were prepared according to the applicable accounting standards, and present fairly the financial position and the results of the Group and the Company, as well as the subsidiary companies which are included in the consolidation as a total according to paragraphs 3 to 5 of article 5 of Law 3556/2007.

Furthermore, to the best of our knowledge the Report of the Board of Directors for the period presents fairly the information required by paragraph 6 of article 5 of Law 3556/2007.

Maroussi, August 11 2017

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

DIRECTORS' REPORT OF «GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY» FOR THE CONDENSED CONSOLIDATED AND COMPANY INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

Dear Shareholders,

According to the law 3556/2007 and the executive decisions 1/434/3.7.2007 and 7/448/11.10.2007 of the Hellenic Capital Market Commission, we present the semi-annual Board of Directors' report of Grivalia Properties REIC for the Interim Condensed Financial Information for the six month period ending June 30, 2017.

GROUP FINANCIAL POSITION

Despite a significant delay, the first semester of 2017 was characterized by the completion of the second review of the third Financial Adjustment Program; notwithstanding any relevant expectations, this review did not lead to the inclusion in the Quantitative Easing program or to debt settlement, nevertheless, a significant decrease in the mid & long term interest rates was posted. However, the most important parameter was the elimination of uncertainty regarding the Greek economy; in addition, more favorable conditions were created for attracting investments. The financial recovery of the Greek economy should be accompanied by development reforms as it relied on recessionary measures significantly increasing the tax burden on both households and businesses.

REICs were excessively burdened by the additional tax measures introduced last year. The unprecedented 614% increase in the tax rate on the Company's current tax compared to the previous period, combined with the 120% increase in the tax rate of supplementary aggregate tax on property (ENFIA) are depicted in the financial results for the period.

In light of the above, the real estate industry posted stabilization trends with prime assets holding a more advantageous position. The Company continued to successfully manage its credit risk both in terms of receivables and liquidity. 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 portfolio (circa 95%). Despite the adverse taxation environment, the Group continued its profitability while pursuing at the same time the implementation of corporate social responsibility programs in schools, universities and multiple other social actions.

The Company proceeded with the energy upgrade of its existing portfolio aiming at modernizing workspaces 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 energy upgrading of Kifissias Plaza, renamed into Green Plaza (www.greenplaza.gr) is falling in the above-mentioned context, an investment totaling to approximately €7.000 while it was certified with LEED for Core and Shell at Gold Level in February 2017. The upgraded Green Plaza is the first "green" building in Greece to have been certified by LEED for Core & Shell, the special version of LEED applying for assets intended for lease. Moreover, the Company was granted the BREEAM certification, ranked as Excellent for its building at 68, Vassilisis Sofias Avenue in Athens, the first building in Greece to have been granted this significant certification ranked as Excellent.

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, seeking to find new investment opportunities, to invest its liquidity. The Company, in order to support its investment plans and its strategic vision, secured a long-term loan of €50.000 from the International Finance Corporation (IFC), member of the World Bank Group. The Company aspires that this transaction shall pave the way for a long standing and fruitful relationship with the IFC to be further broadened in the upcoming years. Moreover, the Company proceeded to the issue of two common, collateralized bond loans amounting to €50.000 and €10.000 respectively. Both loans were fully covered by Eurobank Ergasias (by 90%) and by Eurobank Private Bank Luxembourg (by 10%).

Finally, its joint venture by 50% bearing the distinctive title Piraeus Port Plaza 1 proceeded to the issue of a common bond loan up to €20.000 in two series by Piraeus Bank S.A.. Series A amounting to €10.000 will finance the conversion of its owned property close to Piraeus Port from warehouses of "Papastratos" old facilities into a modern offices building of 10.500 sq.m and underground parking spaces of approximately 4.600 sq.m.. Series B will be used to refinance Series A. Grivalia committed to its philosophy, expects this project to create significant goodwill both for its shareholders and the local community in Piraeus and to contribute to the overall recovery of the Greek economy.

In the first semester of 2017, the Group's portfolio posted stabilization and slightly upward trends; that led to an increase of €6.083 in its value. This increase reflects the progress in economy and in the property industry.

On June 30, 2017 the Group's portfolio included ninety three (93) properties. The majority of the Group's portfolio properties are located in Greece, fifty eight (58) of which are located in the broader area of Attica and the remaining twenty nine (29) 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 owns two (2) commercial properties in Serbia and three (3) in Romania.

On June 30, 2017 the Group's investment property portfolio encompassed properties of a total leasable area of approximately 784.651 sq.m with a fair value at €876.011, as valued by the independent certified valuators AVENT S.A. (NAI HELLAS) and Savills Hellas LTD.

The total number of Company's and Group's employees as at June 30, 2017 was 27 and 30 respectively (30.06.2016: 28 and 31).

Revenue: The Group's revenue for the period ended June 30, 2017 amounts to €31.964 versus €30.329 posting an increase by €1.635 or by 5%. The revenue increase is mainly due to the incorporation of 2016 investments as well as the new investments which took place during the period.

Net gain/(loss) from fair value adjustments on investment property: The Group's profits from fair value adjustments on investment property for the period ended June 30, 2017 amounted to €6.083 versus losses of €11.676 in the previous period. From the new properties acquired during the period, a profit of €1.552 from fair value adjustments was recognized, while for the existing portfolio as of December 31, 2016 profit of €4.531 was recognized.

Operating profit: The Group's operating profit for the period ended June 30, 2017 amounted to €31.344 versus profits of €7.031 in the previous period. The Group's operating profit not including gains/ (losses) from fair value adjustments on investment property, provisions for doubtful debts and other income, amounted to €25.259 versus €22.684 in the previous period, an increase of €2.575 or 11%. The increase is mainly due to the increase in revenue and the decrease in operating expenses.

Finance income: The Group's finance income for the period ended June 30, 2017 amounted to €452 versus €154 in the previous period, an increase of €298 or 194% resulting from the Group's successful cash management.

Finance costs: The Group's finance costs for the period ended June 30, 2017 amounted to €1.954 versus €784 in the previous period, an increase of €1.170 or 149%. This increase is due to the Company's increased outstanding loans. Moreover, this account includes one-off finance expenses amounting to €303 related to newly assumed loans.

Taxes: The Group's taxes for the period ended June 30, 2017 amounted to €3.830 versus €1.360 in the previous period, an increase of €2.470 or 182%. As described in note 17 of the Interim Condensed Financial Information, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash equivalents at a tax rate of 10% of the aggregate European Central Bank reference rate plus 1%. Under the tax law modified in 2016, the tax due cannot be less than 0,75% (annually) of its investments. The significant increase in taxes is the result of aforementioned amendment.

Net profit after tax: Pursuant to the above, the net profit after tax for the period ended June 30 2017, amounted to €27.959 versus profits of €5.041 in the previous period.

Treasury shares: During the period, the Company acquired 948 treasury shares at a total cost of €7 with an average acquisition price (amount in €) €7,61 per share (price lower by € 1,01 or 13% compared to the net book value as at June 30, 2017), according to the Extraordinary General Meeting of the Shareholders dated on July 30th, 2015, which approved the purchase of own 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, with a maximum purchase price of (amount in €) €10 per share and a minimum purchase price of (amount in €) €0,25 per share, in accordance with article 16 of Law 2190/1920 as in force. As at June 30, 2017 the Company owned 4.046.489 own shares of a total cost of €27.806 with an average price of (amount in €) €6,87 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841. As at June 30, 2016 the Company owned 3.342.973 own shares of a total cost of

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

€22.922 with an average price of (amount in €) €6,86 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841.

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 performance is measured with the financial performance indicators (FPI) used internationally:

	30.06.2017	31.12.2016
Liquidity Ratio		
Current Ratio	3,9x	3,1x
Leverage Ratio		
Total debt to Total Assets	12%	6%
Loan-to-Value (L.T.V.) Ratio	14%	6%
Market ratio		
Net Assets Value (N.A.V.) (Amount in €)	€8,61	€8,52

Funds from Operations

	30.06.2017	30.06.2016	Variance	%
Funds From Operations (F.F.O.)	21.682	16.712	4.970	30%

Adjusted EBITDA

	30.06.2017	30.06.2016	Variance	%
Adjusted EBITDA	25.322	18.764	6.558	35%

SIGNIFICANT EVENTS DURING THE CLOSING PERIOD

1. On January 17, 2017 the Company announced that its hospitality arm "Grivalia Hospitality S.A.", made its first investment regarding the 60% acquisition of "Pearl Island Project" in Panama, from "Dolphin Capital Investors Limited" (DCI). The acquisition price amounted to €27.000 in cash, out of which €2.000 have been placed in an escrow account for a period of 12 months following the transaction in order to cover any breach of warranties or undisclosed indebtedness.

   Grivalia Hospitality S.A. acquired all of the entities that are related with this project. The acquisition was completed on March 9, 2017.

   Isla Pedro Gonzalez (Pearl Island) is one of the largest private islands, covering a surface area of 13.230 hectares in the Archipelagus Las Perlas, in Panama being of exceptional beauty. With more than 30 km seafront and 5 beautiful beaches, the island is set to become a tourist and environment friendly destination of unique quality in Central America with at least 3 luxury resorts and a large number of villas and residential units.

   The total development could reach 500.000 sq.m, while almost all basic infrastructure projects are already constructed,

1. A large runway
2. A road network over 18km
3. Power generation unit, electricity towers and cable trays
4. Telecommunications tower
5. Artificial water collection tank
6. Water treatment unit
7. Waste collection and rehabilitation unit
8. Marina of 30 mooring berths

An agreement with the Marriott Group has been concluded concerning the development of a Ritz-Carlton Reserve, as well as villas, in one of the island's most beautiful seafront locations. The total cost of this development is in the order of €66.500.

2. On February 8, 2017 the Company announced that the 50% common company bearing the distinctive title Piraeus Port Plaza 1 proceeded to the issue of a common bond loan up to €20.000 in two series by Piraeus Bank S.A. Series A amounting to €10.000 will finance the conversion of its owned property close to Piraeus Port from warehouses of "Papastratos" old facilities into a modern offices building of 10.500 sq.m and underground parking slots of approximately 4.600 sq.m. Series B will be used to refinance Series A. Grivalia committed to its philosophy, expects this project to create significant goodwill both for its shareholders and the local community in Piraeus and to contribute to the overall recovery of the Greek economy.

3. On February 9, 2017 IFC, member of the World Bank Group granted a long term loan of €50.000 to Grivalia Properties, to enhance business infrastructure and boost energy efficiency in the commercial property sector. Through this cooperation, IFC introduces for the first time in Greece the Certification "Excellence in Design for Greater Efficiencies-EDGE".

4. On February 10, 2017 the Company announced the acquisition of two properties, one at 340 Syggrou Avenue, in Kallithea, Attica and another one at 49 Kifissias Avenue, in Maroussi, Attica. The total paid up consideration for the acquisition of properties amounted to €18.479 (excluding acquisition costs amounting to €289).

5. On February 17, 2017 following a relative agreement between the Company, sole shareholder, and Eurolife Life Insurance Limited, a share capital increase in Grivalia Hospitality of €58.000 was concluded, of which €28.000 were covered by the Company and €30.000 from Eurolife. Following the above increase, the share capital of Grivalia Hospitality amounted to €60.000 paid equally by both shareholders. Furthermore, on the same day, a relative agreement between the two shareholders was signed, which provides for all important decisions by consensus. As a result the Company lost the control of the subsidiary. The Company now owns 50% of Grivalia Hospitality which is consolidated as a joint venture through the equity method.

6. On February 21, 2017 the Company's offices and stores building complex at 117 Kifissias Avenue and Ag. Konstantinou in Maroussi was granted a significant LEED certification for Core and Shell at Gold level. This important project of aesthetic and energy upgrading of Green Plaza is the first project in Greece to have been granted LEED certification for Core & Shell.

7. On March 14, 2017 the Company proceeded to the issue of two common, collateralized bond loans amounting to €50.000 and €10.000 respectively. Both loans were fully covered by Eurobank Ergasias (by 90%) and by Eurobank Private Bank Luxembourg (by 10%).

8. On March 22, 2017 Company's Shareholders Meeting approved the distribution of dividend from profits of the year 2016 amounting to €18.488 ([amount in €] €0,183 per share). The payment of dividend commenced on April 03, 2017, through the paying Bank, Eurobank Ergasias S.A..

SUBSEQUENT EVENTS

1. 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, at a price of €8,80 per share. Through this private placement, 10.000.000 shares, i.e. 9,88% of the total shares, were distributed to subsidiaries of FAIRFAX FINANCIAL HOLDINGS LIMITED (now Fairfax), which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and, on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved. Therefore, a Tender Offering liability emerged for Fairfax.

On July 20, 2017, «FAIRFAX FINANCIAL HOLDINGS LIMITED» announced the submission of a mandatory Tender Offer to all holders of common registered dematerialized voting shares of the Company.

Through the Tender Offer, Fairfax commits to acquire all of the shares, which are not held by Fairfax and Coordinated Persons at the Date of the Tender Offer. Therefore, the shares that are the subject of the Tender Offer amount to 49.239.630 shares representing 48,63% of the paid-up share capital and voting rights of the Company, including any own Shares held by the Company.

Fairfax offers €8,80 per share for each Share acquired through the tender offer.

The Acceptance Period, during which the Shareholders may declare the acceptance of the Tender Offer, starts on August 7, 2017 at 08:00 am. and ends on September 4, 2017 at the end of the opening hours of the banks operating in Greece.

2. On July 05, 2017, the Company's property at 68 Vas. Sofias Avenue, in Athens, was granted a BREEAM certification ranked as Excellent. This property is the first building in Greece to have been granted this significant certification.

3. On July 06, 2017 based on the relevant notification by the Company "Pacific Investment Management Company LLC" (PIMCO), PIMCO acquired indirectly through controlled entities on July 04, 2017 5.065.000 common shares with voting rights, issued by the Company corresponding to 5,00% of its common shares with voting rights. As result of this transaction, the percentage of voting rights held in total (indirectly) by PIMCO in the Company amounted to 5,00% from 0,00% on July 4, 2017. It should be underlined that the above percentage of shares with voting rights is held by the entities Lilium S.a r.l. and PIMCO Global Credit Opportunity Master Fund LDC, controlled by PIMCO, each one of them holding directly a percentage below 5%.

4. On July 13, 2017 the Company announced that the joint venture of Grivalia Hospitality S.A. with Macedonian Hotels S.A. was the highest bidder in the Tender announced by Eurobank Ergasias S.A. and related to the acquisition of "Olympos Naoussa" property in Thessaloniki. The offered amount was €5.460.

   More specifically, Grivalia Hospitality SA and Macedonian Hotels SA, a successful hotel company with long presence in Northern Greece, commonly agreed on the creation of an investment vehicle, with a 65/35 participation respectively, with the purpose of acquiring the historic listed asset of "Olympos Naoussa" located on 5th Nikis Avenue in Thessaloniki, in order to further develop and transform it into a luxury boutique hotel. The development phase of the asset, will start right after the completion of the transaction, and is expected to contribute significantly on the local economy through the creation of new jobs, the enhancement of the touristic product and have a positive aesthetic effect on the coastal front of the city.

5. On July 27, 2017 the Company announced the participation of a fund ("the New Investor") managed by international investment firm M&G investments in the share capital of its Luxembourg based hospitality platform Grivalia Hospitality S.A. through a share capital increase of €60.000 that was fully covered by the New Investor. Grivalia Properties and Eurolife ERB Life Insurance Company S.A. have already contributed €60.000 in total. As a result of the transaction, the total issued and paid up share capital of the company amounts now to €120.000 divided into 120.000.000 shares of (amount in €) €1 per share, out of which, 25% are owned by Grivalia Properties, 25% by Eurolife and 50% by the fund which is managed by M&G investments located in London.

OUTLOOK

The existence of primary surplus is expected to be continued in the second semester of 2017. Economic recovery presupposes planning and implementation of the development program. The prompt completion of the third review of the Financial Adjustment Program is decisive as it will consolidate the recovered confidence of the markets.

The real estate market's prospects are influenced by the broader economic environment and the possibility of attracting investments. Prices for "prime" assets are anticipated to show a slight upward trends. The elimination of capital controls and the implementation of the privatization program could lead to a further reduction in country risk and the attraction of foreign investments, inverting thus the sector that the Group operates.

The Group's rental income for 2017 is expected to present further increase due to the Group's investments in the previous year and the new investments.

Committed always to its values, the Company will continue implementing its investment strategy while maintaining high investment standards and at the same time continuously analyzing and evaluating the evolving economic conditions in seeking new investment opportunities to utilize its liquidity.

In conclusion, our Company is consistently focusing on its investment objective which is long term value creation for its shareholders. The high quality portfolio which produces steady income and the high liquidity during this challenging era, establishes the Company as a key player in the Greek and New Europe markets allowing to the Company to achieve its goals.

SIGNIFICANT RISKS

Fluctuations in Property Values

Fluctuations in property values are reflected in the Income Statement and Balance Sheet depending on the market value of our commercial properties. During the period ended on June 30th 2017, the Group recorded profits from fair value readjustments, as analyzed on page 5. 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.

Doubtful debts by tenants

Receivables will be negatively affected in case tenants default on their liabilities. However, the Group has a well-diversified portfolio consisting mainly of reputable companies in Greece, and 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 foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and, long and short term guarantees and borrowings. The accounting policy with respect to these financial instruments is described in note 3.

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 from the group's investments in foreign subsidiaries and is not considered significant. The Group's exposure to foreign currency risk at June 30, 2017 and 2016 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 price risk other than in respect of financial instruments, such as property price risk including market rentals risk. In order to reduce price risk, the Group in general enters into long term operating lease agreements with most tenants for a period 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, some lease contracts include lease payments terms, based on the property's net sales percentage. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising deposits held at call and short term deposits with banks.

Group's interest rate risk arises from long-term finance leases and bank borrowings (note 13). 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 charges 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, 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 +/- €385 (30.06.2016: +/- €200).

b) Credit risk

The Group has significant concentrations of credit risk with respect to cash balances, deposits held with banks and rental income received from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place 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. It should be noted that, in order to minimize the credit risk, Group’s cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

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

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.

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, some lease contracts include lease payments terms, based on the property's net sales percentage.

Regulatory and Compliance Risk

As mentioned above, the Company has expanded to investments in Central and Eastern Europe and Central America. The Company has investments in Romania, Serbia, Luxemburg 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.

External Factors

The Company has investments in Greece, Romania, Serbia, Luxemburg and Central America. The Group may be influenced by external factors such as political instability, 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 22 of the Interim Condensed Financial Information for the six month period ended June 30, 2017.

Maroussi, August 11, 2017

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]

Report on Review of Interim Financial Information

To the Shareholders of "Grivalia Properties REIC"

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of "Grivalia Properties REIC" (the "Company") as of 30 June 2017 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, August 11 2017

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

Konstantinos Michalatos
Certified Public Accountant
Reg. No 17701

Interim Condensed Financial Information

for the six month period ended

June 30, 2017

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

Consolidated and Company Balance Sheet

	Note	Group		Company	
		30/06/2017	31/12/2016	30/06/2017	31/12/2016
ASSETS					
Non-current assets					
Investment property	6	876.011	849.978	721.811	696.998
Property, plant and equipment		3.793	3.729	3.371	3.296
Intangible Assets		344	347	4	5
Investment in subsidiaries	7	-	-	94.434	96.374
Investment in associates and joint ventures	8	34.723	3.232	32.047	2.250
Deferred tax asset		252	252	-	-
Other long term receivables	9	3.551	3.455	11.001	10.873
		918.674	**860.993**	**862.668**	**809.796**
Current assets					
Trade and other receivables	10	13.904	10.404	15.965	8.765
Cash and cash equivalents	11	87.631	61.917	77.877	54.789
		101.535	**72.321**	**93.842**	**63.554**
TOTAL ASSETS		**1.020.209**	**933.314**	**956.510**	**873.350**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share Capital	12	215.684	215.684	215.684	215.684
Share premium	12	571.234	571.234	571.234	571.234
Own shares	12	(25.964)	(25.957)	(25.964)	(25.957)
Share based payment reserve	12	4.312	3.682	4.312	3.682
Other reserves	12	12.675	12.596	11.817	11.830
Retained earnings	12	95.175	85.886	59.401	54.281
Total shareholders' equity		**873.116**	**863.125**	**836.484**	**830.754**
Non-current liabilities					
Borrowings, including finance leases	13	117.078	43.460	95.379	21.095
Tenant deposits		4.009	3.279	3.930	3.279
Other non-current liabilities		196	223	196	223
		121.283	**46.962**	**99.505**	**24.597**
Current liabilities					
Trade and other payables	14	8.703	9.785	7.950	8.699
Dividends payable		40	40	40	40
Current income tax liabilities		7.818	4.486	6.979	4.045
Borrowings, including finance leases	13	9.030	8.783	5.333	5.082
Tenant deposits		219	133	219	133
		25.810	**23.227**	**20.521**	**17.999**
Total liabilities		**147.093**	**70.189**	**120.026**	**42.596**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1.020.209**	**933.314**	**956.510**	**873.350**

The notes on pages 21 to 42 form an integral part of the Interim Condensed Financial Information for the six month period ended June 30, 2017

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

Consolidated Income Statement

		Six month period ended		Three month period ended	
	Note	**30/06/2017**	**30/06/2016**	**30/06/2017**	**30/06/2016**
Revenue					
Rental income		31.964	30.329	15.934	14.895
		31.964	**30.329**	**15.934**	**14.895**
Net gain/(loss) from fair value adjustments on investment property	**6**	6.083	(11.676)	5.068	(11.099)
Other direct property relating expenses		(842)	(841)	(440)	(417)
Property taxes	**15**	(2.858)	(3.133)	(1.451)	(1.996)
Corporate Social Responsibility		(100)	(47)	(50)	3
Provision for doubtful debts		-	(4.039)	-	(4.039)
Employee benefit expense- BoD		(2.147)	(2.278)	(1.325)	(1.351)
Depreciation of assets		(61)	(57)	(31)	(28)
Other income	**16**	2	62	2	57
Other expenses		(697)	(1.289)	(300)	(331)
Operating profit/ (loss)		**31.344**	**7.031**	**17.407**	**(4.306)**
Finance income		452	154	260	96
Finance costs		(1.954)	(784)	(1.128)	(378)
Gain from loss of control of subsidiary	**8**	253	-	-	-
Share of net profit of investments accounted for using the equity method	**8**	1.694	-	1.764	-
Profit/ (loss) before tax		**31.789**	**6.401**	**18.303**	**(4.588)**
Taxes	**17**	(3.830)	(1.360)	(2.055)	(942)
Profit/ (loss) for the period		**27.959**	**5.041**	**16.248**	**(5.530)**
Earnings per share (expressed in € per share)					
- Basic and Diluted	**19**	**0,29**	**0,05**		

The notes on pages 21 to 42 form an integral part of the Interim Condensed Financial Information for the six month period ended June 30, 2017

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

Company Income Statement

	Note	Six month period ended		Three month period ended	
		30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Revenue					
Rental income		26.218	24.701	13.074	12.089
		26.218	**24.701**	**13.074**	**12.089**
Net gain/(loss) from fair value adjustments on investment property	**6**	4.866	(11.408)	3.851	(10.831)
Other direct property relating expenses		(779)	(778)	(411)	(379)
Property taxes	**15**	(2.388)	(2.610)	(1.218)	(1.728)
Corporate Social Responsibility		(100)	(47)	(50)	3
Provision for doubtful debts		-	(3.552)	-	(3.552)
Employee benefit expense- BoD		(1.984)	(2.118)	(1.272)	(1.201)
Depreciation of assets		(49)	(45)	(25)	(22)
Other income	**16**	3.402	7.994	2	2.897
Other expenses		(1.097)	(1.100)	(308)	(286)
Operating profit/ (loss)		**28.089**	**11.037**	**13.643**	**(3.010)**
Finance income		664	383	366	214
Finance costs		(1.577)	(357)	(933)	(171)
(Loss) from loss of control of subsidiary	**8**	(253)	-		
Profit/ (loss) before tax		**26.923**	**11.063**	**13.076**	**(2.967)**
Taxes	**17**	(3.315)	(1.047)	(1.789)	(813)
Profit/ (loss) for the period		**23.608**	**10.016**	**11.287**	**(3.780)**

The notes on pages 21 to 42 form an integral part of the Interim Condensed Financial Information for the six month period ended June 30, 2017

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

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Profit for the period	**27.959**	**5.041**	**23.608**	**10.016**
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	(90)	13	-	-
Items that will not be reclassified to profit or loss				
Actuarial (losses) on post employment benefit obligations net of tax	(13)	-	(13)	-
Total comprehensive gain/ (loss) after taxes	(103)	13	(13)	-
Total comprehensive income after taxes for the period	**27.856**	**5.054**	**23.595**	**10.016**
Total comprehensive income for the period attributable to:				
- Shareholders (Owners of the parent)	27.856	5.054	23.595	10.016
- Minority interest	-	-	-	-
Total comprehensive income after taxes for the period	**27.856**	**5.054**	**23.595**	**10.016**

The notes on pages 21 to 42 form an integral part of the Interim Condensed Financial Information for the six month period ended June 30, 2017

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

Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		**215.684**	**571.234**	**(12.493)**	**2.430**	**12.532**	**90.417**	**879.804**
Profit for the period		-	-	-	-	-	5.041	5.041
Foreign exchange differences		-	-	-	-	13	-	13
Total comprehensive income for the period		-	-	-	-	**13**	**5.041**	**5.054**
Transactions with shareholders:								
Acquisition of own shares		-	-	(8.588)	-	-	-	(8.588)
Formation of statutory reserve of local subsidiary		-	-	-	-	143	(143)	-
Equity settled share based payments		-	-	-	723	-	-	723
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance June 30, 2016		**215.684**	**571.234**	**(21.081)**	**3.153**	**12.688**	**64.431**	**846.109**
Balance January 01, 2017		**215.684**	**571.234**	**(25.957)**	**3.682**	**12.596**	**85.886**	**863.125**
Profit for the period		-	-	-	-	-	27.959	27.959
Foreign exchange differences		-	-	-	-	(87)	(3)	(90)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(13)	-	(13)
Total comprehensive income for the period		-	-	-	-	**(100)**	27.956	**27.856**
Transactions with shareholders:								
Acquisition of own shares	**12**	-	-	(7)	-	-	-	(7)
Formation of statutory reserve of local subsidiary		-	-	-	-	179	(179)	-
Equity settled share based payments	**12**	-	-	-	630	-	-	630
Dividend relating to 2016 approved by the shareholders	**18**	-	-	-	-	-	(18.488)	(18.488)
Balance June 30, 2017		**215.684**	**571.234**	**(25.964)**	**4.312**	**12.675**	**95.175**	**873.116**

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

Company Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		**215.684**	**571.234**	**(12.493)**	**2.430**	**11.903**	**62.394**	**851.152**
Profit for the period		-	-	-	-	-	10.016	10.016
Other comprehensive income/ (loss) for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**10.016**	**10.016**
Transactions with shareholders:								
Acquisition of own shares		-	-	(8.588)	-	-	-	(8.588)
Equity settled share based payments		-	-	-	723	-	-	723
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance June 30, 2016		**215.684**	**571.234**	**(21.081)**	**3.153**	**11.903**	**41.526**	**822.419**
Balance January 01, 2017		**215.684**	**571.234**	**(25.957)**	**3.682**	**11.830**	**54.281**	**830.754**
Profit for the period		-	-	-	-	-	23.608	23.608
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(13)	-	**(13)**
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(13)**	**23.608**	**23.595**
Transactions with shareholders:								
Acquisition of own shares	**12**	-	-	(7)	-	-	-	(7)
Equity settled share based payments	**12**	-	-	-	630	-	-	630
Dividend relating to 2016 approved by the shareholders	**18**	-	-	-	-	-	(18.488)	(18.488)
Balance June 30, 2017		**215.684**	**571.234**	**(25.964)**	**4.312**	**11.817**	**59.401**	**836.484**

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

Consolidated and Company Cash Flow Statement

	Note	Group		Company	
		01/01 - 30/06/2017	01/01 - 30/06/2016	01/01 - 30/06/2017	01/01 - 30/06/2016
Cash flows from operating activities					
Profit for the period		**27.959**	**5.041**	**23.608**	**10.016**
Other (gains)		-	(62)	-	(7.994)
Dividend from a subsidiary	16	-	-	(3.400)	-
Provisions		(1.210)	759	870	529
Finance income		(452)	(154)	(664)	(383)
Finance costs		1.954	784	1.577	357
Taxes	17	3.830	1.360	3.315	1.047
(Increase)/decrease of fair value of investment property	6	(6.083)	11.676	(4.866)	11.408
Depreciation of assets		61	57	49	45
Changes in working capital:					
Decrease/ (increase) in receivables		(4.878)	788	(3.972)	846
Increase / (decrease) in payables		3.676	2.582	3.186	2.219
Cash generated from operating activities		24.857	22.831	19.703	18.090
Interest paid		(2.158)	(794)	(1.777)	(357)
Taxes paid		(3.997)	(1.359)	(3.236)	(553)
Net cash generated from operating activities		**18.702**	**20.678**	**14.690**	**17.180**
Cash flows from investing activities					
Paid in share capital of subsidiary		-	-	(60)	-
Amortization of subsidiary's share capital		-	-	-	8.000
Investment in Joint Venture	8	(28.050)	-	(28.050)	7.794
Subsequent capital expenditure on investment property		(1.305)	(2.115)	(1.301)	(2.115)
Purchases of investment property		(18.918)	(11.491)	(18.918)	(11.491)
Purchases of property, plant and equipment		(191)	(385)	(191)	(376)
Interest received		455	115	679	343
Net cash used in investing activities		**(48.009)**	**(13.876)**	**(47.841)**	**2.155**
Cash flows from financing activities					
Acquisition of own shares		(7)	(8.669)	(7)	(8.669)
Loans received	13	75.750	-	75.750	-
Repayments of loans		(1.111)	(1.127)	(446)	(454)
Repayments of finance leases		(570)	(2.313)	(570)	(2.313)
Dividends paid	18	(18.488)	(30.884)	(18.488)	(30.884)
Net cash used in financing activities		**55.574**	**(42.993)**	**56.239**	**(42.320)**
Net increase/ (decrease) in cash and cash equivalents for the period		**26.267**	**(36.191)**	**23.088**	**(22.985)**
Cash and cash equivalents at the beginning of the period	11	61.917	111.755	54.789	92.020
Cash and cash equivalents excluded due to loss of control of subsidiary		(643)	-	-	-
Exchange gains / (losses) on cash and cash equivalents		90	(13)	-	-
Cash and cash equivalents at the end of the period	11	**87.631**	**75.551**	**77.877**	**69.035**

Notes to Interim Condensed Financial Information

1 General information

The present Interim Condensed Consolidated and Company Financial Information includes the financial statements of the Company Grivalia Properties Real Estate Investment Company (the "Company") and the Consolidated Financial Statements of the Company and its subsidiaries (together the "Group") for the period ended on June 30, 2017.

The Company and the Group is an investment property Group with a significant portfolio located in Greece and in Central Eastern Europe. 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.

On July 4th 2017 Eurobank Ergasias S.A. offered through private placement, 20.252.001 common shares with voting rights, namely its total shareholding in the Company, that corresponded to approximately 20% of the latter's Share Capital, at a price of €8,80 per share. Through this private placement, on the one hand 10.000.000 shares were distributed, namely 9,88% of the total shares to "FAIRFAX FINANCIAL HOLDINGS LIMITED" subsidiaries (now Fairfax); which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and, on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved. Therefore, a Tender Offering liability emerged for Fairfax (for further information please see note 12).

The total number of employees of the Company and the Group as at June 30, 2017 was 27 and 30 respectively (30.06.2016: 28 and 31).

These Interim Condensed Consolidated and Company Financial Statements (the "Financial Statements") have been approved by the Board of Directors on August 11, 2017.

2 Summary of significant accounting policies

These Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and should be read in conjunction with Group's annual financial statements as at December 31, 2016.

Comparatives

Certain comparative figures have been reclassified for presentation purposes, in order to become comparable with those figures in the current period.

3 Accounting Policies

The accounting policies adopted in the preparation of the Condensed Consolidated and Company Interim Financial Statements for the six month period ended June 30, 2017 are consistent with those followed in the preparation of Group's annual financial statements for the year ended December 31, 2016.

Rental Income of the Group is not subject to seasonality.

Amendments to standards and new interpretations adopted by the Group

There are no new standards, amendments to standards and interpretations issued by the International Accounting Standard Board (IASB) and endorsed by the European Union (EU) applicable to the Group from January 01, 2017.

Notes to Interim Condensed Financial Information

4 Financial risk management

4.1 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 the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and, long and short term guarantees and borrowings.

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 from the Group's investments in foreign subsidiaries and is not considered significant. The Group's exposure to foreign currency risk at June 30, 2017 and 2016 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 price risk other than in respect of financial instruments, such as property price risk including market rentals risk. In order to reduce price risk, the Group in general enters into long term operating lease agreements with most tenants for a period 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, some lease contracts include lease payments terms, based on the property's net sales percentage. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising deposits held at call and short term deposits with banks.

Group's interest rate risk arises from long-term finance leases and bank borrowings (note 13). 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 charges 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, 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 +/- €385 (30.06.2016: +/- €200).

b) Credit risk

The Group has significant concentrations of credit risk with respect to cash balances, deposits held with banks and rental income received from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place 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. It should be noted that, in order to minimize the credit risk, Group's cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks. If customers are independently rated, these ratings are used. If there is no independent rating, credit risk is assessed, taking into account its financial position, past experience and other factors.

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

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, availability of funding through an adequate amount

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

Notes to Interim Condensed Financial Information

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.

The Interim Condensed Financial Information for the six month period ended June 30, 2017 do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at December 31, 2016.

4.2 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.

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.

The following table analyses the fair value of the Group's hierarchy of assets and liabilities not measured at fair value as at June 30, 2017:

Liabilities	Level 1	Level 2	Level 3	Total
Borrowings, including finance leases	-	-	126.108	126.108
Total	-	-	**126.108**	**126.108**

As at June 30, 2017 the book value of "trade and other receivables", "cash and cash equivalents" , "short term debt" and "trade and other payables" approximates the fair value.

There were no transfers between Level 1 and 2 during the period, neither transfers in and out of Level 3 concerning the estimation of fair value.

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

Notes to Interim Condensed Financial Information

5 Segment analysis

A) Group's operating segments

For the six month period ended on June 30, 2017:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	11.909	2.372	10.255	5.370	2.090	31.996
(Expenses) from service charges	(30)	-	-	(2)	-	(32)
Total	**11.879**	**2.372**	**10.255**	**5.368**	**2.090**	**31.964**
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	581	(58)	2.186	2.788	586	6.083
Other direct property relating expenses	(316)	(71)	(226)	(167)	(62)	(842)
Property taxes	(1.058)	(216)	(911)	(483)	(190)	(2.858)
Finance costs	(1.884)	(34)	(1)	(35)	-	(1.954)
Profit relating to investment property	**9.202**	**1.993**	**11.303**	**7.471**	**2.424**	**32.393**

Reconciliation of net profit for the period:	
Profit relating to investment property	32.393
Finance income	452
Other expenses	(1.311)
Gain from loss of control in subsidiary	253
Other income	2
Taxes	(3.830)
Net profit for the period	**27.959**

For the six month period ended on June 30, 2016:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	11.550	1.794	9.730	4.921	2.361	30.356
(Expenses) from service charges	(25)	-	-	(2)	-	(27)
Total	**11.525**	**1.794**	**9.730**	**4.919**	**2.361**	**30.329**
RESULTS						
Net (loss) from fair value adjustments on investment property	(3.428)	(1.803)	(1.815)	(3.528)	(1.102)	(11.676)
Other direct property relating expenses	(318)	(56)	(226)	(167)	(74)	(841)
Property taxes	(1.183)	(190)	(1.005)	(506)	(250)	(3.133)
Provision for doubtful debts	(659)	(2.893)	(487)	-	-	(4.039)
Finance costs	(729)	(13)	(1)	(40)	(1)	(784)
Profit/ (loss) relating to investment property	**5.208**	**(3.161)**	**6.196**	**678**	**935**	**9.856**

Reconciliation of net profit for the period:	
Profit relating to investment property	9.856
Finance income	154
Other expenses	(3.671)
Other income	62
Taxes	(1.360)
Net profit for the period	**5.041**

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

Notes to Interim Condensed Financial Information

For the three month period ended on June 30, 2017:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	6.047	1.189	5.078	2.613	1.015	15.942
(Expenses) from service charges	(7)	-	-	(1)	-	(8)
Total	**6.040**	**1.189**	**5.078**	**2.612**	**1.015**	**15.934**
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	579	(58)	1.380	2.581	586	5.068
Other direct property relating expenses	(168)	(37)	(118)	(85)	(32)	(440)
Property taxes	(547)	(111)	(459)	(240)	(94)	(1.451)
Finance costs	(1.096)	(15)	-	(17)	-	(1.128)
Profit relating to investment property	**4.808**	**968**	**5.881**	**4.851**	**1.475**	**17.983**

Reconciliation of net profit for the period:	
Profit relating to investment property	17.983
Finance income	260
Other expenses	58
Other income	2
Taxes	(2.055)
Net profit for the period	**16.248**

For the three month period ended on June 30, 2016:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.762	671	4.848	2.444	1.181	14.906
(Expenses) from service charges	(10)	-	-	(1)	-	(11)
Total	**5.752**	**671**	**4.848**	**2.443**	**1.181**	**14.895**
RESULTS						
Net (loss) from fair value adjustments on investment property	(3.428)	(1.803)	(1.815)	(2.951)	(1.102)	(11.099)
Other direct property relating expenses	(157)	(21)	(115)	(88)	(36)	(417)
Property taxes	(769)	(110)	(618)	(320)	(178)	(1.996)
Provision for doubtful debts	(659)	(2.893)	(487)	-	-	(4.039)
Finance costs	(350)	(6)	(1)	(20)	(1)	(378)
Profit/ (loss) relating to investment property	**389**	**(4.162)**	**1.812**	**(937)**	**(136)**	**(3.033)**

Reconciliation of net (loss) for the period:	
(Loss) relating to investment property	(3.033)
Finance income	96
Other expenses	(1.707)
Other income	57
Taxes	(942)
Net (loss) for the period	**(5.530)**

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

Notes to Interim Condensed Financial Information

B) Group's geographical segments

For the period ended on June 30, 2017:

	Revenue	Non-current assets
Greece	29.171	829.785
Romania	2.416	74.698
Serbia	377	13.939
	31.964	**918.422**

For the period ended June 30, 2016:

	Revenue	Non-current assets
Greece	27.475	745.035
Romania	2.452	75.099
Serbia	402	13.819
	30.329	**833.953**

For the three month period ended:

	30/06/2017	30/06/2016
	Revenue	Revenue
Greece	14.550	13.476
Romania	1.195	1.229
Serbia	189	190
	15.934	**14.895**

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

Notes to Interim Condensed Financial Information

6 Investment Property

	Group	
	30/06/2017	**31/12/2016**
Balance at the beginning of the period	**849.978**	**825.598**
Additions:		
Acquisition of investment property	18.768	32.850
Subsequent capital expenditure on investment property	1.182	5.123
Net gain/(loss) from fair value adjustments on investment property	6.083	(13.593)
Balance at the end of the period	**876.011**	**849.978**

	Company	
	30/06/2017	**31/12/2016**
Balance at the beginning of the period	**696.998**	**673.347**
Additions:		
Acquisition of investment property	18.768	32.850
Subsequent capital expenditure on investment property	1.179	5.123
Net gain/(loss) from fair value adjustments on investment property	4.866	(14.322)
Balance at the end of the period	**721.811**	**696.998**

On February 10, 2017 the Company acquired two commercial assets, located in 340, Syngrou Avenue in Kallithea & 49, Kifissias Avenue in Maroussi, Attica. More specifically, the Company acquired:

— 50% of an undivided interest over the property located in 340, Syngrou Avenue. It is a contemporary mixed-use, multi-storey building with excellent promotion. The total area is approximately 31.100 sqm, of which 13.950 sqm are office & retail areas and 17.150 sqm comprise 400 parking spaces on four underground levels and other auxiliary & common areas. The asset is partially leased to a prominent multinational electrical & electronic equipment chain.

— Part of a commercial asset located in 49, Kifissias Avenue and Ziridi Str.. It consists of horizontal properties – ground floor retail units with a total area of 1.116 sqm, plus 1.300 sqm of underground main & auxiliary use areas, 5.734 sqm of 503 parking spaces, and additional common areas on two underground levels. The asset is partially leased to a prominent multinational electrical & electronic equipment chain.

The acquisition price paid amounted to €18.479 (excluding acquisition costs amounting to €289).

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

Country	**Greece**	**Greece**	**Greece**	**Greece**	**Greece**	**Romania**	**Romania**	**Serbia**	**Serbia**	**30.06.2017**	31.12.2016
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	**262.886**	**52.487**	**241.570**	**157.339**	**47.403**	**10.950**	**63.668**	**12.512**	**1.163**	**849.978**	825.598
Additions:											
-Acquisition of investment property	-	-	5.379	13.389	-	-	-	-	-	**18.768**	32.850
-Subsequent capital expenditure on investment property	454	5	25	695	3	-	-	-	-	**1.182**	5.123
Net gain from fair value adjustments on investment property	140	(58)	3.542	2.486	586	(1.259)	441	301	(96)	**6.083**	(13.593)
Fair value at the end	**263.480**	**52.434**	**250.516**	**173.909**	**47.992**	**9.691**	**64.109**	**12.813**	**1.067**	**876.011**	849.978

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

Notes to Interim Condensed Financial Information

Information about the fair value measurements of the investment property per operating and geographical segment:

Country	Segment	Fair Value	Valuation technique	Monthly Market Rent	Discount rate (%)
Greece	Offices	263.480	80% discounted cash flows (DCF) & 20% sales comparison or income method	1.870	9,25% -13,27%
Greece	Logistics	52.434	80% discounted cash flows (DCF) & 20% sales comparison or sales comparison or 100% sales comparison (used only for the valuation of the plot of land)	378	10% -10,75%
Greece	Retail	250.516	80% discounted cash flows (DCF) & 20% sales comparison	1.760	8,75% - 10,75%
Greece	Mixed use	173.909	80% discounted cash flows (DCF) & 20% sales comparison	1.050	9% -10,5%
Greece	Special use	47.992	80% discounted cash flows (DCF) & 20% income method	401	11,85% - 12,87%
Romania	Retail	9.691	80% discounted cash flows (DCF) & 20% sales comparison	73	11,00%
Romania	Offices	64.109	80% discounted cash flows (DCF) & 20% sales comparison	403	10,70%
Serbia	Mixed use	12.813	80% discounted cash flows (DCF) & 20% sales comparison	100	10,70%
Serbia	Retail	1.067	80% discounted cash flows (DCF) & 20% sales comparison	7	11,20%
	Total	**876.011**			

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

Were the length of vacant periods as at June 30, 2017, were to increase or decrease in the DCF by +/-5% from management's estimates, the carrying amount of investment properties that are valued would be estimated -/+ €622 lower or higher, respectively.

Were the discount rate as at June 30, 2017, used in the DCF analysis to increase or decrease by +/-5%, the carrying amount of investment properties would be an estimated €21.830 lower or €22.877 higher, respectively.

The net carrying amount of investment property held under finance leases as at June 30, 2017 amounts to €14.682 (31.12.2016: €15.325).

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed for June 30 and December 31 each year. Valuations are based on two methods according to the appraising standards, and for this portfolio the comparative or income method in conjunction with the method of discounted cash flow method are used. It is noted that the income method has been used only for the 14 assets leased to the Hellenic Republic.

For lease liabilities and bank borrowings that are effectively secured as the rights to the leased asset revert to the lessor in the event of default please refer to note 13.

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

Notes to Interim Condensed Financial Information

7 Investment in Subsidiaries

	Country of incorporation	Percentage of interest	30/06/2017	31/12/2016	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2011-2016
Eliade Tower S.A.	Romania	99,99%	9.037	9.037	2011-2016
Retail Development S.A.	Romania	99,99%	4.561	4.561	2011-2016
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2011-2016
Cloud Hellas Ktimatiki S.A.	Greece	100%	42.000	42.000	2010, 2016
Grivalia Hospitality S.A.	Luxembourg	-	-	2.000	2015-2016
Grivalia New Europe S.A.	Luxembourg	100%	110	50	2015-2016
			94.434	**96.374**	

On February 17, 2017 following the share capital increase in Grivalia Hospitality S.A. the subsidiary was appropriated as a joint venture (see Note 8).

8 Participation in associates and joint ventures

On February 17, 2017, following a relative agreement between the Company, sole shareholder, and Eurolife Life Insurance Limited, a share capital increase in Grivalia Hospitality of €58.000 was concluded, of which €28.000 were covered by the Company and € 30.000 by Eurolife.

Following the above increase, the share capital of Grivalia Hospitality amounted to €60.000 paid equally by both shareholders. Furthermore, on the same day, a relative agreement between the two shareholders was signed, which provides for all important decisions by consensus. As a result the Company lost the control of the subsidiary. The Company now owns 50% of Grivalia Hospitality which is consolidated as a joint venture through the equity method.

The Company recognised a loss of €253 from the impairment recognised for its subsidiary while at Group level a gain of €253 was recognised from the loss of control of the subsidiary.

On March 14th, 2017, Grivalia Hospitality S.A. concluded its first investment, namely the acquisition of 60% of the "Pearl Island Project" in Panama from Dolphin Capital Investors upon fulfillment of all the relevant conditions precedent. The acquisition price amounted to €27.000 in cash, out of which €25.000 has already been paid to DCI as part of the deal, while the remaining €2.000 has been placed on hold in an escrow account for a period of 12 months in order to cover any potential breach of warranties or undisclosed indebtedness. The Company is in the process of assessing the impact of this transaction, and such impact, if any, will be reflected in its annual financial statements through the application of equity accounting.

The share of net profit of investments accounted for using the equity method as at June 30, 2017 was gain of €1.694 recognised at Group level and is analysed as follows:

- Gain of €1.767 from the joint venture Piraeus Port Plaza 1

- Loss of €73 from the joint venture Grivalia Hospitality S.A.

9 Other long term receivables

Company's "Other long term receivables" for the period ended June 30, 2017, includes a shareholders loan of €8.070 (31.12.2016: €8.070) receivable from the foreign subsidiary Retail Development S.A.. Additionally, it includes accrued rental receivable of €2.931 (31.12.2016: €2.803). The intercompany loan is interest-bearing and interest recognized in financial income.

Group's "Other long term receivables" for the period ended on June 30, 2017, includes accrued rental receivable of €3.551 (31.12.2016: €3.455).

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

Notes to Interim Condensed Financial Information

10 Trade and other receivables

The analysis of trade and other receivables is as follows:

		Group		Company	
	Note	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Trade receivables		10.737	7.189	9.821	6.808
Receivables from related parties	**22**	450	226	3.687	215
Other receivables		2.717	2.989	2.457	1.742
Trade and other receivables		**13.904**	**10.404**	**15.965**	**8.765**

Trade receivables of the Company and the Group as at June 30, 2017, increased mainly due to the delayed rental payment from the Greek Public Sector.

Trade receivables of the Company as at June 30, 2017, include provisions for doubtful debts amounting to €1.662 (31.12.2016: €2.228), of which an amount of €566 was reversed during the period for receivables from the company Marinopoulos SA General Trade for three commercial real estate leases.

Trade receivables of the Group as at June 30, 2017, include provisions for doubtful debts amounting to €2.129 (31.12.2016: €3.146), of which an amount of €1.017 was reversed during the period for receivables from the company Marinopoulos SA General Trade for four commercial real estate leases.

As at June 30, 2017, the Company and Group's other receivables mainly included post-dated cheques.

The ageing analysis of trade receivables is as follows:

	Group		Company	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Trade receivables				
Due within due date	4.289	3.515	4.200	3.317
Past due but not impaired:				
- 4 to 6 months	6.448	3.674	5.621	3.491
- over 6 months	-	-	-	-
Doubtful debts	2.129	3.146	1.662	2.228
Less: Provision for doubtful debts past due	(2.129)	(3.146)	(1.662)	(2.228)
	10.737	**7.189**	**9.821**	**6.808**

Within the period Marinopoulos SA restructuring plan was irrevocably ratified by the court. Subsequently, the company "Ellinikes Yperagores Sklavenitis SA" in which the assets of Marinopoulos SA were transferred, undertook the obligation to repay the overdue balances of Marinopoulos S.A. of amount €5.216 on an interest free basis in 36 equal monthly instalments.

11 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Cash in hand	2.021	994	932	482
Cash at bank and short-term deposits	85.610	60.923	76.945	54.307
Cash and cash equivalents	**87.631**	**61.917**	**77.877**	**54.789**

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.

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

Notes to Interim Condensed Financial Information

12 Shareholder Equity

The Group's shareholder equity is analysed as follows:

	Number of shares (thousands)	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016	**99.095**	**215.684**	**571.234**	**(12.493)**	**2.430**	**12.532**	**90.417**	**879.804**
Acquisition of own shares	(1.178)	-	-	(8.588)	-	-	-	(8.588)
Profit for the period	-	-	-	-	-	-	5.041	5.041
Foreign exchange differences	-	-	-	-	-	13	-	13
Formation of statutory reserve of local subsidiary	-	-	-	-	-	143	(143)	-
Equity settled share based payments	-	-	-	-	723	-	-	723
Dividend relating to 2015 approved by the shareholders	-	-	-	-	-	-	(30.884)	(30.884)
Balance June 30, 2016	**97.917**	**215.684**	**571.234**	**(21.081)**	**3.153**	**12.688**	**64.431**	**846.109**
Balance January 01, 2017	**97.214**	**215.684**	**571.234**	**(25.957)**	**3.682**	**12.596**	**85.886**	**863.125**
Acquisition of own shares	(1)	-	-	(7)	-	-	-	(7)
Profit for the period	-	-	-	-	-	-	27.959	27.959
Foreign exchange differences	-	-	-	-	-	(87) -	3	(90)
Actuarial (losses) on post employment benefit obligations net of tax	-	-	-	-	-	(13)	-	(13)
Formation of statutory reserve of local subsidiary	-	-	-	-	-	179	(179)	-
Equity settled share based payments	-	-	-	-	630	-	-	630
Dividend relating to 2016 approved by the shareholders	-	-	-	-	-	-	(18.488)	(18.488)
Balance June 30, 2017	**97.213**	**215.684**	**571.234**	**(25.964)**	**4.312**	**12.675**	**95.175**	**873.116**

The total authorised number of ordinary shares as at June 30, 2017, is 101.260.000 (December 31, 2016 – 101.260.000) with a par value of (amount in €) €2,13 per share. All shares are fully paid up amounting to €215.684. All shares are listed in the main market of the Athens Stock Exchange. Company's shares are ordinary shares with voting rights.

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, at a price of €8,80 per share. Through this private placement, 10.000.000 shares, i.e. 9,88% of the total shares, were distributed to subsidiaries of FAIRFAX FINANCIAL HOLDINGS LIMITED (now Fairfax), which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and, on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved. Therefore, a Tender Offering liability emerged for Fairfax.

On July 20, 2017, «FAIRFAX FINANCIAL HOLDINGS LIMITED» announced the submission of a mandatory Tender Offer to all holders of common registered dematerialized voting shares of the Company.

Through the Tender Offer, Fairfax commits to acquire all of the shares, which are not held by Fairfax and Coordinated Persons at the Date of the Tender Offer. Therefore, the shares that are the subject of the Tender Offer amount to 49.239.630 shares representing 48,63% of the paid-up share capital and voting rights of the Company, including any own Shares held by the Company.

Fairfax offers €8,80 per share for each Share acquired through the tender offer.

The Acceptance Period, during which the Shareholders may declare the acceptance of the Tender Offer, starts on August 7, 2017 at 08:00 am. and ends on September 4, 2017 at the end of the opening hours of the banks operating in Greece.

Following the completion of the sale of the share held by Eurobank Ergasias SA dated July 04, 2017, Company's shareholder structure with stakes over 5%, is as follows:

- Fairfax Financial Holdings Limited 51,37%
- Wellington Management Company LLP 11,16%
- Brandes Investment Partners 5,00%
- Pacific Investment Management Company LLC 5,00%

The abovementioned percentage of Fairfax Financial Holdings Limited includes Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited), which owns directly 14.686.373 common shares amounting to 14,50% of Company's Share Capital. Furthermore it includes Clearwater Select Insurance Company (subsidiary of Fairfax Financial Holdings Limited) which owns directly 5.558.612 common shares amounting to 5,49% of Company's Share Capital.

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

Notes to Interim Condensed Financial Information

It is noted that the above percentages are in accordance with the TR1 disclosures notified by the above shareholders.

The Company during the current period purchased 948 own shares of a total cost of €7 with an average price of (amount in €) €7,61 per share, according to the Extraordinary General Meeting of the Shareholders dated on July 30th, 2015, which approved the purchase of own 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, with a maximum purchase price of (amount in €) €10 per share and a minimum purchase price of (amount in €) €0,25 per share, in accordance with article 16 of Law 2190/1920 as in force.

As at June 30, 2017 the Company owned 4.046.489 own shares of a total cost of €27.806 with an average price of (amount in €) €6,87 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841. As at June 30, 2016 the Company owned 3.342.973 own shares of a total cost of €22.922 with an average price of (amount in €) €6,86 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841.

Share based payment reserve

Share based payment reserve includes an amount of €4.312 relating to equity settled share based payments to key management, of which €548 was recognized as an expense in the account "Employee benefit expense- BoD" in the current period. The cost of these benefits is determined based on the fair value of these rights at the granting date and are recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

Additionally, this reserve includes an amount of €192 relating to additional benefits granted to key management of the Company in 2016, whose payment is deferred for 3 years. Finally, an amount of €110 was paid in the current period, which was postponed for 3 years and matured.

Other reserves

Other reserves mainly include statutory reserves and reserves from income taxed in a special way relating to gains from sale of shares not listed, namely the company Immobiliare Rio Nuovo S.p.A in the year 2002.

13 Borrowings including obligations under finance leases

All borrowings are at variable interest rates. 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. Interest costs may increase or decrease as a result of such changes.

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Non-current				
Bank borrowings	114.309	40.120	92.610	17.755
Finance lease liabilities	2.769	3.340	2.769	3.340
Non-current borrowings,including finance leases	**117.078**	**43.460**	**95.379**	**21.095**
Current				
Bank borrowings	7.886	7.640	4.189	3.939
Finance lease liabilities	1.144	1.143	1.144	1.143
Current borrowings, including finance leases	**9.030**	**8.783**	**5.333**	**5.082**
Total borrowings, including finance leases	**126.108**	**52.243**	**100.712**	**26.177**

On March 09, 2017, an amount of € 32.000 was disbursed from the loan granted by the International Finance Corporation.

On March 14, 2017 the Company issued two common bond loans secured with pledges, of an amount of €50.000 and €10.000 respectively. Both bond loans were fully covered by Eurobank Ergasias (90%) and Eurobank Private Bank Luxembourg (10%). On March 15, 2017, an amount of €33.750 and an amount of €10.000 were disbursed respectively from the above two bond loans.

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

Notes to Interim Condensed Financial Information

The maturity of bank borrowings, including finance leases is as follows:

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Up to 1 year	9.030	8.783	5.333	5.082
From 1 to 5 years	97.453	43.460	75.754	21.095
Over 5 years	19.625	-	19.625	-
	126.108	**52.243**	**100.712**	**26.177**

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

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 discounted cash flows using a rate based on current variable interest rates.

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

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Three mortgages amounting to €4.660 have been registered in favor of Eurobank A.D. Serbia over a property belonging to the subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia.

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. 6A 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 signed in favor of the International Finance Corporation (IFC) on the property of the parent company located in Nikaia, at 96-98 Kifissou Street.

14 Trade and other payables

The analysis of trade and other payables is as follows:

		Group		Company	
	Note	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Trade payables		1.046	1.645	903	1.164
Other payables and accruals	**22**	7.290	7.888	6.707	7.283
Amounts due to related parties		367	252	340	252
Trade and other payables		**8.703**	**9.785**	**7.950**	**8.699**

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

Notes to Interim Condensed Financial Information

"Other payables and accruals" for the Group and the Company as of June 30, 2017, include an amount of €3.560 (31.12.2016: €3.521) 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 14 properties to the Hellenic Republic.

15 Property Taxes

"Property taxes" for both the Company and the Group as at June 30, 2017, amount to €2.388 and €2.858 respectively (30.06.2016: €2.610 and €3.133 respectively). This item mainly includes a provision for the aggregate tax on property (ENFIA), which for the Company and Group for the period ended June 30, 2017, amounted to €2.251 and €2.507 respectively (30.06.2016: €2.491 and €2.776).

16 Other income

As at June 30, 2017 Company's figure " Other income" includes dividends receivable from its subsidiary Cloud Hellas Ktimatiki S.A. amounting to €3.400.

17 Taxes

	Group		Company	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Current tax	3.830	1.171	3.315	858
Tax audit differences	-	189	-	189
Taxes	**3.830**	**1.360**	**3.315**	**1.047**

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 July. 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.

Current tax liabilities include the above-mentioned current tax payable. Management periodically evaluates its position on issues related to the tax authorities and establishes provisions where appropriate on the amounts expected to be paid.

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 period ended June 30, 2017 includes tax on total assets (current tax) of €3.315 and €3.576 respectively (30.06.2016: €858 and €931 respectively). Asset tax for the Group includes the Company and its subsidiary Cloud Hellas Ktimatiki S.A., which is incorporated in Greece and taxed under REICs' tax regime.

Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 16% in Romania and 10% in Serbia, applicable to each respective tax jurisdiction. For the period ended June 30, 2017 for the subsidiaries located in Romania the income tax amounted to €237 (30.06.2016: €230), whereas for the subsidiary located in Serbia and Luxembourg no significant taxes arose.

Notes to Interim Condensed Financial Information

18 Dividends per share

On March 22, 2017, Company's Shareholders Meeting approved the distribution of dividend from profits of the year 2016 amounting to €18.488 ([amount in €] €0,183 per share).

The payment of dividend commenced on April 03, 2017, through the paying Bank, Eurobank Ergasias S.A..

19 Earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Basic and diluted earnings per share for the six month period ended June 30, 2017 amounted to €0,29 (30.06.2016: €0,05).

20 Contingent Liabilities

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.

Finally, the Company 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 year 2011, 2012, 2013, 2014 and 2015, while it is expected to receive a tax certificate for the year 2016. Management does not believe that any significant additional taxes will be finally assessed.

21 Capital expenditures

On June 30, 2017 Group's capital expenditure relating to improvements on investment property amounted to €2.644.

22 Related party Transactions

As at June 30, 2017 the Company was controlled by Eurobank Ergasias S.A. (incorporated in Athens and listed on the Athens Stock Exchange, Greece). Following the completion of Company's Share Capital increase on January 31, 2014 and the listing of the new shares in Athens Stock Exchange on February 06, 2014, the participation of the Eurobank Ergasias S.A. in Company's Share Capital was 33,95%.

On June 25, 2014 Eurobank Ergasias S.A. sold through the Athens Stock Exchange to institutional investors 13.636.848 of common shares with voting rights, which correspond to 13,47% of Company's Share Capital. Following the completion of this transaction the participation of the Eurobank Ergasias S.A. in the Company's Share Capital reduced from 33,95% to 20,48%.

During the first half 2016, the Group Eurobank Ergasias S.A. acquired 0,45% shareholding in the Company through companies Eurolife ERB General Insurance S.A. and Eurolife ERB Asigurari Generale S.A. In August 2016, the total share of the Group Eurobank Ergasias S.A. in the Company decreased from 20,93% to 20,00%, due to the sale of their insurance operations.

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, at a price of € 8,80 per share. Through this private placement, 10.000.000 shares, i.e. 9,88% of the total shares, were distributed to subsidiaries of FAIRFAX FINANCIAL HOLDINGS LIMITED (now Fairfax), which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and,

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

Notes to Interim Condensed Financial Information

on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved (see note 12).

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

The following transactions were carried out with related parties:

a) Rental income received and sale of services

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Rental income				
Parent (Bank Eurobank Ergasias S.A.)	6.110	5.786	3.077	2.893
Other related parties	8.221	8.087	4.085	4.044
	14.331	**13.873**	**7.162**	**6.937**

Group's rental revenues from leases with Eurobank Ergasias S.A. amount to 19% for the period ended June 30, 2017 (30.06.2016: 19%).

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Rental income				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	13	13	6	6
Parent (Bank Eurobank Ergasias S.A.)	6.110	5.786	3.077	2.893
Other related parties	3.445	3.492	1.698	1.746
	9.568	**9.291**	**4.781**	**4.645**

b) Purchase of services- Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.[Romania])	10	10	5	5
Subsidiary of parent company (ERB Property Services d.o.o. Beograd)	4	4	1	2
	14	**14**	**6**	**7**

c) Insurance expense of investment property

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	211	197	106	99
Subsidiary of parent company (Eurolife ERB Asigurari Generale S.A.)	13	14	6	7
Other related parties	(26)	(25)	(13)	(25)
	198	**186**	**99**	**81**

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

Notes to Interim Condensed Financial Information

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	190	177	95	94
Other related parties	(14)	(12)	(7)	(12)
	176	**165**	**88**	**82**

d) Insurance expenses for personnel- Group and Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Other employee benefits				
Subsidiary of parent company (Eurolife ERB Life Insurance S.A.)	120	126	62	69
	120	**126**	**62**	**69**

e) Income from dividends received

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Subsidiary (Cloud Hellas Ktimatiki S.A.)	3.400	2.700	-	2.700
Subsidiary (Reco Real Property A.D.)	-	2.770	-	139
Subsidiary (Seferco Development S.A.)	-	2.463	-	-
	3.400	**7.933**	**-**	**2.839**

f) Finance Costs

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	931	149	513	73
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	261	250	153	118
Subsidiary of parent company (Eurobank A.D. Beograd)	12	14	6	7
Subsidiary of parent company (SC Bancpost S.A.)	2	2	1	1
Subsidiary of parent company (New Europe Funding B.V.)	23	26	12	13
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	40	59	21	27
	1.269	**500**	**706**	**239**

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

Notes to Interim Condensed Financial Information

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	808	16	452	8
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	44	1	37	-
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	40	59	21	27
	892	**76**	**510**	**35**

g) Interest income earned on cash and cash equivalents

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Parent (Bank Eurobank Ergasias S.A.)	31	51	12	4
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	19	-	19
Subsidiary of parent company (Eurobank A.D. Beograd)	1	4	1	-
Subsidiary of parent company (SC Bancpost S.A.)	-	1	-	-
	32	**75**	**13**	**23**

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Subsidiary (Retail Development S.A.)	243	245	122	123
Parent (Bank Eurobank Ergasias S.A.)	22	50	6	3
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	18	-	18
	265	**313**	**128**	**144**

h) Property relating taxes (re-invoices of property duties from tenants)

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Other related parties	14	15	7	7
	14	**15**	**7**	**7**

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

Notes to Interim Condensed Financial Information

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Other related parties	6	6	3	3
	6	**6**	**3**	**3**

i) Key management compensation

Group

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Key management compensation	1.406	1.332	397	339
Equity settled share based payments	548	529	274	264
	1.954	**1.861**	**671**	**603**

Company

	Six month period ended		Three month period ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Key management compensation	1.216	1.197	207	204
Equity settled share based payments	548	529	274	264
	1.764	**1.726**	**481**	**468**

As at June 30, 2017, the balance of interest bearing loans advanced to key management amounted to €173.

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

Notes to Interim Condensed Financial Information

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

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Other long term receivables				
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	1.575	1.356	1.575	1.356
Other related parties	441	491	401	450
	2.016	**1.847**	**10.046**	**9.876**
Trade and other receivables from related parties				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	3.400	-
Subsidiary (Retail Development S.A.)	-	-	122	124
Parent (Bank Eurobank Ergasias S.A.)	4	1	1	1
Other related parties	446	225	164	90
	450	**226**	**3.687**	**215**
Trade payables to related parties				
Parent (Bank Eurobank Ergasias S.A.)	54	37	54	37
Other related parties	313	215	286	215
	367	**252**	**340**	**252**
Long-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	1.861	1.852	1.861	1.852
Other related parties	337	334	337	334
	2.198	**2.186**	**2.198**	**2.186**
Other non-current liabilities				
Parent (Bank Eurobank Ergasias S.A.)	196	223	196	223
	196	**223**	**196**	**223**
Short-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	18	18	18	18
	18	**18**	**18**	**18**
Long-term borrowings,including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	39.015	-	39.015	-
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	25.949	22.194	4.335	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	2.769	3.340	2.769	3.340
Subsidiary of parent company (Eurobank A.D. Beograd)	50	100	-	-
Subsidiary of parent company (New Europe Funding B.V.)	35	70	-	-
	67.818	**25.704**	**46.119**	**3.340**
Short-term borrowings,including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	2.272	1.738	2.272	1.738
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.286	1.228	62	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	1.144	1.143	1.144	1.143
Subsidiary of parent company (Eurobank A.D. Beograd)	102	102	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.370	2.370	-	-
	7.174	**6.581**	**3.478**	**2.881**
Cash and cash equivalents				
Parent (Bank Eurobank Ergasias S.A.)	4.637	4.357	2.094	3.225
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	17.801	1.622	17.186	432
Subsidiary of parent company (Eurobank A.D. Beograd)	998	814	-	-
Subsidiary of parent company (SC Bancpost S.A.)	338	655	1	-
	23.774	**7.448**	**19.281**	**3.657**

It is noted that "other long term receivables" for the Group include receivable arising from the recognition, during the lease term, from various incentives offered to tenants.

k) Commitments and contingent liabilities

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

Notes to Interim Condensed Financial Information

23 Events after the balance sheet date

1. 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, at a price of €8,80 per share. Through this private placement, 10.000.000 shares, i.e. 9,88% of the total shares, were distributed to subsidiaries of FAIRFAX FINANCIAL HOLDINGS LIMITED (now Fairfax), which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and, on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved. Therefore, a Tender Offering liability emerged for Fairfax.

   On July 20, 2017, «FAIRFAX FINANCIAL HOLDINGS LIMITED» announced the submission of a mandatory Tender Offer to all holders of common registered dematerialized voting shares of the Company.
   Through the Tender Offer, Fairfax commits to acquire all of the shares, which are not held by Fairfax and Coordinated Persons at the Date of the Tender Offer. Therefore, the shares that are the subject of the Tender Offer amount to 49.239.630 shares representing 48,63% of the paid-up share capital and voting rights of the Company, including any own Shares held by the Company.

   Fairfax offers €8,80 per share for each Share acquired through the tender offer.

   The Acceptance Period, during which the Shareholders may declare the acceptance of the Tender Offer, starts on August 7, 2017 at 08:00 am. and ends on September 4, 2017 at the end of the opening hours of the banks operating in Greece.

2. On July 06, 2017 based on the relevant notification by the company "Pacific Investment Management Company LLC" (PIMCO), PIMCO acquired indirectly through controlled entities on July 04, 2017 5.065.000 common shares with voting rights, issued by the Company corresponding to 5,00% of its common shares with voting rights. As result of this transaction, the percentage of voting rights held in total (indirectly) by PIMCO in the Company amounted to 5,00% from 0,00% on July 4, 2017. It should be underlined that the above percentage of shares with voting rights is held by the entities Lilium S.a r.l. and PIMCO Global Credit Opportunity Master Fund LDC, controlled by PIMCO, each one of them holding directly a percentage below 5%.

3. On July 13, 2017 the Company announced that the joint venture of Grivalia Hospitality S.A. with Macedonian Hotels S.A. was the highest bidder in the Tender announced by Eurobank Ergasias S.A. and related to the acquisition of "Olympos Naoussa" property in Thessaloniki. The offered amount was €5.460.

   More specifically, Grivalia Hospitality SA and Macedonian Hotels SA, a successful hotel company with long presence in Northern Greece, commonly agreed on the creation of an investment vehicle, with a 65/35 participation respectively, with the purpose of acquiring the historic listed asset of "Olympos Naoussa" located on 5th Nikis Avenue in Thessaloniki, in order to further develop and transform it into a luxury boutique hotel. The development phase of the asset, will start right after the completion of the transaction, and is expected to contribute significantly on the local economy through the creation of new jobs, the enhancement of the touristic product and have a positive aesthetic effect on the coastal front of the city.

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

Notes to Interim Condensed Financial Information

4. On July 27, 2017 the Company announced the participation of a fund ("the New Investor") managed by international investment firm M&G investments in the share capital of its Luxembourg based hospitality platform Grivalia Hospitality S.A. through a share capital increase of €60.000 that was fully covered by the New Investor. Grivalia Properties and Eurolife ERB Life Insurance Company S.A. have already contributed €60.000 in total. As a result of the transaction, the total issued and paid up share capital of the company amounts now to €120.000 divided into 120.000.000 shares of (amount in €) €1 per share, out of which, 25% are owned by Grivalia Properties, 25% by Eurolife and 50% by the fund which is managed by M&G investments located in London.

The Interim Condensed Financial Information for the six month period ended June 30, 2017 were approved by the Board of Directors on August 11, 2017 and is 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		

Category	Title	Upload Date
Transaction Disclosure	Announcement- Acquisition of Treasury Shares 02.01.2017	3/1/2017
Transaction Disclosure	Announcement- Acquisition of Treasury Shares 03.01.2017	4/1/2017
Press Releases and Other Announcements	Grivalia Hospitality announces its first investment 17.01.2017	17/1/2017
Press Releases and Other Announcements	Grivalia Hospitality acquires majority stake at Isla Pedro Gonzalez (Pearl Island) in Panama 17.01.2017	17/1/2017
Financial Results | 2016	Consolidated and Company Financial Statements for the year ended 31.12.2016	3/2/2017
Financial Results | 2016	Investment Schedule 31.12.2016	3/2/2017
Press Releases and Other Announcements	Net profit of €26.4m for the year 2016 for Grivalia Properties 03.02.2017	3/2/2017
Press Releases and Other Announcements	Issuance of a Bond Loan of up to €20m from the joint company Piraeus Port Plaza 1 08.02.2017	8/2/2017
Press Releases and Other Announcements	IFC Invests in Grivalia to Enhance Business Infrastructure and Boost Energy Efficiency in Greece 09.02.2017	9/2/2017
Press Releases and Other Announcements	Acquisition of two assets in 340, Syngrou Avenue, Kallithea & 49, Kifissias Avenue, Maroussi, Attica 10.02.017	10/2/2017
Press Releases and Other Announcements	Share Capital Increase in Grivalia Hospitality with simultaneous participation of a strategic investor 20.02.2017	20/2/2017
Press Releases and Other Announcements	GOLD certification for GRIVALIA's "Green Plaza" building complex 21.02.2017	21/2/2017
Press Releases and Other Announcements	Invitation to the Ordinary General Shareholders' Meeting on	22/2/2017
Press Releases and Other Announcements	Proxy form for the participation in the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	22/2/2017
Press Releases and Other Announcements	Information Pack for the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	22/2/2017
Press Releases and Other Announcements	Proposal to distribute a dividend of 0.18258 euro/share for 2016 23.02.2017	23/2/2017
Press Releases and Other Announcements	Pearl Island transaction conclusion 14.03.2017	14/3/2017
Press Releases and Other Announcements	Issuance of two (2) Bond Loans of a total amount of €60m 14.03.2017	14/3/2017
Press Releases and Other Announcements	Resolutions of Ordinary General Shareholders Meeting 22.03.2017	22/3/2017
Press Releases and Other Announcements	Announcement of Dividend Distribution for year 2016 22.03.2017	22/3/2017
Press Releases and Other Announcements	Clarifications on the means of payment of 2016 dividend 23.03.2017	23/3/2017
Press Releases and Other Announcements	Clarifications on the exact amount of 2016 dividend 24.03.2017	24/3/2017
Press Releases and Other Announcements	Election of a new B.o.D. member in the place of a resigned member 02.05.2017	2/5/2017
Press Releases and Other Announcements	Net profit of €11.7 million for the first quarter of 2017 for Grivalia Properties 22.05.2017	22/5/2017