Grivalia Properties REIC

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Table of Contents of Annual Financial Report for the year ended December 31, 2017 **page**

Statement of the members of the Board of Directors

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

To the best of our knowledge, the Annual Financial Statements of GRIVALIA PROPERTIES REIC for the year ended December 31, 2017 complies with applicable accounting standards, and presents fairly the assets, liabilities, equity and income statement of GRIVALIA PROPERTIES REIC and the undertakings included in the consolidation taken as a total.

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

Maroussi, January 30, 2018

The undersigned

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

THE ANNUAL BOARD OF DIRECTORS' REPORT FOR "GRIVALIA PROPERTIES REAL ESTATE INVESTMENT COMPANY" FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Shareholders,

According to Law 3556/2007 and Codified Law 2190/1920, we present the Board of Directors' annual report of "Grivalia Properties REIC" for the Consolidated and Separate Financial Statements for the year ended December 31, 2017. This report contains the information as required by article 43bb of the codified law 2190/1920, the Annual Consolidated and Separate Financial Statements for the year 2017, the notes on these financial statements based on IFRS and the Independent Auditor's Report.

GROUP FINANCIAL POSITION

The Greek economy continued its recovery throughout 2017. Within 2017, the second review of the third Financial Adjustment Program was successfully completed, while the third review is progressing positively and is anticipated to be completed in the upcoming months. These facts helped to consolidate a climate of trust, contributed positively to liquidity and resulted in encouraging indications for direct foreign investments. The completion of financial adjustment is expected within 2018 and it should be accompanied by a growth plan, lift of capital controls and completion of reforms so that Greek economy returns to conditions of normality and growth.

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

The commercial property sector posted stabilization trends with prime assets holding a more advantageous position, posting a slightly rising trend. The Company continued to successfully manage its credit risk both in terms of receivables and cash balances. The Company's portfolio was expanded to include high solvency tenants. As a result, the Group maintained very high occupancy rates of leased property compared to the Group's total property (circa 95%). Despite the adverse tax environment, the Group increased its profitability, while it also continued to implement corporate social responsibility programs at schools, universities and to carry out many 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 part of this framework; this investment amounted to approximately €7.000 while it was certified with LEED for Core and Shell at the 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. Furthermore, the Company was granted the BREEAM certification ranked as Excellent for the building at 68, Vas. Sofias Avenue in Athens; the Company was granted the BREEAM certification ranked as Very Good for the building of Arcania Business Center at 18-20 Amarousiou-Chalandriou Avenue; the BREEAM certification ranked as Good for its properties in Elliniko, Metamorfosi, Tavros and Pylaia Thessaloniki.

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.

Finally, the Company was awarded four important distinctions at the annual 2017 company awarding by the European Public Real Estate Association, as a recognition for the consistency and transparency of the two annual reports issued this year; it is thus the first Greek company to have received such a distinction by this institution. The Company received the highest compliance scoring with the Best Practices Recommendations of EPRA for the preparation of financial reports (BPR) and sustainability reports (S-BPR), marking an exceptional improvement at the same time, compared to last year, in the alignment of its annual reports with the international standards issued by EPRA. More specifically, the Company was granted the "Gold BPR" and "BPR Most improved" awards for the 2016 Annual Financial Report and the "Gold S-BPR" and "S-BPR Most improved" awards for the Sustainability Reporting issued for the year 2016.

For a second consecutive year, the Company participated in the Global Real Estate Sustainability Benchmark ("GRESB") survey, posting an exceptional improvement in its performance compared to the previous year, being ranked for the first time in the "Green Star" category.

As at December 31, 2017, the Group's portfolio included one hundred and fourteen (114) properties. The majority of the Group's portfolio properties are located in Greece, seventy (70) of which are located in the broader area of Athens and the remaining thirty eight (38) properties are situated in other big cities in Greece and one (1) land plot is located in the area of Spata. In Central and Eastern Europe, the Group holds two (2) commercial properties in Serbia and three (3) in Romania.

As at December 31, 2017, the Group's investment property portfolio encompassed properties of a total leasable area at approximately 861.208sqm with a fair value at €954.393, as valued by the independent certified valuators AVENT S.A. (NAI HELLAS) and Savills Hellas LTD.

The total number of Company and Group employees as at December 31, 2017 stands at 28 and 31 respectively (31.12.2016: 28 and 31).

As at December 31, 2017, the Company and the Group have no branches.

Revenue: The Group's revenue for the financial year 2017 amounts to €64.984 versus €61.305 posting an increase by €3.680 or by 6%. The turnover increase is mainly due to the incorporation of income deriving from investments that were implemented in 2016 as well as from new investments made during the reference year. An increase was also posted due to the leasing of empty spaces and the readjustment of rents.

Net gain/(loss) from fair value adjustments on investment property: The Group's profits from fair value adjustments on investment property for the financial year 2017 amounted to €18.855, versus losses of (€13.593) in the previous year. This increase is due both to new investments and to the existing portfolio.

Operating profit: The Group's operating profit for the financial year 2017 stood at €65.369 versus profits of €32.427 in the previous year showing a €32.941 or 102% increase. The Group's operating profit not including (profits)/losses from fair value adjustments on investment property, provision for bad debt and other income stood at €46.379 versus €46.040 in the previous year, posting a reduction by €339 or 1%.

Finance Income: The Group's finance income for the financial year 2017 stood at €993 versus €807 in the previous period, posting an increase by €186 or by 23%. The financial income increase is attributed to successful cash management.

Finance costs: The Group's financial costs for the financial year 2017 stood at €4.177 versus €2.805 in the previous period, posting an increase by €1.372 or by 49%. This increase is due to the Company's increased loans.

Share of net profit of investmnts accounted for using the equity method: The result derives from the share of profit that is incorporated in the Group from the joint ventures Grivalia Hospitality S.A. as well as Piraeus Port Plaza 1.

Taxes: The Group's taxes for the financial year 2017 stood at €7.927 versus €4.974 in the previous year, posting an increase by €2.953 or by 59%. As described in note 21 in the Annual Consolidated and Separate Financial Statements, the Company is subject to a tax determined by reference to the fair value of its investment properties and to cash and cash equivalents at a tax rate of 10% on the applicable European Central Bank intervention (reference interest rate) plus one percentage unit (1%). Based on the new tax law, the tax due shall not be lower than 0.75% (annually) of its investments.

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

Profit after tax: As a result of the above, profit after tax for 2017 amounted to €63.147 compared to €26.437 for the previous year.

Treasury Shares: In 2017, the Company proceeded to the purchase of 948 treasury shares at a total cost of €7 with an average acquisition price (amount in €) at €7.61 per share (price lower by €1.36 or by 15% compared to its net book value as at December 31, 2017), in accordance with the decision of the Extraordinary General Meeting of Shareholders dated July 30, 2015, offering anew a two-year license for the purchase of treasury shares of a maximum number by up to 10% of the Company's Share Capital, namely the maximum statutory allowed rate on the paid up Share Capital with a maximum purchase price (amount in €) of €10 per share and minimum price (amount in €) of €0.25, pursuant to the provisions of article 16 of C.L. 2190/1920 as in effect today. As at December 31, 2017, the Company held 4.046.489 treasury shares of a total cost of €27.806, excluding the sale of pre-emption rights of treasury shares amounting to €1.841, with an average acquisition price (amount in €) at €6.87 per share. As at December 31, 2016, the Company held 4.045.541 treasury shares of a total cost of €27.798, excluding the sale of pre-emption rights of treasury shares amounting to €1.841, with an average acquisition price (amount in €) at €6.87 per share.

Basic Ratios

The Group performs a monthly evaluation of its results and how it has performed so that it can quickly and effectively identify any variances from its objectives and take corrective measures when deemed necessary. The Group's performance is measured using the following financial performance indicators (which are used internationally):

	31.12.2017	31.12.2016
Liquidity Ratios		
Current Ratio	2,4x	3,1x
Leverage ratios		
Total Debt to Total assets	13%	6%
Loans to value (L.T.V.)	14%	6%
Market ratios		
Net Assets Value (N.A.V. amount in €)	€8,96	€8,52

Funds from Operations

	31.12.2017	31.12.2016	Movement	%
Funds from Operations (F.F.O.)	34.763	37.667	(2.904)	(8%)

Adjusted EBITDA

	31.12.2017	31.12.2016	Movement	%
Adjusted EBITDA	46.637	46.137	500	1%

SIGNIFICANT EVENTS DURING THE YEAR

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.

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 provided for all important decisions by consensus. As a result the Company lost the control of the subsidiary. Following the above the Company owned 50% of Grivalia Hospitality which was 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..

9. 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 committed to acquire all of the shares, which were not held by Fairfax and Coordinated Persons at the Date of the Tender Offer. Therefore, the shares that were the subject of the Tender Offer amounted 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 offered €8,80 per share for each share acquired through the Tender Offer.

   The Acceptance Period, during which the Shareholders could declare the acceptance of the Tender Offer, started on August 7, 2017 at 08:00 am. and ended on September 4, 2017 at the end of the opening hours of the banks operating in Greece. During the Acceptance Period, a total of 57.362 Shares were offered, representing approximately 0,06% of the total paid-up Share Capital and voting rights of the Company. Therefore, upon completion of the over the counter transactions of the Offered Shares, FAIRFAX FINANCIAL HOLDINGS LIMITED holds a total of 52.077.732 shares representing approximately 51,43% of the total paid-up share capital and voting rights of the Company.

10. 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.

11. 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%.

12. 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.

On December 01, 2017 the Company announced that the acquisition of the "Olympos Naoussa" asset in Thessaloniki by the joint venture of Grivalia Hospitality S.A. & Macedonian Hotels S.A. ("OL.NA.") had been typically concluded.

13. 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.

14. On September 21, 2017 the Company announced that it has been declared as the preferred bidder in an e-auction conducted by PQH Single Special Liquidation SA, as special liquidator of ATE Leasing, for the acquisition of 50% undivided interest over a commercial asset, located in 340, Syngrou Avenue in Kallithea, Attica. The asset is a modern, mixed-use, multi-storey building with excellent visibility. The total area is approximately 31,100sqm, of which 13,950sqm are office & retail areas and 17,150sqm comprise 400 parking spaces on four underground levels and other auxiliary & common areas. The asset is partially leased to a multinational electrical & electronic equipment chain and to a media company. Since early 2017 the Company is already the owner of the remaining 50% of the undivided interest over the property.

    On October 23, 2017, the Company announced that the acquisition of the commercial asset been completed and is the single-owner of the asset. The total paid up consideration for the acquisition of the asset amounted to €14.360 (excluding acquisition costs amounting to €197).

15. On October 18, 2017 the Company announced the acquisition of a portfolio of fifteen retail assets (supermarkets) and one land plot for which it was declared as the preferred bidder in a Public Auction. The total built area of the portfolio is 48,477sqm; seven units are located in Athens, two in Thessaloniki, one in each of Rethymno, Veria, Xanthi, Rhodes & Trikala, and one unit together with an additional land plot in Agrinio. The transaction involves the acquisition of 100% of the properties except for one unit in Kolonaki (50.00% indivisible ownership) and one in Egaleo (43.75% indivisible ownership).

    More specifically, the auction was held on 10th February, 2017 and comprised the total assets of "ZENON PROPERTIES SA", a company under special liquidation. The total price offered for the acquisition of the portfolio was €16.250 (excluding acquisition costs amounting to €161). The portfolio is currently leased to Sklavenitis Group. It is noted that the Company had acquired the subject property portfolio in December 2002 for approximately €60.000 and disposed it in November 2005 for approximately € 69.000.

16. On November 30, 2017 the Company announced the acquisition of two stand-alone assets with retail use, located in 69B Vouliagmenis Avenue, in Athens, and 59 Andrea Lazaraki street in Glyfada. In detail, the Company acquired two retail assets with modern specifications and excellent promotion. Total area is c. 12.400sqm, 5.130sqm of which concern the asset in Athens and 7.270sqm concern the asset in Glyfada. The assets are fully leased, mainly to a major Greek supermarket chain. The total acquisition price for the two assets was €22.575 (excluding acquisition costs amounting to €96).

17. On December 21, 2017 the Company announced the acquisition of a stand-alone asset with retail use, located in 152 Charilaou Trikoupi street in Nea Erythraia. In detail, the Company acquired a retail asset with modern specifications and excellent promotion in a traditional high-street retail location of the northern suburbs. Asset's area is c. 930 sqm and is fully leased to a multinational clothing retailer. The acquisition price for the asset was €2.650 (excluding acquisition costs amounting to €38).

18. On December 22, 2017 the Company announced the acquisition of a landmark listed asset, located on 101 Grigoriou Lampraki Avenue and Vas. Georgiou in Piraeus. In detail, the Company acquired a stand-alone listed asset of unique neoclassical architecture with excellent promotion, in the most central area of Piraeus. The building was constructed in the end of 19th century and was designed by the famous German architect Enrst Ziller and has been designated as a historical listed monument by the Ministry of Culture. The asset has commercial uses with a total area of c. 1.530 sqm. The acquisition price for the asset was €4.138 (excluding acquisition costs amounting to €5).

19. On December 29, 2017 the Company acquired horizontal properties in an asset, located on 50 Agiou Konstantinou Street in Maroussi, Attica. In detail, the asset is a modern building with great visibility in a central area of Maroussi, with retail

ground floor, offices in five levels and parking and storage spaces in four underground levels. The total surface of the acquired properties is approximately 5.470 sqm, of which 2.790 sqm are main use. The properties are fully leased, mainly to multinational companies. The acquisition price for the horizontal properties was €7.500 (excluding acquisition costs amounting to €114).

SUBSEQUENT EVENTS

On January 26, 2018 the Company announced in accordance with the provision of Law 3556/2007 that the total percentage in the share capital and voting rights of the Company which "Brandes Investment Partners LP" indirectly held on 23.01.2018, has decreased to under 5% limit, as this was notified to the Company by "Brandes Investment Partners LP" the following day on January 24, 2018.

According to the above notification, "Brandes Investment Partners LP" held on January 24, 2018.indirectly, 5.054.806 shares and voting rights of the Company amounting to 4.99% of its share capital.

"Brandes Investment Partners LP" is a U.S. based SEC registered investment adviser that has voting discretion over some, but not all holdings in client portfolios and does not hold legal title over any securities. "Brandes Investment Partners LP" has full voting discretion over the 5.054.806 voting rights reported and no individual client holds a stake over 5%.

There are no other significant events have taken place after December 31, 2017, which affect either the Group or the Company's financial position that need to be mentioned according to the International Financial Reporting Standards.

OUTLOOK

The outlook for Greek economy in 2018 is positive. Confidence in such prospects is further reinforced by the nascent successful third review completion and by the completion of the financial assistance program next August. There are many challenges to be tackled but a key prerequisite is the shift of financial policy towards growth.

In this context, the expectations regarding the real estate market outlook are positive. Prices for prime real estate are anticipated to post further increasing trends. The lift of capital controls and the implementation of the privatization program are likely to drive to further decrease in country risk and to attracting foreign investments, reviving thus the sector the Group operates in.

The Group's rental income for 2018 is expected to present further increase due to the Group's investments in the previous year and the new investments.

Adhering always to its values, the Company will continue implementing its investment strategy keeping high its investment standards; it seeks to find new investment opportunities to capitalize on its liquidity while analyzing and constantly assessing the arising economic conditions.

In conclusion, the Company remains steadfast to its fundamental investment objective being the creation of long term value for its shareholders. The high quality property portfolio that generates stable income and the high for current standards liquidity render the Company dominant in the markets of Greece and New Europe allowing it to achieve its objectives.

SIGNIFICANT RISKS

Fluctuations in Property Values

Changes in property values have an impact on the Income Statement and the Balance Sheet according to their market value. During the financial year that ended on December 31, 2017, the Group recorded profits from fair value readjustments on investment property, as analysed on page 6. Any fluctuations in market values have a significant impact on the Group's profitability and assets. The Company concludes long term lease agreements with quality tenants.

Non-Performance of Tenants

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

Interest rate risk

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

Financial risk

The Group is exposed to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. Financial risks are related to the following financial instruments: Trade and other receivables, cash and cash equivalents, suppliers and other liabilities, short term and long term guarantees and borrowing. The accounting policies related to the above financial instruments are described in note 2.

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

a) Market Risk

i) Currency risk

The Group operates internationally but is not significantly exposed to foreign currency risks. Currency risk derives mainly from investments in foreign subsidiaries and is not deemed significant. The Group exposure to currency risk as at December 31, 2017 and December 31, 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 risk from fluctuation of prices in the value of property and rents. To reduce price risk, the Group concludes long term operating leases with most of the tenants for a duration of 12 up to 20 years. The annual readjustments of rents are connected with the Greek CPI and the harmonized CPI on a case by case basis; in case of deflation, there is no negative impact on the Group and Company income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales. Contingent rents for the year ended December 31, 2017 have had no material effect on the income statement either for the Group or the Company. The Group is not exposed to financial instruments related risk since it does not hold equity instruments.

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

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

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

The Group is exposed to fluctuations in the interest rates prevailing in the market affecting its financial position and cash flows. The borrowing cost is likely to rise as a result of such changes and losses may be incurred, or the borrowing cost is likely to decrease upon occurrence of unforeseen events. To mitigate the Group's exposure to interest rates fluctuations due to long term financial leases and its loan contracts, the readjustment dates of interest rates are limited based on agreement in a maximum six-month period. If the reference rate changes by +/-1%, the impact on the Group's results is estimated at -/+ €844 (31.12.2016: +/- €97).

b) Credit Risk

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

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

c) Liquidity risk

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

Inflation Risk

The Group's exposure to inflation risk has been minimized because it concludes long term operating leases with most of the tenants for a duration of 12 up to 20 years. The annual readjustments of lease payments are connected with the Greek CPI and the harmonized CPI on a case by case basis; in case of deflation, there is no negative impact on the Group and Company income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales. Contingent rents for the year ended December 31, 2017 have had no material effect on the income statement either for the Group or the Company

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

Sustainability Risks

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

External Factors

The Company has investments in Romania, Serbia, Luxembourg and Central America. The Group may be influenced by external factors such as political 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 26 in the Annual Consolidated and Separate Financial Statements for the financial year ended on December 31, 2017.

CORPORATE GOVERNANCE

I. Corporate Governance Code

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

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

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

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

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

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

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

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

Internal Audit System

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

Code of conduct

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

Organizational Structure

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

Duties and Responsibilities

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

Information Systems

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

Planning-Monitoring

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

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

Accounting Program

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

Internal Audit Framework

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

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

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

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

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

Risk Management

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

ii. With regard to points (c), (d), (f), (h) and (i) of paragraph 1, article 10, Directive 2004/25/EC

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

iii. Information on the General Shareholders Meeting

- **Main powers**

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

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

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

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

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

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

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

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

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

iv. Information on the Board of Directors and its Committees

a) Board of Directors composition and operation

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

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

Nikolaos A. Bertsos, Non-executive Chairman

Wade Sebastian Burton, Non-executive Vice-Chairman

Georgios Chryssikos, CEO- Executive Member

Stavros Ioannou, Non Executive Member

Georgios Bersis, Non Executive Member

Jamie Lowry, Non Executive Member

Takis Kanellopoulos, Independent Non Executive Member

Georgios Katsimbris, Independent Non Executive Member

Dimitrios Papadopoulos, Independent Non Executive Member

Georgios Papazoglou, Independent Non Executive Member

Ignace- Charles Rotman, Independent Non Executive Member

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

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

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

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

b) Board of Directors Committees composition and operation

Audit Committee

- The Audit Committee is a BoD committee that monitors and supervises the financial reporting and information procedure, the Company's compliance and its subsidiaries with the legal and regulatory operation framework, the audit system procedure and the exercise of audit function oversight; it assists the BoD in fulfilling its supervisory duty in these sectors.
- The Audit Committee members are appointed by the General Shareholders Meeting, following a relevant BoD proposal, after a corresponding evaluation taking into account the respective suggestion by the Remuneration-Nomination Committee. The Audit Committee consists of at least three (3) members the majority of whom should be independent non executive board members, while the rest of them should be non-executive board members. The Audit Committee members should evidently have adequate knowledge in the sector the Company operates in while at least one of them should have a documented sufficient knowledge in accounting and auditing. The Committee's members appoint an independent, non-executive Board member as Chairman.
- The Audit Committee mandate is fixed at three (3) years with a possibility of further renewal following a relevant BoD proposal to the Company's General Shareholders Meeting.
- The Audit Committee meets as often as it is necessary; this should be at least four (4) times per year after an invitation by the Chairman with always all its members being present or represented; the Audit Committee meets the regular company auditor without the presence of the company's management.
- The Audit Committee reports to the Board on its activities and their results at least once (1) quarterly. Information is given through the meeting minutes, written reports or by the Committee Chairman in person during the Board meetings. The Chairman attends in person during the annual General Meeting and is bound to inform the shareholders on the Committee's activities, upon request.

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

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

2) Stavros Ioannou, Member

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

Investment Committee

- The Investment Committee is in charge of any decision making related to the Company's investment strategy implementation and the realization of new investments, liquidation of existing ones and any other relevant activities, such as new leases or renegotiation of existing leases.
- The Investment Committee consists of five (5) members, appointed by the Board of Directors. One of the members must necessarily be the Company's CEO, acting as its Chairman and being hierarchically the senior member of the Investment Committee.
- The Investment Committee meets at any time deemed necessary or suitable (by any of its members), after an invitation by its Chairman.

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

1) Georgios Chryssikos, Chairman (Chief Executive Officer)

2) Nikolaos A. Bertsos, Member

3) Dimitrios Papadopoulos, Member

4) Georgios Papazoglou, Member

5) Wade Sebastian Burton, Member

Remuneration-Nomination Committee

- The Company's Board of Directors has conferred upon the Remuneration-Nomination Committee the duty to examine the establishment of the Company personnel benefit policy, the board members effectiveness and efficacy and the suggestion regarding the appointment of the key management executives, both of the parent company as well as its subsidiaries. In particular, the Remuneration-Nomination Committee:
    I. suggests to the Board any kinds of benefits paid to management and senior management executives, regulating at the same time issues pertaining to the overall company remuneration policy.
    II. tests the ability and effectiveness of the BoD both as a body and of its members individually; it suggests the reelection or not of existing members at the expiry of their tenure and finds and suggests new candidates to fill in the vacancies.

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

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

1) Wade Sebastian Burton, Chairman

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

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

v. Environmental Aspects

a) Current and Potential Impacts

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

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

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

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

b) Management Approach

The Company adopts best practices to ensure that its activities, as owner and manager of real estate, will minimize (to the extent possible) the negative impact to the environment and the communities that it operates.

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

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

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

- Setting annual environmental objectives and targets while continuously monitors and reviews its environmental performance.
- Using energy and water efficiently and seek means of reducing consumption through improved management practice and technological upgrades.

- Reducing consumption of materials through re-use rather than disposal, wherever possible and promotion of recycling.
- Understanding the risks posed by changing climate patterns and mitigate their effects on its investment properties.
- Developing policies and practices, which raise awareness and encourage and enable its staff and tenants to make a contribution towards achieving environmental improvement.
- Encouraging its suppliers of goods and services to minimize the impact of their operations on the environment through its procurement policies and practices.
- Working with its external property and facilities managers to drive environmental improvements through the day-to-day operation of its investment properties.
- Taking into account environmental considerations as part of its investment process.
- Applying the principles of best environmental practice in the planning, development, refurbishment and decommissioning of its own buildings.
- Developing environmental considerations and stewardship into a central pillar of its business strategy.

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

- Is informed about legislation and regulations on environmental matters and carries out all necessary actions to ensure compliance.
- Ensures that examination of environmental issues and energy efficiency aspects is part of the technical due diligence performed on all new investment opportunities prior to acquisition.
- Is aware of how the "green profile" of each new building impacts its value and its acquisition price, in addition to the potential income premium as a result of savings to the tenants.
- Ensures that the annual technical review of buildings of the existing portfolio includes examination of environmental and energy efficiency issues and results in proposals for improvement - Technical Audits.
- Ensures that as part of its annual reporting on budgeting and portfolio strategy the company reviews environmental issues and decides on an annual action plan.
- Introduces sustainability criteria in the selection process of suppliers and the purchasing process of durables and consumables.
- Gathers data, monitor and report on energy consumption of buildings included in the existing portfolio at least once a year.

The Company acknowledges that employees, at all levels, have an important part to play in the success of this policy. To achieve its objectives, the Company requires all employees to:

- Comply with Company environmental procedures and guidelines.
- Take care to prevent unnecessary use of resources (paper, stationery and unnecessary travel, switch off all non-essential equipment when not in use).
- Co-operate with Company Management in the implementation of environmental initiatives.
- Consider the use of environmentally responsible options, and how impacts can be minimised within the scope of their work activities.

The Company informs all tenants and to give guidance through the following best practice guidelines:

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

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

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

The Company is also responsible that all suppliers and contractors are being motivated and guided to make use of specific materials for their provided services based on sustainable purchasing and green cleaning best practices guidelines and to be engaged through contacts and other actions to adapt sustainable ways of providing their services.

c) Green Certifications

The Company invests in the energy upgrade of its existing portfolio and proceeds to the gradual certification of upgraded properties based on standards published from internationally recognized organizations and includes sustainability criteria in the due diligent of new investments.

The Company's goal is to gradually proceed towards the certification of as much of its portfolio as possible with internationally recognized green building certificates.

The Company acknowledges that Green buildings can not only reduce or eliminate negative impacts on the environment, by using less water, energy or natural resources, but they can - in many cases - have a positive impact on the environment (at the building or city scales) by generating their own energy or increasing biodiversity.

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

The past 3 years the company has certified 12 properties of 150.675sqm of its portfolio.

vii. Employment

a) Equal Opportunities

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

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

The Company values diversity and recognizes that the company is greatly enhanced by the different range of backgrounds, experiences, views, beliefs and cultures represented within its staff.

The Company expects all employees, contractors and agency staff to act in accordance with this Policy.

The main purpose of this Policy is to attract, employ and retain the best people to fill vacant positions and at the same time provide equal opportunities to potential employees that have the same quality and ethical standards, regardless of their race, ethnic group, gender, sexual orientation etc.

The Company believes in treating people with respect and dignity as an individual and as a part of its workforce and organization The Company does not tolerate unlawful acts of discrimination. The Company further recognizes workforce diversity as an organizational strength, understanding that drawing on a wide variety of capabilities, ideas and insights enhances decision making quality and entrepreneurship.

b) Human Rights and Freedom of Association

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

- by providing safe and healthy working conditions,
- by guaranteeing freedom of association,
- by ensuring non-discrimination in personnel practices,
- by ensuring the Company is not using directly or indirectly forced labor or child labor.

c) Human Resources

(i) Health and Safety

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

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

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

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

The purpose of this Policy is to define the security rules, the premises of the Company buildings and the introduction of best practices for health at work.

(ii) Training and Education

The Company believes that effective training and development benefits the individual and the organization as a whole, and contributes to the achievement of the Company's objectives. These benefits include:

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

The Company aims to ensure that:

- its stated objectives are met
- each member of staff understands what his or her work role involves
- each person is developed to enable them to achieve their work objectives
- staff are prepared and equipped to deal with changes in Grivalia
- each individual is encouraged to develop his or her potential, both personally and professionally
- Lifelong learning is supported and encouraged for all staff.
- Training is provided equally to all staff and Grivalia will make sure there is no type of discrimination in this field

The performance review process is an important part of the Company's approach to training and development.

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

(iii) Promotions

In the Company there is a staff evaluation system (the "System") which applies to all Company employees and reflects the Company's principles on the progress and development of its Human Resources.

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

The System consists of the following four stages:

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

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

viii Non-Financial Key Performance Indicators

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

In 2017 Grivalia has reported and published on its Official Website the following Environmental Indicators according to EPRA Sustainability Best Practices Recommendations Guidelines (Second Version) related to:

- Electricity ((Elec-Abs, Elec-LfL)
- Fuel (Fuels-Abs, Fuels-LfL)
- Direct GHG Emissions (GHG-Dir-Abs, GHG-Dir-LfL)
- Indirect GHG Emissions (GHG-Indir-Abs, GHG-Indir-LfL)
- Waste (Waste-Abs, Waste-LfL)
- Water (Water-Abs, Water-LfL)
- Intensity of all the above measures
- Sustainability certified assets (Cert-Tot)

In 2018, Grivalia intends to publish a Sustainable Development Report according to the GRI Standards (Core option) and EPRA Sustainability Performance Measurements (according to EPRA Sustainability Best Practices Recommendations Guidelines) and to report the above environmental indicators and other social and HR indicators relating to 2017.

It is noted that the environmental indicators are based in consumption data which mainly are collected through bills, which by the publishing date of the present are not available for the whole year 2017. This is why, in the present financial statement, which is published on 31/01/2018, only some of the above indicators are presented. Further indicators will be available by 30/6/2018 in the 2017 Sustainable Development Report and will be also published on the Official Website.

2017 Employee health and safety indicators

The company has undertaken employee health and safety checks during the last three years. More specifically 100% of the employees has received work station and/or workplace checks.

Grivalia also monitors the following employee health and safety indicators:

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

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

Environmental Indicators

Certifications (31/12/2017)

Portfolio	Assets [Total = 113]*	Floor area (m^2) [Total = 907.984]
LEED	6	67.314
BREEAM	6	83.361
Total Certified	**12**	**150.675**
Asset type	**LEED**	**BREEAM**
Logistics	-	-
Mixed Use	2	1
Office	3	1
Retail	1	4
Special Use	-	-
Floor area (m2)	**LEED**	**BREEAM**
Logistics	-	-
Mixed Use	17.975	4.869
Office	46.674	19.696
Retail	2.665	58.796
Special Use	-	-

**Excluding the land plot*

Social and Human Resources Indicators 2017

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

Board of Directors

	31/12/2017								
	<30 years old			30-50 years old			>50 years old		
	Male	Female	Total	Male	Female	**Total**	Male	Female	**Total**
Individuals (#)	-	-	-	5	-	**5**	6	-	**6**
Total no of individuals (#)	-	-	-	5	-	**5**	6	-	**6**
Percentage of individuals	-	-	-	100%	-	**100%**	100%	-	**100%**

Diversity of employees

	31/12/2017								
	<30 years old			30-50 years old			>50 years old		
	Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**
Senior Management	-	-	-	5	2	**7**	-	1	**1**
Total no of employees	-	**1**	**1**	**11**	**13**	**24**	**2**	**1**	**3**
Senior Management(%)	-	0%	**0%**	45,5%	15,4%	**29,2%**	0%	100%	**33,3%**
Middle Management #	-	-	-	1	5	**6**	2	0	**2**
Total # of employees	-	**1**	**1**	**11**	**13**	**24**	**2**	**1**	**3**
Middle Management (%)	-	0%	**0%**	9,1%	38,5%	**25%**	100%	0%	**66,7%**
Other category #	-	1	**1**	5	6	**11**	-	-	-
Total # of employees	-	**1**	**1**	**11**	**13**	**24**	**2**	**1**	**3**
Other Category (%)	-	100%	**100%**	45,5%	46,2%	**45,8%**	0%	0%	**0%**

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

New employee hires and employee turnover [GRI 401-1]

Ratio of new hires

	31/12/2017								
	<30 years old			30-50 years old			>50 years old		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Number of new hires	0	0	0	1	2	3	0	0	0
Total # of employees on 31/12	0	1	1	11	13	24	2	1	3
Ratio of new hires	-	0%	0%	9%	15,4%	12,5%	0%	0%	0%
Total Ratio of new hires		**Males**			**Females**			**Total**	
Total Number of new hires		**1**			**2**			**3**	
Total # of employees on 31/12		**13**			**15**			**28**	
Total Ratio of new hires		**7,7%**			**13,3%**			**10,7%**	

Ratio of employee turnover

	31/12/2017								
	<30 years old			30-50 years old			>50 years old		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Number of employee turnover	0	0	0	2	1	3	0	0	0
Total # of employees on 31/12	**0**	**1**	**1**	**11**	**13**	**24**	**2**	**1**	**3**
(%) of employee turnover	-	0%	0%	18,2%	7,7%	12,5%	0%	0%	0%
Total Ratio of employees turnover		**Male**			**Female**			**Total**	
Number of turnovers		**2**			**1**			**3**	
Total # of employees on 31/12		**13**			**15**			**28**	
Ratio of turnovers		**15,4%**			**6,7%**			**10,7%**	

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

		31/12/2017		
		Males	**Females**	**Total**
Senior management	Number of training hours provided to employees	74	40	114
	Number of employees	5	3	8
	Average hours of training	14,8	13,3	14,2
Middle management	Number of training hours provided to employees	3	51	54
	Number of employees	3	5	8
	Average hours of training	1	10,2	6,8
Other Category	Number of training hours provided to employees	30	16	46
	Number of employees	5	7	12
	Average hours of training	6	2,3	3,8
TOTAL	**Number of training hours provided to employees**	**107**	**107**	**214**
	Number of employees	**13**	**15**	**28**
	Average hours of training	**8,2**	**7,1**	**7,6**

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

1. Company share capital structure

The company's share capital as at 31.12.2017 amounts to €215.684 divided in 101.260.000 shares of €2,13 nominal value (amount in €) each share. All Company shares are common, nominal shares with a voting right, listed for trading on Athens Exchange having all rights and obligations stipulated by Law.

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

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

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

The Company's shareholding with shareholders above 5% as at 31.12.2017, based on the TR1 disclosures the liable persons have proceeded to, is the following;

- Fairfax Financial Holdings Limited 51,43%
- Wellington Management Company LLP 5,79%
- Brandes Investment Partners 5,00%
- Pacific Investment Management Company LLC 5,00%

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

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

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

5. Restrictions on voting rights

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

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

There are no shareholders agreements, shares transfer or repurchase agreements, limitation agreements on the transfer right or encumbrance of Company shares, including any agreements related to voting rights, pre-emption rights, purchase or sale rights, excluding the following agreements, in relation to the Company, concluded on October 17th 2013 by the Bank Eurobank Ergasias S.A. and Fairfax Financial Holdings Limited: a) the Investment Agreement fixing the terms and conditions of Fairfax Financial Holdings Limited participation in the Company's share capital and b) the Shareholders Agreement regulating the relations as the Company's main shareholders (hereinafter "Agreements").

(A) <u>Investment Agreement</u>

The key terms of the Investment Agreement are the following:

i. The Company shall proceed to a share capital increase amounting to €193.248 with the issue of 40.260.000 new common shares with voting right (each of them as a New Share), for a nominal value of €2,13 and issue value at €4,80 per New Share.
ii. Fairfax Financial Holdings Limited shall buy the pre-emption rights corresponding to the existing 33.888.849 shares held by the Bank Eurobank Ergasias S.A. at the price of (amount in €) €0,59 for every right (for a total amount of €19.994).
iii. Fairfax Financial Holdings Limited shall fully exercise the pre-emption rights it shall have acquired from Eurobank Ergasias S.A., as well as the pre-emption rights corresponding to the shares held by Fairfax Financial Holdings Limited as at October 17th 2013. Consequently, in total, Fairfax Financial Holdings Limited is bound to exercise pre-emption rights for at least 30.077.162 New Shares.

Upon completion of the Share Capital Increase (with the assumption that all pre-emption rights shall be exercised in their entirety), Fairfax Financial Holdings Limited and Eurobank Ergasias S.A. shall hold in total at least 41,21% and 33,47%, respectively, of the Company's share capital. The Investment Agreement and the above under i. Share Capital Increase were successfully carried out within 2014.

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

(B) Shareholders Agreement

Fairfax Financial Holdings Limited and the Bank Eurobank Ergasias S.A. concluded a Shareholders Agreement, that governed their relationship as the Company's main shareholders. They acquired specific rights from the Shareholders Agreement that depend on that period of time. Since the signing day of the Shareholders Agreement until the earliest up to (i) the date when Eurobank Ergasias S.A. participation in the Company's share capital was reduced below 20% and (ii) 30.06.2020 (Initial Period), both parties should apply a common policy as regards the Company's administration. Upon expiry of the Initial Period, Fairfax Financial Holdings Limited should automatically and *ipso jure* acquire the Company's control and the parties should cooperate in issues regarding the composition of the Board, the Investment Committee, other Company committees and the CEO's revocation/appointment. Should the Eurobank rate drops below 20% but was sustained above 5%, the latter should have a veto right for some strategic issues.

Eurobank Ergasias S.A. should cease to have any veto right after the lapse of 18 months since the Initial Period expiry, regardless of its shareholding in the Company's share capital.

Note that on July 4, 2017, Eurobank Ergasias S.A. offered through private placement, 20.252.001 common shares with a voting right, 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 all shares to "Fairfax Financial Holdings Limited" subsidiaries; as a result, the Fairfax-controlled voting rights in the Company reached approximately 51,37% of the total; on the other hand, the agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A was terminated.

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

The rules foreseen in the Company's articles of association on Board of Directors members appointment and replacement do not differ from what is foreseen in the codified law 2190/1920.

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

The Board of Directors was in charge of purchasing the Company's treasury shares, in the context of a decision by the Extraordinary General Meeting dated 30.7.2015 that resolved upon a treasury shares acquisition plan for a period of two years, pursuant to article 16 of C.L. 2190/1920, by up to 10% of the share capital; by virtue of this decision, the Board was authorized to regulate any individual issue regarding the implementation of this plan. This authorization expired on 30.7.2017 without renewal.

9. Any significant agreement concluded by the Company and already enacted, is amended or expires in case of a change in the Company's control after public offering and the effects of any such agreement.

There are no agreements activated, amended or expiring in case of change of Company control following a public offering.

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

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

Maroussi, January 30, 2018

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

Independent Auditor's Report

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

Report on the Audit of the Consolidated and Separate Financial Statements

We have audited the accompanying consolidated and separate financial statements of "Grivalia Properties R.E.I.C." ("the Company") which comprise the consolidated and separate balance sheet as of December 31, 2017, the consolidated and separate statements of income statement and comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditingwhich have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's consolidated and separate financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and procedures used and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to the audit of the consolidated and separate financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its subsidiaries are in accordance with the applicable law and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from January 1st, 2017 till December 31st, 2017, are disclosed in note 20 to the consolidated and separate financial statements.

Key Audit Matters

Key Audit Matters	**Our procedures in relation to the Key Audit Matters**
Valuation of Investment Properties (Consolidated and Separate Financial Statements) The Group's investment property portfolio comprises mainly of offices and retail properties. According to the provisions of International Accounting Standard 40, the Group measures investment properties at fair value using the discounted cash flow approach in combination with the comparative approach. This accounting policy is consistent with prior year consolidated and separate financial statements and the applicable law concerning REIC classification. As stated in Note 6 of the consolidated and separate financial statements, the fair value of the Group's investment property amounted to € 954.3 m. as at 31 December 2017, representing 94% of Group's total assets, while the gain from the revaluation of the aforementioned investment properties for the year then ended amounted to € 18,8 m.. The valuation of investment properties requires a high level of judgement by the management. This is due to factors such as the special nature of each property, the specific location and the outlook relating to the future rental income of each property. According to the applicable law, management engaged certified valuators to prepare the valuation of the Group's investment properties as at 31 December 2017 in order to support the relevant estimates that form the basis of these properties' fair value determination. The certified valuators perform their valuation in accordance with International Valuation Standards. In addition, the certified valuators made assumptions regarding elements such as market rent and discount rates based on available market information, in order to arrive at appropriate estimates. We focused on this matter because of the relative size of the investment property balances in the	Our audit procedures relating to the Group's investment property portfolio for the year ended 31 December 2017 included the following: • We obtained the valuations prepared by management's certified auditors as of 31 December 2017 and we reconciled the fair values with the Group accounting records. • We compared the fair values as of 31 December 2017 with those of 31 December 2016, in order to appreciate whether the values moved according to market trends and asked management to justify the major movements. • We evaluated and verified the independence of management's external certified valuators, their capabilities and their objectivity. • We tested, on a sample basis, the accuracy and relevance of the data provided by management to the certified valuators and used for the determination of the fair value of the Group's investment properties as at 31 December 2017. These data mainly concern leasing information based on the relevant contracts in place. • We cooperated with experts in property valuation, evaluated, on a sample basis, the appropriateness of the methodology used and the reasonableness of the underlying assumptions

consolidated and separate Balance Sheet, the inherently subjective nature of investment property valuations due to the use of assumptions in the valuation methodology and the sensitivity of valuations to key input assumptions, specifically rents in less active markets and discount rates.	that were adopted in these valuations (such as the discount rates and the market rents). We compared market rents and discount rates by location and asset utilization to determine a reasonable range based on benchmark market data for these assumptions. Where market rents and discount rates fell outside of the determined ranges, we asked management to justify the reasonableness of these assumptions applied in the valuation. According to our audit procedures we found that the valuations were based on reasonable assumptions and appropriate data. Revenues relating to the leasing of the Group's investment properties were supported by existing contracts while the discount rates and the market rents were in line with our expectations, based on the current market conditions. Finally, we noted that the disclosures included in Note 6 of the consolidated and separate financial statements were appropriate and in line with the requirements of International Accounting Standard 40.
Valuation of investments in subsidiaries (Separate Financial Statements). As stated in Note 8 of the consolidated and separate financial statements, the Company's investments in subsidiaries amounted to € 94,4m. as at 31 December 2017. Management assesses the recoverable value of the Company's investments in subsidiaries annually and compares it with the carrying value in which they are included in the Company's accounted records in order to determine whether an impairment provision is required. Management has determined the recoverable amount of each investment to be the higher amount between its fair value (less cost to sale) and its value in use, according to the provisions of International Accounting Standard 36. The determination of the fair value of each investment depends directly on the fair value of the investment properties held by each subsidiary as of 31 December of each year, since this is the most significant asset in their Balance Sheet and most of them do not have loans in their liabilities. As for the subsidiaries that have loans, these have been provided by financial institutions in line with market	As for the determination of the fair value of investments in subsidiaries, our procedures included, in cooperation with experts in property valuation, the procedures that have been described in the above section *"Valuation of investment properties"* in order to estimate the value of the Company’s interest in the equity of each subsidiary, which is substantially affected by the changes in the fair value of their investment property. For all investments in subsidiaries that their fair values were less than their cost in the Company’s accounting records, we performed audit procedures relating to the determination of their value in use. In cooperation with our experts, we assessed the appropriateness of the mathematical model used by management and the reasonableness of its assumptions. For this

conditions. The determination of the value in use is based on management's estimates and assumptions of factors such as the future cash flows of each company, its future performance and the discount rates used. Furthermore, these assumptions vary due to the different market conditions in the countries in which the Group operates. We focused on this matter because of the relative size of the investment in subsidiaries balance in the Company's separate Balance Sheet, the inherently subjective nature of investment property valuations (as explained in the first Key Audit Matter) the projection of each subsidiary's future cash flows based on assumed future performances and the discount rates used for the calculation of the recoverable amount of these investments.	purpose we proceeded to: • Comparative assessment of key assumptions used in management's valuation models, with market trends and corresponding assumptions made in previous years. • Estimation of revenue and expenses forecast for the reference period, taking into account current contracts in place and historical growth rates. • Check of the mathematical accuracy of cash flow models (including sample testing relating to formulas used in the assessment) and agreement of the relevant data with approved business plans where applicable. • Assessment of the reasonableness of the discount rates that have been applied compared to those of the current market. • Evaluation of any cash flow calculations in perpetuity. • Assessment of the fact that the overall calculations and assumptions are consistent with the provisions of International Accounting Standard 36. Finally, we verified the appropriateness of the relevant disclosures included in note 8 of the financial statements. Based on our procedures, we found that the key assumptions made by management were within a reasonable range.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Grivalia Properties R.E.I.C. and its subsidiaries as at December 31, 2017 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report and Corporate Governance Statement that is included in this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A and paragraph 1 (items c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying consolidated and separate financial statements for the year ended on December 31, 2017.

c) Based on the knowledge we obtained from our audit, for Grivalia Properties R.E.I.C. and its environment, we have not identified any material misstatements in the Board of Directors report.

2. Additional Report to the Audit Committee

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

3. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on June 29, 1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 19 years.

Athens, 31 January, 2018

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2017

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

Consolidated and Separate Balance Sheet

	Note	Group		Company	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
ASSETS					
Non-current assets					
Investment property	6	954.393	849.978	804.995	696.998
Property, plant and equipment	7	7.345	3.729	3.359	3.296
Intangible Assets		343	347	3	5
Investment in subsidiaries	8	-	-	94.434	96.374
Investment in joint ventures	9	40.980	3.232	32.173	2.250
Deferred tax asset		99	252	-	-
Other long term receivables	10	5.740	3.455	15.367	10.873
		1.008.900	**860.993**	**950.331**	**809.796**
Current assets					
Trade and other receivables	11	7.261	10.404	6.606	8.765
Greek Government Treasury Bills		8.962	3.973	5.975	2.483
Cash and cash equivalents	12	44.725	57.944	40.385	52.306
		60.948	**72.321**	**52.966**	**63.554**
TOTAL ASSETS		**1.069.848**	**933.314**	**1.003.297**	**873.350**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share Capital	13	215.684	215.684	215.684	215.684
Share premium	13	571.234	571.234	571.234	571.234
Own shares	13	(25.964)	(25.957)	(25.964)	(25.957)
Share based payment reserve	13	4.860	3.682	4.860	3.682
Other reserves	13	12.267	12.596	11.812	11.830
Retained earnings	13	130.123	85.886	88.053	54.281
Total shareholders' equity		**908.204**	**863.125**	**865.679**	**830.754**
Non-current liabilities					
Borrowings, including finance leases	14	130.111	43.460	109.076	21.095
Tenant deposits		4.829	3.279	4.752	3.279
Other non-current liabilities		209	223	209	223
		135.149	**46.962**	**114.037**	**24.597**
Current liabilities					
Trade and other payables	15	12.826	9.785	11.799	8.699
Dividends payable		40	40	40	40
Current income tax liabilities		5.253	4.486	4.763	4.045
Borrowings, including finance leases	14	7.952	8.783	6.555	5.082
Tenant deposits		424	133	424	133
		26.495	**23.227**	**23.581**	**17.999**
Total liabilities		**161.644**	**70.189**	**137.618**	**42.596**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1.069.848**	**933.314**	**1.003.297**	**873.350**

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2017.

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

Consolidated and Separate Income Statement

	Note	Group 31/12/2017	Group 31/12/2016	Company 31/12/2017	Company 31/12/2016
Revenue					
Rental income	16	64.985	61.305	53.541	50.045
		64.985	**61.305**	**53.541**	**50.045**
Net gain/ (loss) from fair value adjustments on investment property	6	18.855	(13.593)	18.919	(14.322)
Direct property relating expenses	17	(3.308)	(1.784)	(3.139)	(1.609)
Property taxes	18	(5.773)	(5.513)	(4.797)	(4.524)
Corporate Social Responsibility		(200)	(147)	(200)	(147)
Provision for doubtful debts		-	(1.500)	-	(1.050)
Employee benefit expense- BoD	19	(7.387)	(4.903)	(7.096)	(4.559)
Depreciation of assets		(124)	(117)	(99)	(94)
Other income		134	1.480	6.101	11.061
Impairment of subsidiary		-	-	-	(5.500)
Other expenses	20	(1.814)	(2.801)	(2.035)	(1.759)
Operating profit		**65.368**	**32.427**	**61.195**	**27.542**
Finance income		993	807	1.431	1.264
Finance costs		(4.177)	(2.805)	(3.418)	(1.977)
Gain/ (loss) from loss of control of subsidiary	9	253	-	(253)	-
Gain from change in percentage of participation in joint venture	9	163	-	127	-
Negative goodwill arising from investment in joint ventures		-	947	-	-
Share of net profit of investments accounted for using the equity method	9	8.474	35	-	-
Profit before tax		**71.074**	**31.411**	**59.082**	**26.829**
Taxes	21	(7.927)	(4.974)	(6.836)	(4.120)
Profit for the period		**63.147**	**26.437**	**52.246**	**22.709**
Earnings per share (expressed in € per share)					
- Basic and Diluted	23	**0,65**	**0,27**		

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2017.

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

Consolidated and Separate Statement of Comprehensive Income

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit for the year	**63.147**	**26.437**	**52.246**	**22.709**
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	(88)	(9)	-	-
Changes in the fair value of available-for-sale financial assets	86	-	58	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(687)	-	-	-
Items that will not be reclassified to profit or loss				
Actuarial (losses) on post employment benefit obligations net of tax	(62)	(11)	(62)	(11)
Total comprehensive (loss) after taxes	(751)	(20)	(4)	(11)
Total comprehensive income after taxes for the year	**62.396**	**26.417**	**52.242**	**22.698**
Total comprehensive income for the year attributable to:				
- Shareholders (Owners of the parent)	62.396	26.417	52.242	22.698
- Minority interest	-	-	-	-
Total comprehensive income after taxes for the year	**62.396**	**26.417**	**52.242**	**22.698**

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 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 year		-	-	-	-	-	26.437	26.437
Foreign exchange differences		-	-	-	-	(6)	(3)	(9)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(73)	62	(11)
Total comprehensive income for the year		-	-	-	-	**(79)**	**26.496**	**26.417**
Transactions with shareholders:								
Acquisition of own shares		-	-	(13.464)	-	-	-	(13.464)
Formation of statutory reserve of local subsidiary		-	-	-	-	143	(143)	-
Equity settled share based payments		-	-	-	1.252	-	-	1.252
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance December 31, 2016		**215.684**	**571.234**	**(25.957)**	**3.682**	**12.596**	**85.886**	**863.125**
Balance January 01, 2017		**215.684**	**571.234**	**(25.957)**	**3.682**	**12.596**	**85.886**	**863.125**
Profit for the year		-	-	-	-	-	63.147	63.147
Foreign exchange differences		-	-	-	-	(85)	(3)	(88)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-	-	-	(687)	-	(687)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(76)	14	(62)
Differences from Revaluation of securities		-	-	-	-	86	-	86
Total comprehensive income for the year		-	-	-	-	**(762)**	**63.158**	**62.396**
Transactions with shareholders:								
Acquisition of own shares	13	-	-	(7)	-	-	-	(7)
Formation of statutory reserve of local subsidiary		-	-	-	-	433	(433)	-
Equity settled share based payments	13	-	-	-	1.178	-	-	1.178
Dividend relating to 2016 approved by the shareholders	22	-	-	-	-	-	(18.488)	(18.488)
Balance December 31, 2017		**215.684**	**571.234**	**(25.964)**	**4.860**	**12.267**	**130.123**	**908.204**

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2017.

(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 year		-	-	-	-	-	22.709	22.709
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(73)	62	(11)
Total comprehensive income for the year		-	-	-	-	- **73**	**22.771**	**22.698**
Transactions with shareholders:								
Acquisition of own shares		-	-	(13.464)	-	-	-	(13.464)
Equity settled share based payments		-	-	-	1.252	-	-	1.252
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance December 31, 2016		**215.684**	**571.234**	**(25.957)**	**3.682**	**11.830**	**54.281**	**830.754**
Balance January 01, 2017		**215.684**	**571.234**	**(25.957)**	**3.682**	**11.830**	**54.281**	**830.754**
Profit for the year		-	-	-	-	-	52.246	52.246
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(76)	14	(62)
Differences from Revaluation of securities		-	-	-	-	58	-	58
Total comprehensive income for the year		-	-	-	-	**(18)**	**52.260**	**52.242**
Transactions with shareholders:								
Acquisition of own shares	**13**	-	-	(7)	-	-	-	(7)
Equity settled share based payments	**13**	-	-	-	1.178	-	-	1.178
Dividend relating to 2016 approved by the shareholders	**22**	-	-	-	-	-	(18.488)	(18.488)
Balance December 31, 2017		**215.684**	**571.234**	**(25.964)**	**4.860**	**11.812**	**88.053**	**865.679**

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2017.

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

Consolidated and Separate Cash Flow Statement

	Note	Group 01/01 - 31/12/2017	Group 01/01 - 31/12/2016	Company 01/01 - 31/12/2017	Company 01/01 - 31/12/2016
Cash flows from operating activities					
Profit for the year		**63.147**	**26.437**	**52.246**	**22.709**
Other income		-	(69)	-	(69)
Dividend from a subsidiary		-	-	(6.022)	(9.582)
Negative goodwill arising from the acquisition of joint ventures		-	(947)	-	-
Share of profits of joint ventures		(8.474)	(35)	-	-
Gain/ (loss) from loss of control of subsidiary		(253)	-	253	-
Gain from change in percentage of participation in joint venture		(163)	-	(127)	-
Provisions from impairments of assets and share based program		1.096	2.761	1.096	7.802
Finance income		(993)	(807)	(1.431)	(1.264)
Finance costs		4.177	2.805	3.418	1.977
Taxes	21	7.927	4.974	6.836	4.120
(Increase)/decrease of fair value of investment property	6	(18.855)	13.593	(18.919)	14.322
Depreciation of assets		124	117	99	94
Changes in working capital:					
Decrease/ (increase) in receivables		(3.854)	(4.896)	(3.377)	(3.674)
Increase / (decrease) in payables		10.403	3.267	9.369	2.005
Cash generated from operating activities		54.282	47.200	43.441	38.440
Interest paid		(4.456)	(1.590)	(3.697)	(710)
Taxes paid		(8.617)	(3.978)	(6.742)	(2.220)
Net cash generated from operating activities		**41.209**	**41.632**	**33.002**	**35.510**
Cash flows from investing activities					
Subsidiary's share capital increase		-	-	(60)	(2.500)
Amortization of subsidiary's share capital		-	-	-	8.000
Investment in Joint Venture	9	(28.050)	(1.625)	(28.050)	(1.625)
Joint Venture's share capital increase	9	-	(625)	-	(625)
Cash and cash equivalents excluded due to loss of control of subsidiary		(643)	-	-	-
Dividend received from a subsidiary		-	-	5.972	9.443
Subsequent capital expenditure on investment property		(2.425)	(4.824)	(2.397)	(4.824)
Purchases of investment property		(86.816)	(31.792)	(86.816)	(31.792)
Purchases of property, plant and equipment		(250)	(928)	(250)	(918)
Loan to foreign subsidiaries	10	-	-	(2.500)	-
Movement of Greek Government Treasury Bills		(4.902)	(3.973)	(3.434)	(2.483)
Interest received		967	733	1.405	1.188
Net cash used in investing activities		**(122.119)**	**(43.034)**	**(116.130)**	**(26.136)**
Cash flows from financing activities					
Acquisition of own shares		(7)	(13.568)	(7)	(13.568)
Loans received		92.000	-	92.000	-
Repayments of loans		(4.764)	(4.240)	(1.160)	(910)
Repayments of finance leases		(1.138)	(3.726)	(1.138)	(3.726)
Dividends paid	22	(18.488)	(30.884)	(18.488)	(30.884)
Net cash used in financing activities		**67.603**	**(52.418)**	**71.207**	**(49.088)**
Net (decrease) in cash and cash equivalents for the year		**(13.307)**	**(53.820)**	**(11.921)**	**(39.714)**
Cash and cash equivalents at the beginning of the year	12	57.944	111.755	52.306	92.020
Exchange gains / (losses) on cash and cash equivalents		88	9	-	-
Cash and cash equivalents at the end of the year	12	**44.725**	**57.944**	**40.385**	**52.306**

The notes on pages 39 to 81 form an integral part of these Consolidated and Separate Financial Statements for the year ended December 31, 2017.

Notes to Consolidated and Separate Financial Statements

1. General Information

The present financial statements include the financial statements of the Company Grivalia Properties Real Estate Investment Company (the "Company") as well as the consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended December 31, 2017 and they are published in the parent's Company website (www.grivalia.com).

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

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

The total number of employees of the Company and the Group as at December 31, 2017 was 28 and 31 respectively (31.12.2016: 28 and 31).

These Consolidated and Separate Financial Statements (hereafter the "Financial Statements') were approved by the Board of Directors on January 30, 2018 and are subject to approval from the Annual General Assembly Meeting.

2. Summary of accounting policies

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

Comparatives

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

2.1 Basis of preparation

Statement of compliance

These Consolidated and Separate Financial Statements have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as adopted by the European Union, and International Financial Reporting Standards, as issued by the IASB.

Preparation of Financial Statements

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

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Notes to Consolidated and Separate Financial Statements

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The relevant amendments have no impact on the Group.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

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

The Group is currently assessing the impact of the new requirements, but it does not expect any significant quantitative impact on its financial statements upon transition to IFRS 9.

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

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group cannot early adopt the amendments as they have not yet been endorsed by the EU. The Group evaluates the impact of the relevant amendments.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

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

The Group is currently assessing the impact of IFRS 15, however the adoption of the standard is not expected to have a material impact on the Group's consolidated financial statements due to the nature of Group's operations.

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

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

The Group is currently assessing the impact of IFRS 16, however the adoption of the standard is not expected to have a material impact on the Group's consolidated financial statements.

Notes to Consolidated and Separate Financial Statements

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

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

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

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

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

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRS (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

Notes to Consolidated and Separate Financial Statements

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

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

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

IFRS 3 "Business combinations"

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

IFRS 11 "Joint arrangements"

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

IAS 12 "Income taxes"

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

IAS 23 "Borrowing costs"

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

2.3 Consolidation

a) Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is

Notes to Consolidated and Separate Financial Statements

recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

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

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

(b) Disposal of subsidiary

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

(c) Joint ventures

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

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

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

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

2.4 Operating segments

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

2.5 Foreign currency translation

(a) Functional and presentational currency

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

Notes to Consolidated and Separate Financial Statements

(b) Transactions and balances

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

(c) Group companies

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

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

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

2.6 Investment property

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

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

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

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

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

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

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

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

Notes to Consolidated and Separate Financial Statements

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

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

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

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

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer, is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in Other comprehensive income by increasing the asset revaluation reserve in equity.

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

2.7 Borrowing costs

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

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

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

2.8 Property, Plant and equipment

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

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

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

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

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

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

Notes to Consolidated and Separate Financial Statements

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

2.9 Leases

α) Where the Group is the lessee:

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

(ii) Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease liability outstanding. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance charges are charged to the income statement. The investment properties acquired under finance leases are carried at their fair value.

b) Where the Group is the lessor

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

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

2.10 Intangible assets

Intangible assets consist mainly of goodwill and software.

a) Goodwill

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

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

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

b) Software

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

Notes to Consolidated and Separate Financial Statements

2.11 Impairment of non-financial assets

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

2.12 Financial Assets

2.12.1 Classification

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

(a) Loans and receivables

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

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated

in this category or not classified in any of the other categories. They are included in non-current assets if they do not expire or the Management does not intend to liquidate them within 12 months from the Balance Sheet date. Otherwise, they are included in current assets. Group available-for-sale financial assets consist of the item "Greek Government Treasury Bills".

2.12.2 Recognition and measurement

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

2.12.3 Impairment of financial assets

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter

Notes to Consolidated and Separate Financial Statements

bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

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

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

2.13 Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the initial effective interest rate.

2.14 Cash and cash equivalents

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

2.15 Share capital and share premium

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

2.16 Treasury shares

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

2.17 Trade and other payables

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

2.18 Guarantees

The Company receives advance payments from tenants as a guarantee under operating leases. These guarantees are financial liabilities under IAS 39 and are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Guarantees are recognized in short-term liabilities unless the Group has the

Notes to Consolidated and Separate Financial Statements

right to postpone the settlement of the liability for 12 months after the balance sheet date, in which case they are recognized in the long-term liabilities.

2.19 Bank borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.
Fees paid on the establishment of loan facilities are recognised as borrowing costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs, when borrowing costs are capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2.20 Current and deferred tax

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

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

With effect from September 29, 2005, when the Company obtained regulatory approval to operate as a real estate investment vehicle under Greek Law 2778/1999, the tax basis on which it will be subject to tax changed from an income tax basis to an asset based tax basis (see Note 21). Accordingly, with effect from the above date, no further temporary differences will arise requiring the recognition of deferred income tax assets or liabilities since the Company will no longer be subject to income taxes as a result of its change in tax status.

For the Group, temporary differences arise only in foreign subsidiaries and are subject to deferred tax.

Notes to Consolidated and Separate Financial Statements

2.21 Employee benefits

(a) Pension obligation

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

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

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

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

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Profit-sharing and bonus plans

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

2.22 Provisions

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

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

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

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

Notes to Consolidated and Separate Financial Statements

2.23 Revenue recognition

Revenue includes rental income and income from property trading.

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

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

2.24 Interest income

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

2.25 Earnings per share

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

2.26 Share-Based Payment Transactions

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

2.27 Dividend distribution

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

2.28 Interest expense

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

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

Notes to Consolidated and Separate Financial Statements

2.29 Off-setting financial instruments

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

3. Financial risk management

3.1 Financial risk factors

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

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

a) Market risk

i) Foreign exchange risk

The group operates internationally, however is not significantly exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises due to foreign currency transactions, recognized financial assets and liabilities that are not in the functional currency of each Group company and mainly from the Group's investments in subsidiaries abroad and is not considered significant. The Group's exposure to foreign exchange risk on 31 December 2017 and 2016 is not significant.

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

ii) Price risk

The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities. The Group is exposed to price risk relating to non-financial instruments, such as property value and rental value. In order to reduce price risk, the Group in general enters into long term operating lease agreements with most tenants for a minimum of 12 years. The annual rental increases are linked to the Greek CPI and the HICP and in the case of deflation there is no negative impact to the Company's income. Moreover, most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales. Contingent rents for the year ended December 31, 2017 have had no material effect on the income statement either for the Group or the Company.

iii) Cash flow and fair value interest rate risk

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

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Finance 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 and bank borrowings, contractual re-pricing dates are restricted to a maximum period of 6 months. If interest rates fluctuate +/- 1% the effect on Group's Income Statement would be approximately -/+ €844 (31.12.2016: +/- €97).

b) Credit risk

The Group has significant concentration of credit risk with respect to sight and time deposits and trade receivables from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place to ensure that rental contracts are entered into with customers with an appropriate credit history and cash transactions are

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

Notes to Consolidated and Separate Financial Statements

restricted to financial institutions. The Group receives guarantees on operating lease contracts. If there is a credit rating for customers, then that rating is used. If there is no credit rating, then the client's creditworthiness is reviewed, taking into account his financial status, past experience and other factors. It should be noted that the Group places its cash in systemic banks and subsidiaries of systemic banks. More specifically, as at 31.12.2017, approximately 78% of the Group's cash are placed in Alpha Bank Cyprus LTD, approximately 16% in Greek Systemic Banks and the remaining 6% in countries of New Europe.

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

c) Liquidity risk

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

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

For the year ended December 31st, 2017:

Group

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

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

Notes to Consolidated and Separate Financial Statements

Company

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Assets				
Other long term receivables	-	1.901	1.556	11.910
Trade and other receivables	6.606	-	-	-
Greek Government Treasury Bills	5.975	-	-	-
Cash and cash equivalents	40.385	-	-	-
	52.966	**1.901**	**1.556**	**11.910**

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Liabilities				
Borrowings, including finance leases	9.107	8.641	96.357	13.747
Tenant deposits	424	101	368	4.283
Trade and other payables (incl. dividends payable)	8.261	-	-	-
	17.792	**8.742**	**96.725**	**18.030**

For the year ended December 31st, 2016:

Group

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Assets				
Other long term receivables	-	528	1.265	1.662
Trade and other receivables	10.404	-	-	-
Greek Government Treasury Bills	3.973	-	-	-
Cash and cash equivalents	57.944	-	-	-
	72.321	**528**	**1.265**	**1.662**

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Liabilities				
Borrowings, including finance leases	10.093	4.757	42.503	-
Tenant deposits	133	858	242	2.179
Trade and other payables (incl. dividends payable)	6.304	-	-	-
	16.530	**5.615**	**42.745**	**2.179**

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

Notes to Consolidated and Separate Financial Statements

Company

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Assets				
Other long term receivables	-	421	956	9.496
Trade and other receivables	8.765	-	-	-
Greek Government Treasury Bills	2.483	-	-	-
Cash and cash equivalents	52.306	-	-	-
	63.554	**421**	**956**	**9.496**
Financial Liabilities				
Borrowings, including finance leases	5.682	2.705	20.501	-
Tenant deposits	133	858	242	2.179
Trade and other payables (incl. dividends payable)	5.218	-	-	-
	11.033	**3.563**	**20.743**	**2.179**

3.2 Fair value estimation

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

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

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

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

As at December 31, 2017, the book value of all financial assets (other long term receivables, trade and other receivables, Greek Government Treasury Bills, cash and cash equivalents, short and short term debt, long and short term guarantees and trade and other payables and other long term payables) approximates the fair value.

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

3.3 Capital risk management

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

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

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

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

Notes to Consolidated and Separate Financial Statements

consolidated balance sheet for the total loans of both the REIC and its subsidiaries, which the Company is in compliance with.

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

The gearing ratio (total debt ratio) as at December 31, 2017 and December 31, 2016, was as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Borrowings, including finance leases	138.063	52.243	115.631	26.177
Total assets	1.069.848	933.314	1.003.297	873.350
Gearing ratio	**13%**	**6%**	**12%**	**3%**

4. Critical accounting estimates and assumptions

a) Estimation of the fair value of investment properties

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

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

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

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

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

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

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

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

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

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

No other areas exist where significant judgments are exercised which in turn affect the Group's financial position.

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

Management assesses the recoverable value of the Company's investments in subsidiaries annually and compares it with the carrying value in which they are included in the Company's accounted records in order to determine whether an impairment provision is required. Management has determined the recoverable amount of each investment to be the highest amount between its fair value (less cost to sale) and its value in use, according to the provisions of International

Notes to Consolidated and Separate Financial Statements

Accounting Standard 36. The determination of the fair value of each investment depends directly on the fair value of the investment properties held by each subsidiary as of 31 December of each year, since this is the most significant asset and most of them do not have loans in their liabilities. As for the subsidiaries that have loans, these have been provided by financial institutions in line with market conditions.

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

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

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

Notes to Consolidated and Separate Financial Statements

5. Analysis per segment

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

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

Management evaluates each segment's performance based on operating profit including the finance costs before Corporate Social Responsibility expenses, Employee benefit expense- BoD, depreciation, other income and expenses. Below is an agreement between the operating profits of the sectors of activity evaluated by the Management and the net profits of the Group as they appear in the Consolidated Income Statement on 31.12.2017 and 31.12.2016.

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

A) Group's operating segments

For the year ended December 31, 2017:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	23.939	4.175	20.744	11.416	4.762	65.036
(Expenses) from service charges	(46)	-	-	(5)	-	(51)
Total	**23.893**	**4.175**	**20.744**	**11.411**	**4.762**	**64.985**
RESULTS						
Net gain from fair value adjustments on investment property	987	135	11.560	5.260	913	18.855
Direct property relating expenses	(1.216)	(245)	(910)	(658)	(279)	(3.308)
Property taxes	(2.093)	(374)	(1.869)	(1.010)	(427)	(5.773)
Finance costs	(4.040)	(65)	(2)	(70)	-	(4.177)
Profit relating to investment property	**17.531**	**3.626**	**29.523**	**14.933**	**4.969**	**70.582**

Reconciliation of net profit for the year:	
Profit relating to investment property	70.582
Finance income	993
Other expenses	(9.525)
Other income	134
Gain from loss of control of subsidiary	253
Gain from change in percentage of participation in joint venture	163
Share of net profit of investments accounted for using the equity method	8.474
Taxes	(7.927)
Net profit for the year	**63.147**

Additions in investment property per segment:

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

For the year ended December 31, 2016:

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

Notes to Consolidated and Separate Financial Statements

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	23.140	4.726	19.458	10.098	3.939	61.361
(Expenses) from service charges	(55)	-	-	(1)	-	(56)
Total	**23.085**	**4.726**	**19.458**	**10.097**	**3.939**	**61.305**
RESULTS						
Net (loss) from fair value adjustments on investment property	(4.149)	(2.611)	(969)	(5.122)	(742)	(13.593)
Direct property relating expenses	(656)	(152)	(514)	(335)	(127)	(1.784)
Property taxes	(2.079)	(428)	(1.752)	(898)	(356)	(5.513)
Provision for doubtful debts	(198)	(852)	(450)	-	-	(1.500)
Finance costs	(2.674)	(51)	(2)	(77)	(1)	(2.805)
Profit relating to investment property	**13.329**	**632**	**15.771**	**3.665**	**2.713**	**36.110**

Reconciliation of net profit for the year:	
Profit relating to investment property	36.110
Finance income	807
Other expenses	(7.968)
Other income	1.515
Negative goodwill arising from investment in joint ventures	947
Taxes	(4.974)
Net profit for the year	**26.437**

Additions in investment property per segment:

	Offices	Logistics	Retail	Mixed use	Special use	Total
Acquisition of Investment Property	15.326	-	5.925	11.599	-	**32.850**
Subsequent capital expenditure on investment property	785	34	122	4.162	20	**5.123**
Total	**16.111**	**34**	**6.047**	**15.761**	**20**	**37.973**

B) Geographical segments

For the year ended December 31, 2017:

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

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

Notes to Consolidated and Separate Financial Statements

For the year ended December 31, 2016:

	Revenue	Non-current assets
Greece	55.614	768.656
Romania	4.904	74.955
Serbia	787	13.675
	61.305	**857.286**

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

Rental revenue which exceeds 10% of Group's total rental revenue as at 31.12.2017 derives from HRADF's portfolio (22%), Eurobank Ergasias Group (22%) and Praktiker (16%).

6. Investment property

	Group	
	31/12/2017	**31/12/2016**
Balance at the beginning of the year	**849.978**	**825.598**
Additions:		
Acquisition of investment property	86.852	32.850
Subsequent capital expenditure on investment property	2.283	5.123
Transfer from investment property to property, plant and equipment (own use)	(3.575)	-
Net gain/(loss) from fair value adjustments on investment property	18.855	(13.593)
Balance at the end of the year	**954.393**	**849.978**

	Company	
	31/12/2017	**31/12/2016**
Balance at the beginning of the year	**696.998**	**673.347**
Additions:		
Acquisition of investment property	86.852	32.850
Subsequent capital expenditure on investment property	2.226	5.123
Net gain/(loss) from fair value adjustments on investment property	18.919	(14.322)
Balance at the end of the year	**804.995**	**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).

Notes to Consolidated and Separate Financial Statements

On October 18, 2017, the Company announced that it officially completed the acquisition of a portfolio of fifteen retail assets (supermarkets) and one land plot for which it was declared as the preferred bidder in a Public Auction. The total built area of the portfolio is 48.477 sqm; seven units are located in Athens, two in Thessaloniki, one in each of Rethymno, Veria, Xanthi, Rhodes & Trikala, and one unit together with an additional land plot in Agrinio. The transaction involves the acquisition of 100% of the properties except for one unit in Kolonaki (50.00% indivisible ownership) and one in Egaleo (43.75% indivisible ownership). More specifically, the auction was held on February 10th, 2017 and comprised the total assets of "ZENON PROPERTIES SA", a company under special liquidation. The portfolio is currently leased to Sklavenitis Group. The acquisition price paid amounted to €16.250 (excluding acquisition costs amounting to €161). On the said portfolio, mortgages had been inscribed in favor of Royal Bank of Scotland PLC securing receivables over a bond loan. Zenon was subjected to an extraordinary special administration process pursuant to articles 68 and following of law 4307/2014. According to said law, the new owner may request the deletion of all liens (mortgage prenotations, mortgages, confiscations). The Company has already initiated the process for deletion of these liens which should, according to the Company's estimation, be finalized in the following three months.

On October 23, 2017, the Company announced that the acquisition of the commercial asset located in 340, Syngrou Avenue in Kallithea, Attica has been completed for which the Company was the declared as the preferred bidder in an e-auction conducted by PQH Single Special Liquidation SA, as special liquidator of ATE Leasing. The asset is partially leased to a multinational electrical & electronic equipment chain and to a media company. The total paid up consideration for the acquisition of 50% of the asset amounted to €14.360 (excluding acquisition costs amounting to €197).

On November 30, 2017 the Company announced the acquisition of two stand-alone assets with retail use, located in 69B Vouliagmenis Avenue, in Athens, and 59 Andrea Lazaraki street in Glyfada. In detail, the Company acquired two retail assets with modern specifications and excellent promotion. Total area is c. 12.400sqm, 5.130sqm of which concern the asset in Athens and 7.270sqm concern the asset in Glyfada. The assets are fully leased, mainly to a major Greek supermarket chain. The total acquisition price for the two assets was €22.575 (excluding acquisition costs amounting to €96).

On December 21, 2017 the Company announced the acquisition of a stand-alone asset with retail use, located in 152 Charilaou Trikoupi street in Nea Erythraia. In detail, the Company acquired a retail asset with modern specifications and excellent promotion in a traditional high-street retail location of the northern suburbs. Asset's area is c. 930 sqm and is fully leased to a multinational clothing retailer. The acquisition price for the asset was €2.650 (excluding acquisition costs amounting to €38).

On December 22, 2017 the Company announced the acquisition of a landmark listed asset, located on 101 Grigoriou Lampraki Avenue and Vas. Georgiou in Piraeus. In detail, the Company acquired a stand-alone listed asset of unique neoclassical architecture with excellent promotion, in the most central area of Piraeus. The building was constructed in the end of 19th century and was designed by the famous German architect Enrst Ziller and has been designated as a historical listed monument by the Ministry of Culture. The asset has commercial uses with a total area of c. 1.530 sqm. The acquisition price for the asset was €4.138 (excluding acquisition costs amounting to €5).

On December 29, 2017 the Company acquired horizontal properties in an asset, located on 50 Agiou Konstantinou Street in Maroussi, Attica. In detail, the asset is a modern building with great visibility in a central area of Maroussi, with retail ground floor, offices in five levels and parking and storage spaces in four underground levels. The total surface of the acquired properties is approximately 5,470 sqm, of which 2,790 sqm are main use. The properties are fully leased, mainly to multinational companies. The acquisition price for the horizontal properties was €7.500 (excluding acquisition costs amounting to €114). Prior to the acquisition of the property, on some of its horizontal properties, there were inscribed two mortgage prenotations in favor of Eurobank Ergasias S.A., one mortgage and two confiscations in favor of the Hellenic State. As today, all the above mentioned liens have been lifted and it is pending the only the typical issuance of the relevant certificates from the Cadastral office of Maroussi attesting to this.

Within the year an amount of €3.575 was transferred from investment property to property, plant and equipment (own use). This amount relates to the spaces of the investment property owned by the subsidiary Eliade Tower S.A. leased to other Group Companies.

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

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

Notes to Consolidated and Separate Financial Statements

Country	Greece	Greece	Greece	Greece	Greece	Romania	Romania	Serbia	Serbia	2017	2016
Segment	**Offices**	**Logistics**	**Retail**	**Mixed use**	**Special use**	**Retail**	**Offices**	**Mixed use**	**Retail**	**Σύνολο**	Σύνολο
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	-	-	47.148	39.704	-	-	-	-	-	**86.852**	32.850
-Subsequent capital expenditure on investment property	752	60	107	1.219	145	-	-	-	-	**2.283**	5.123
Transfer from investment property to property, plant and equipment (own use)	-	-	-	-	-	-	(3.575)	-	-	**(3.575)**	-
Net gain/(loss) from fair value adjustments on investment property	1.613	84	13.275	4.958	913	(1.569)	(626)	302	(95)	**18.855**	(13.593)
Fair value at the end	**265.251**	**52.631**	**302.100**	**203.220**	**48.461**	**9.381**	**59.467**	**12.814**	**1.068**	**954.393**	849.978

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

Country	Segment	Fair Value	Valuation technique	Monthly Rent	Discount rate (%)
Greece	Offices	265.251	80% discounted cash flows (DCF) & 20% sales comparison or income method	1.876	9,25% -13,27%
Greece	Logistics	52.631	80% discounted cash flows (DCF) & 20% sales comparison or sales comparison	377	10% -10,75%
Greece	Retail	302.100	80% discounted cash flows (DCF) & 20% sales comparison	2.242	8,25% -10,75%
Greece	Mixed use	203.220	80% discounted cash flows (DCF) & 20% sales comparison	1.245	8,75% -10,5%
Greece	Special use	48.461	80% discounted cash flows (DCF) & 20% income method	403	11,85% - 12,87%
Romania	Retail	9.381	80% discounted cash flows (DCF) & 20% sales comparison	70	11%
Romania	Offices	59.467	80% discounted cash flows (DCF) & 20% sales comparison	399	10,7%
Serbia	Mixed use	12.814	80% discounted cash flows (DCF) & 20% sales comparison	101	10,7%
Serbia	Retail	1.068	80% discounted cash flows (DCF) & 20% sales comparison	7	11,2%
	Total	**954.393**			

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

Were the discount rate as at December 31, 2017, used in the DCF analysis to increase or decrease by +/-5%, the carrying amount of investment properties would be an estimated €23.040 lower or €24.116 higher, respectively.

The net carrying amount of investment property held under finance leases as at December 31, 2017, amounts to €14.728 (31.12.2016: €15.325).

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

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

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

Notes to Consolidated and Separate Financial Statements

7. Property, plant and equipment

Group

	Land and buildings	Fixtures and fittings	Total
Cost value:			
Balance January 01, 2016	3.035	640	**3.675**
Additions	845	26	**870**
Balance December 31, 2016	**3.880**	**666**	**4.545**
Accumulated depreciation:			
Balance January 01, 2016	250	465	**715**
Depreciation charge	77	25	**102**
Balance December 31, 2016	**327**	**490**	**817**
Net book value December 31, 2016	**3.553**	**176**	**3.729**
Cost value:			
Balance January 01, 2017	3.880	666	**4.545**
Transfer to own use	3.575	-	**3.575**
Additions	125	26	**151**
Balance December 31, 2017	**7.580**	**692**	**8.271**
Accumulated depreciation:			
Balance January 01, 2017	327	490	**817**
Depreciation charge	89	21	**110**
Balance December 31, 2017	**416**	**511**	**927**
Net book value December 31, 2017	**7.164**	**181**	**7.345**

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

Notes to Consolidated and Separate Financial Statements

Company

	Land and buildings	Fixtures and fittings	Total
Cost value:			
Balance January 01, 2016	2.597	604	**3.201**
Additions	844	27	**871**
Balance December 31, 2016	**3.441**	**631**	**4.072**
Accumulated depreciation:			
Balance January 01, 2016	235	460	**695**
Depreciation charge	61	19	**81**
Balance December 31, 2016	**296**	**479**	**776**
Net book value December 31, 2016	**3.145**	**151**	**3.296**
Cost value:			
Balance January 01, 2017	3.441	631	**4.072**
Additions	125	25	**150**
Balance December 31, 2017	**3.566**	**656**	**4.222**
Accumulated depreciation:			
Balance January 01, 2017	296	479	**776**
Depreciation charge	72	15	**87**
Balance December 31, 2017	**368**	**494**	**863**
Net book value December 31, 2017	**3.198**	**161**	**3.359**

8. Investment in subsidiaries

	Country of incorporation	Percentage of interest	31/12/2017	31/12/2016
Reco Real Property A.D.	Serbia	100%	17.240	17.240
Eliade Tower S.A.	Romania	99,99%	9.037	9.037
Retail Development S.A.	Romania	99,99%	4.561	4.561
Seferco Development S.A.	Romania	99,99%	21.486	21.486
Cloud Hellas Ktimatiki S.A.	Greece	100%	42.000	42.000
Grivalia Hospitality S.A.	Luxembourg	-	-	2.000
Grivalia New Europe S.A.	Luxembourg	100%	110	50
			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 9).

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

Notes to Consolidated and Separate Financial Statements

9. Participation in 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 S.A. 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 S.A. 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. Following the above the Company owned 50% of Grivalia Hospitality S.A. which was consolidated as a joint venture through the equity method.

The Company recognised a loss of €253 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 (DCI) upon fulfilment 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.

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. On December 01, 2017 the Company announced the completion of the acquisition of the "Olympos Naoussa" asset in Thessaloniki by the joint venture of Grivalia Hospitality S.A. & Macedonian Hotels S.A. ("OL.NA.").

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 the New Investor. Grivalia Hospitality S.A. continues to be consolidated into Grivalia Properties Group as a joint venture through the equity method, as the three shareholders receive all major decisions by unanimity.

Relating to the Company's investment in Grivalia Hospitality Group total assets and total liabilities as at 31.12.2017 amounted to €178.492 and €3.922 respectively. The most significant assets of the Group as at 31.12.2017 relate to the investment property in Panama of €88.098 and its cash and cash equivalents of €63.363.

A gain of €127 and €163 was recognised for the Company and the Group respectively from the change in percentage of participation in the joint venture Grivalia Hospitality S.A..

The share of net profit of investments accounted for using the equity method as at December 31, 2017 was a gain of €8.474 recognised at Group level and is analysed as follows:

- Gain of €2.100 from the joint venture Piraeus Port Plaza 1

- Gain of €6.374 from the joint venture Grivalia Hospitality S.A.

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

Notes to Consolidated and Separate Financial Statements

As at December 31st, 2017 at Company and Group level the investment in Piraeus Port Plaza 1 (50%) amounted to €2.300 and €5.382 respectively, and the investment to Grivalia Hospitality S.A. (25%) amounted to €29.873 and €35.598 respectively.

10. Other long term receivables

The Company's "Other long term receivables" for the year ended December 31, 2017, includes a shareholders loan of €8.070 (31.12.2016: €8.070) receivable from the foreign subsidiary Retail Development S.A.as well as a shareholder loan of €2.500 receivable from the foreign subsidiary Reco Real Property A.D. granted in the current year. The intercompany loan is interest-bearing and is recognized in financial income. Additionally, it includes accrued rental receivable of €2.857 (31.12.2016: €2.803). Furthermore an amount of €1.940 is included, which relates to the long-term receivable undertaken by the company "Greek Supermarkets Sklavenitis SA" as mentioned in note 11.

The Group's "Other long term receivables" for the year ended December 31, 2017, includes an accrued rental receivable of €3.411 (31.12.2016: €3.455), as well as the long-term receivable of €2.330, which was undertaken by the company "Greek Supermarkets Sklavenitis SA".

11. Trade and other receivables

The analysis of trade and other receivables is as follows:

		Group		Company	
	Note	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Trade receivables		5.188	7.189	4.505	6.808
Receivables from related parties	**26**	67	226	165	215
Other receivables		2.006	2.989	1.936	1.742
Trade and other receivables		**7.261**	**10.404**	**6.606**	**8.765**

The Company's trade receivables as at December 31, 2017, include provisions for bad debts amounting to €1.662 (31.12.2016: €2.228). Within the year an amount of €566 was reversed relating to receivables from the company Marinopoulos SA General Trade for three commercial real estate leases.

The Group's trade receivables as at December 31, 2017, include forecasted provisions for bad debts amounting to €2.129 (31.12.2016: € 2.080). Within the year an amount of €1.017 was reversed relating to receivables from the company Marinopoulos SA General Trade for four commercial real estate leases.

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

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Trade receivables				
Due within due date	5.134	3.515	4.451	3.317
Past due but not impaired:				
- 4 to 6 months	54	3.674	54	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)
	5.188	**7.189**	**4.505**	**6.808**

Within the year Marinopoulos S.A. restructuring plan was irrevocably ratified by the court. Subsequently, the company "Ellinikes Yperagores Sklavenitis S.A." in which the assets of Marinopoulos S.A. were transferred, undertook the

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

Notes to Consolidated and Separate Financial Statements

obligation to repay the overdue balances of Marinopoulos S.A. of amount €5.242 on an interest free basis in 36 equal monthly instalments.

12. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash in hand	2	994	-	482
Cash at bank and short-term deposits	44.723	56.950	40.385	51.824
Cash and cash equivalents	**44.725**	**57.944**	**40.385**	**52.306**

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.

13. 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	(1.881)	-	-	(13.464)	-	-	-	(13.464)
Profit for the year	-	-	-	-	-	-	26.437	26.437
Foreign exchange differences	-	-	-	-	-	(6)	(3)	(9)
Actuarial (losses) on post employment benefit obligations net of tax	-	-	-	-	-	(73)	62	(11)
Formation of statutory reserve of local subsidiary	-	-	-	-	-	143	(143)	-
Equity settled share based payments	-	-	-	-	1.252	-	-	1.252
Dividend relating to 2015 approved by the shareholders	-	-	-	-	-	-	(30.884)	(30.884)
Balance December 31, 2016	**97.214**	**215.684**	**571.234**	**(25.957)**	**3.682**	**12.596**	**85.886**	**863.125**
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 year	-	-	-	-	-	-	63.147	63.147
Foreign exchange differences	-	-	-	-	-	(85)	(3)	(88)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-	-	(687)	-	(687)
Actuarial (losses) on post employment benefit obligations net of tax	-	-	-	-	-	(76)	14	(62)
Differences from Revaluation of securities	-	-	-	-	-	86	-	86
Formation of statutory reserve of local subsidiary	-	-	-	-	-	433	(433)	-
Equity settled share based payments	-	-	-	-	1.178	-	-	1.178
Dividend relating to 2016 approved by the shareholders	-	-	-	-	-	-	(18.488)	(18.488)
Balance December 31, 2017	**97.213**	**215.684**	**571.234**	**(25.964)**	**4.860**	**12.267**	**130.123**	**908.204**

The total authorised number of ordinary shares as at December, 31, 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 and are listed on the main market of the Athens Stock Exchange. The 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

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

Notes to Consolidated and Separate Financial Statements

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 committed to acquire all of the shares, which were not held by Fairfax and Coordinated Persons at the Date of the Tender Offer. Therefore, the shares that were the subject of the Tender Offer amounted 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 offered €8,80 per share for each share acquired through the Tender Offer.

The Acceptance Period, during which the Shareholders could declare the acceptance of the Tender Offer, started on August 7, 2017 at 08:00 am. and ended on September 4, 2017 at the end of the opening hours of the banks operating in Greece. During the Acceptance Period, a total of 57.362 Shares were offered, representing approximately 0,06% of the total paid-up Share Capital and voting rights of the Company. Therefore, upon completion of the over the counter transactions of the Offered Shares, FAIRFAX FINANCIAL HOLDINGS LIMITED holds a total of 52.077.732 shares representing approximately 51,43% of the total paid-up share capital and voting rights of the Company, being the ultimate controlling party of the Company.

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%.

On December 28, 2017 based on the relevant notification by Fairfax, Fairfax's subsidiary and controlled undertaking "Odyssey Reinsurance Company" sold on 27.12.2017 4,879,701 shares and voting rights of the Company to another subsidiary and controlled undertaking of Fairfax resulting in a decrease of "Odyssey Reinsurance Company" holding of Company's shares and voting rights from 14.50% to 9.34%, (i.e. 9,459,872 shares and voting rights). It is noted that following execution of the above transaction, the aggregate Company shares and voting rights that Fairfax holds directly and indirectly through its controlled undertakings, have not changed.

The Company's shareholder structure with stakes of over 5% as at December 31, 2017, is as follows:

• Fairfax Financial Holdings Limited	51,43%
• Wellington Management Company LLP	5,79%
• Brandes Investment Partners	5,00%
• Pacific Investment Management Company LLC	5,00%

The abovementioned percentage of Fairfax Financial Holdings Limited 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.

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

During the fiscal year, the Company purchased 948 own shares amounting to 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. The above-mentioned approval expired on July 30, 2017 and was not renewed.

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

Notes to Consolidated and Separate Financial Statements

As at December 31, 2017, the Company owned 4.046.489 own shares of a total cost of €27.805, excluding the sale of pre-emption rights of own shares amounting to €1.841, with an average price of (amount in €) €6,87 per share. As at December 31, 2016, the Company owned 4.045.541 own shares of a total cost of €27.798 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.

Share based payment reserve

The share based payment reserve includes an amount of €4.860 relating to equity settled share based payments to key management, of which €1.096 was recognized as an expense in the "Employee benefit expense- BoD" account in the current year. The cost of these benefits is determined based on the fair value of these rights at the granting date and is recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

Additionally, this reserve includes an amount of €192 relating to additional benefits granted to key Company management in 2016, the payment of which has been deferred for a period of three 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 manner relating to gains from sale of unlisted shares, namely the company Immobiliare Rio Nuovo S.p.A in the year 2002.

14. Borrowings including obligations under finance leases

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Non-current				
Bank borrowings	127.925	40.120	106.890	17.755
Finance lease liabilities	2.186	3.340	2.186	3.340
Non-current borrowings,including finance leases	**130.111**	**43.460**	**109.076**	**21.095**
Current				
Bank borrowings	6.793	7.640	5.396	3.939
Finance lease liabilities	1.159	1.143	1.159	1.143
Current borrowings, including finance leases	**7.952**	**8.783**	**6.555**	**5.082**
Total borrowings, including finance leases	**138.063**	**52.243**	**115.631**	**26.177**

On March 09, 2017, an amount of € 32.000 was disbursed by the Company from the loan granted by the International Finance Corporation. The Company is in the process of withdrawing a mortgage amounting to €2.277 due to repayment of the relevant loan under which it was given as collateral.

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. Furthermore on November 14, 2017 the remaining amount of €16.250 was disbursed from the €50.000 bond loan.

On December 13, 2017, an amount of €2.300 was repaid from the subsidiary Reco Real Property A.D. to the bank NEW EUROPE FUNDING BV.

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

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

Notes to Consolidated and Separate Financial Statements

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	7.952	8.783	6.555	5.082
From 1 to 5 years	117.061	43.460	96.026	21.095
Over 5 years	13.050	-	13.050	-
	138.063	**52.243**	**115.631**	**26.177**

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

The weighted interest rate paid is as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Bank borrowings	3,19%	2,97%	3,30%	2,96%
Finance lease liabilities	1,98%	1,75%	1,98%	1,75%

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

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

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

	Group and Company	
	31/12/2017	31/12/2016
Up to 1 year	1.215	1.207
From 1 to 5 years	2.228	3.420
Over 5 years	-	-
	3.443	**4.627**
Future finance charges on finance leases	(98)	(144)
Present value of finance lease liabilities	**3.345**	**4.483**

The present value of finance lease liabilities is as follows:

	Group and Company	
	31/12/2017	31/12/2016
Up to 1 year	1.159	1.143
From 1 to 5 years	2.186	3.340
Over 5 years	-	-
Present value of finance lease liabilities	**3.345**	**4.483**

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

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.

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

Notes to Consolidated and Separate Financial Statements

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.

The movement in liabilities from financing activities is as follows:

Group:

	Borrowings, including finance leases	Dividends payable	Total
Liabilities from financing activities 1.1.2017	**52.243**	**40**	**52.283**
Cash flows	86.098	(18.488)	67.610
Additions	-	18.488	18.488
Other non-cash movements	(278)	-	(278)
Liabilities from financing activities 31.12.2017	**138.063**	**40**	**138.103**

Company:

	Borrowings, including finance leases	Dividends payable	Total
Liabilities from financing activities 1.1.2017	**26.177**	**40**	**26.217**
Cash flows	89.702	(18.488)	71.215
Additions		18.488	18.488
Other non-cash movements	(248)	-	(248)
Liabilities from financing activities 31.12.2017	**115.631**	**40**	**115.671**

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

Notes to Consolidated and Separate Financial Statements

15. Trade and other payables

The analysis of trade and other payables is as follows:

	Note	Group 31/12/2017	Group 31/12/2016	Company 31/12/2017	Company 31/12/2016
Trade payables		1.659	1.645	1.496	1.164
Other payables and accruals	26	78	252	62	252
Amounts due to related parties		11.089	7.888	10.241	7.283
Trade and other payables		**12.826**	**9.785**	**11.799**	**8.699**

"Other payables and accruals" both for the Group and the Company as at December 31, 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.

16. Rental income

	Group 31/12/2017	Group 31/12/2016	Company 31/12/2017	Company 31/12/2016
Rental revenue	65.036	61.360	53.541	50.045
(Expenses) from service charges	(51)	(55)	-	-
Rental income	**64.985**	**61.305**	**53.541**	**50.045**

The lease period that the Group leases out its property (located in Greece) under operating leases is, in most cases, for a term of 12 to 20 years. Annual rental increases are linked to the Greek CPI and the HICP indexes; in the case of deflation there is no negative impact on the Group's and Company's income. Most of the lease agreements of retail spaces contain terms based on a percentage of the property's net sales.

Contingent rents for the year ended December 31, 2017 and December 31, 2016, have had no material effect on the income statement either for the Group or the Company.

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

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

	Group 31/12/2017	Group 31/12/2016	Company 31/12/2017	Company 31/12/2016
Up to 1 year	62.511	57.198	51.716	46.751
From 1 to 5 years	202.833	193.153	167.687	156.160
Over 5 years	298.067	300.281	283.437	288.184
	563.411	**550.632**	**502.840**	**491.095**

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

Notes to Consolidated and Separate Financial Statements

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Up to 1 year	1.212	796	1.212	796
From 1 to 5 years	4.833	-	4.833	-
Over 5 years	11.076	-	11.076	-
	17.121	**796**	**17.121**	**796**

17. Other direct property related expenses

Other direct property related expenses comprise the following:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Valuation fees	154	125	140	112
Lawyers' fees and other professional services	43	35	33	28
Stamp duty and other withholding taxes	32	25	31	25
Insurance expenses	473	474	421	421
Repair and maintenance expenses	878	437	857	422
Services charges	451	432	449	437
Other expenses	1.277	256	1.208	164
Other direct property relating expenses	**3.308**	**1.784**	**3.139**	**1.609**

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Leased property	3.126	1.702	2.957	1.535
Vacant property	182	82	182	74
	3.308	**1.784**	**3.139**	**1.609**

18. Property taxes

"Property taxes" for both the Company and the Group as at December 31, 2017, amount to €4.797 and €5.773 respectively (31.12.2016: €4.524 and €5.513 respectively). This item mainly includes the aggregate tax on property (ENFIA), which for the Company and Group for the year ended December 31, 2017, amounted to €4.480 and €5.029 respectively (31.12.2016: €4.293 and €4.806).

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

Notes to Consolidated and Separate Financial Statements

19. Employee benefit expense– BoD

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Salaries, wages and allowances	1.520	1.567	1.480	1.521
Social security costs	457	309	450	301
Other benefits	1.377	1.374	1.374	1.372
Profit distributed to employees- BoD	4.033	1.653	3.792	1.365
Employee benefit expense- BoD	**7.387**	**4.903**	**7.096**	**4.559**

On December 31, 2017, this item included a provision of €4.500 which was reduced by €708 due to the reversal of the related provision for additional benefits during 2016 which were not paid in 2017. In addition, the item in the Group's account included €204 concerning BoD fees from the subsidiary Seferco Development S.A.

On December 31, 2016, this item included a provision of €1.800 which was reduced by €435 due to the reversal of the related provision for additional benefits during 2015 which were not paid in 2016. In addition, the item in the Group's account included €288 concerning BoD fees from the subsidiary Seferco Development S.A.

20. Other expenses

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Professional fees	474	1.183	296	709
Expenses relating to promotion, advertising and publication	175	148	175	138
Other	1.165	1.470	1.564	912
Other expenses	**1.814**	**2.801**	**2.035**	**1.759**

The fees of the company "PricewaterhouseCoopers" in Greece for the services provided to the Company and its subsidiary Cloud Hellas Ktimatiki SA. for the years 2017 and 2016 are as follows:

Fees payable to company 'PricewaterhouseCoopers

	31/12/2017	31/12/2016
Statutory Audit fees for the separate and consolidated financial statements of the Company.	97	97
Audit fees for services provided to the Company and its subsidiaries:		
Statutory Audit fees for the separate financial statements of the subsidiary Cloud Hellas Ktimatiki S.A.	14	14
Tax audit certificate in accordance with article 65A of L. 4174/2013 and the POL 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the Company.	10	10
Tax audit certificate in accordance with article 65A of L. 4174/2013 and the POL 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the subsidiary Cloud Hellas Ktimatiki S.A.	6	6
Agreed Upon Procedures related to the "Statement of Investments"	The fee is included in that of the statutory audit of the annual separate and consolidated financial statements.	
Tax advisory services provided in 2016 to the Company relating to suggested changes in REIC tax regime taking into consideration the tax treatment of relevant company's in other states	-	3
Tax advisory services provided in 2016 to the Company relating to the possible acquisition of shares in a company investing in real estate in Greece	-	2
Preparation of a sustainability report and non financial report in accordance with EPRA's (European Public Real Estate Association) provisions, for the Company	-	15
Audit fees	**126**	**146**

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

Notes to Consolidated and Separate Financial Statements

21. Taxes

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Current tax	7.834	4.734	6.836	3.927
Tax audit differences	-	193	-	193
Deferred tax	92	46	-	-
Other taxes and duties	1	1	-	-
Taxes	**7.927**	**4.974**	**6.836**	**4.120**

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

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

The figure "current income tax" for the Company and the Group, for the year ended December 31, 2017, includes tax on assets of €6.836 and €7.370 respectively (31.12.2016: €3.927 and €4.252 respectively). Current tax for the Group includes the Company and its subsidiary Cloud Hellas Ktimatiki S.A. which is incorporated in Greece and taxed under the REICs' tax regime.

The Company's foreign subsidiaries are taxed on their taxable income based at tax rates of 16% (Romania) and 15% (Serbia). For the year ended December 31, 2017, the subsidiaries located in Romania incurred income tax amounting to €432 (31.12.2016: €447), whereas for the subsidiary located in Serbia and Luxembourg no significant tax arose.

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

22. 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..

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

Notes to Consolidated and Separate Financial Statements

23. Earnings per share

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

Basic and diluted earnings per share for the year ended December 31, 2017, amounted to €0,65 (December 31, 2016: €0,27).

24. Contingent liabilities and unaudited tax fiscal years

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years up to December 31, 2004. The Company's Management, based on the opinion of its legal advisors, disputed these amounts and made appeals in regards to the cancellation for additional income tax and fines of up to amount €1.191. The hearing of the case took place on April 01, 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 08, 2016. Although the Greek State filed for a revision of the decision 4324/2015 before the Council of State on 12.05.2016 (file number 994/2016) in which the Greek State requests the annulment of the Administrative Court of Athens decision and the rejection of the legal appeal of the Company (no 170/30.11.2015), Management believes that no provision needs to be made for the above amount as no significant obligations are expected to arise.

The following table presents the unaudited tax years of the parent Company, the Group's subsidiaries and the joint ventures as of 31.12.2017:

	Country of incorporation	Percentage of interest	Description	Unaudited tax fiscal years
Grivalia Properties REIC	Greece	-	Parent	2012-2017
Reco Real Property A.D.	Serbia	100%	Subsidiary	2012-2017
Eliade Tower S.A.	Romania	99,99%	Subsidiary	2011-2017
Retail Development S.A.	Romania	99,99%	Subsidiary	2011-2017
Seferco Development S.A.	Romania	99,99%	Subsidiary	2011-2017
Cloud Hellas Ktimatiki S.A.	Greece	100%	Subsidiary	2012-2017
Grivalia New Europe S.A.	Luxembourg	100%	Subsidiary	2015-2017
Grivalia Hospitality S.A.	Luxembourg	25%	JV	2015-2017
PPP 1	Greece	50%	JV	2015-2017

Up until 31.12.2017 the tax authorities have not notified for any control order of the Company for the fiscal year 2011 or for its subsidiary company Cloud Hellas Ktimatiki SA. for the fiscal years 2010 and 2011. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, per company, reported uses pursuant to (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases); b) paragraph 1 of article 57 of Law 2859/2000 (non-audited cases of VAT and c)) of par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

The Company and the subsidiary company Cloud Hellas Ktimatiki S.A. have been audited by a certified auditor according to Law 4174/2013 article 65 ^{A} and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and have received a tax certificate for the year 2011, 2012, 2013, 2014, 2015 and 2016 while it is expected to receive a tax certificate for the year 2017. For the years that ended after December 31, 2011 and remain unaudited by the tax authorities, we estimate that the taxes that may arise will not have a material effect on the financial statements.

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

Notes to Consolidated and Separate Financial Statements

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

25. Capital expenditures

On December 31, 2017, the Group's capital expenditure relating to improvements on investment property amounted to €1.965.

26. Related party transactions

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

On July 4, 2017, Eurobank Ergasias SA, through a private placement, disposed 20.252.001 common voting shares, the total of its shareholding in the Company, which accounted for approximately 20% of the share capital of the latter. Hence balances with Eurobank Group are not included to the balances as at December 31, 2017 from 04/07/2017 onwards. Until the abovementioned date, the Company was associated with Eurolife through Eurobank Group and thereafter is associated through Fairfax.:

The following transactions were carried out with related parties:

a) Rental income received

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Rental income				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	27	27
Parent (Bank Eurobank Ergasias S.A.) (1)	6.110	11.839	6.110	11.839
Other related parties (1)	13.284	16.196	5.804	6.984
	19.394	**28.035**	**11.941**	**18.850**

(1) It should be noted that in Group's rental income as at 31/12/2017, rental income from group Eurobank Ergasias S.A. of amount €9.259 is included up until 04/07/2017.

Other related parties as of 31.12.2017 include rental income from Praktiker Hellas amounting to € 10.094.

b) Purchase of services

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.[Romania])	10	18	-	-
Subsidiary of parent company (ERB Property Services d.o.o. Beograd)	4	9	-	-
	14	**27**	-	-

Technical service fees as at 31/12/2017, relate in total to transactions with group Eurobank Ergasias S.A. up until 04/07/2017.

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

Notes to Consolidated and Separate Financial Statements

c) Insurance expense for investment property

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	422	406	380	366
Subsidiary of parent company (Eurolife ERB Asigurari Generale S.A.)	26	28	-	-
Other related parties	(53)	(53)	(28)	(28)
	395	**381**	**352**	**338**

d) Insurance expenses for personnel

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other employee benefits				
Subsidiary of parent company (Eurolife ERB Life Insurance S.A.)	123	260	123	260
	123	**260**	**123**	**260**

e) Other income from dividends received

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	3.400	2.700
Subsidiary (Reco Real Property A.D.)	-	-	1.000	2.770
Subsidiary (Seferco Development S.A.)	-	-	1.622	4.112
	-	-	**6.022**	**9.582**

f) Finance Costs

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	931	318	808	57
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	261	484	44	1
Subsidiary of parent company (Eurobank Cyprus Ltd)	-	1	-	1
Subsidiary of parent company (Eurobank A.D. Beograd)	12	27	-	-
Subsidiary of parent company (SC Bancpost S.A.)	2	3	-	-
Subsidiary of parent company (New Europe Funding B.V.)	23	50	-	-
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	40	102	40	102
	1.269	**985**	**892**	**161**

Finance costs as at 31/12/2017, relate in total to transactions with group Eurobank Ergasias S.A. up until 04/07/2017.

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

Notes to Consolidated and Separate Financial Statements

g) Interest income earned on cash and cash equivalents

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Subsidiary (Retail Development S.A)		-	492	492
Subsidiary (Reco Real Property A.D.)		-	5	-
Parent (Bank Eurobank Ergasias S.A.) (1)	31	111	22	102
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.) (1)	-	26	-	23
Subsidiary of parent company (Eurobank A.D. Beograd) (1)	1	5	-	-
Subsidiary of parent company (Eurobank Cyprus Ltd) (1)	-	52	-	52
Subsidiary of parent company (SC Bancpost S.A.) (1)	-	1	-	-
	32	**195**	**519**	**669**

(1) Interest income earned on cash and cash equivalents as at 31/12/2017 relate in total to transactions with group Eurobank Ergasias S.A. up until 04/07/2017.

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other related parties	28	29	12	12
	28	**29**	**12**	**12**

i) Key management compensation and benefits

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Key management compensation	1.838	1.821	1.648	1.687
Equity settled share based payments	1.096	1.058	1.096	1.058
	2.934	**2.879**	**2.744**	**2.745**

As at December 31, 2017, the balance of interest bearing loans advanced to key management amounted to €171.

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

Notes to Consolidated and Separate Financial Statements

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other long term receivables				
Subsidiary (Retail Development S.A)	-	-	8.070	8.070
Subsidiary (Reco Real Property A.D.)	-	-	2.500	-
Parent (Bank Eurobank Ergasias S.A.)	-	1.356	-	1.356
Other related parties	337	491	337	450
	337	**1.847**	**10.907**	**9.876**
Trade and other receivables from other related parties				
Subsidiary (Retail Development S.A)	-	-	124	124
Subsidiary (Reco Real Property A.D.)	-		5	
Parent (Bank Eurobank Ergasias S.A.)	-	1	-	1
Other related parties	67	225	36	90
	67	**226**	**165**	**215**
Trade payables to related parties				
Parent (Bank Eurobank Ergasias S.A.)	-	37	-	37
Other related parties	78	215	62	215
	78	**252**	**62**	**252**
Long-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	-	1.852	-	1.852
Other related parties	-	334	-	334
	-	**2.186**	**-**	**2.186**
Other non-current liabilities				
Parent (Bank Eurobank Ergasias S.A.)	-	223	-	223
	-	**223**	**-**	**223**
Short-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	-	18	-	18
	-	**18**	**-**	**18**
Long-term borrowings,including finance leases				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	22.194	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	-	3.340	-	3.340
Subsidiary of parent company (Eurobank A.D. Beograd)	-	100	-	-
Subsidiary of parent company (New Europe Funding B.V.)	-	70	-	-
	-	**25.704**	**-**	**3.340**
Short-term borrowings,including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	-	1.738	-	1.738
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	1.228	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	-	1.143	-	1.143
Subsidiary of parent company (Eurobank A.D. Beograd)	-	102	-	-
Subsidiary of parent company (New Europe Funding B.V.)	-	2.370	-	-
	-	**6.581**	**-**	**2.881**
Cash and cash equivalents				
Parent (Bank Eurobank Ergasias S.A.)	-	4.357	-	3.225
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	1.622	-	432
Subsidiary of parent company (Eurobank A.D. Beograd)	-	814	-	-
Subsidiary of parent company (SC Bancpost S.A.)	-	655	-	-
	-	**7.448**	**-**	**3.657**

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

k) Commitments and contingent liabilities

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

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

Notes to Consolidated and Separate Financial Statements

27. Events after the balance sheet date

On January 26, 2018 the Company announced in accordance with the provision of Law 3556/2007 that the total percentage in the share capital and voting rights of the Company which "Brandes Investment Partners LP" indirectly held on January 23, 2018, has decreased to under 5% limit, as this was notified to the Company by "Brandes Investment Partners LP" the following day on January 24, 2018.

According to the above notification, "Brandes Investment Partners LP" held on January 24, 2018.indirectly, 5.054.806 shares and voting rights of the Company amounting to 4.99% of its share capital.

"Brandes Investment Partners LP" is a U.S. based SEC registered investment adviser that has voting discretion over some, but not all holdings in client portfolios and does not hold legal title over any securities. "Brandes Investment Partners LP" has full voting discretion over the 5.054.806 voting rights reported and no individual client holds a stake over 5%.

There are no other significant events have taken place after December 31, 2017, which affect either the Group or the Company's financial position that need to be mentioned according to the International Financial Reporting Standards.

The Consolidated and Separate Financial Statements for the year ended December 31, 2017, were approved by the Board of Directors on January 30, 2018 and have been signed on its behalf by:

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

Category	Title	Upload Date
Transaction Disclosure	Announcement- Acquisition of Treasury Shares 02.01.2017	03/01/2017
Transaction Disclosure	Announcement- Acquisition of Treasury Shares 03.01.2017	04/01/2017
Press Releases and Other Announcements	Grivalia Hospitality acquires majority stake at Isla Pedro Gonzalez (Pearl Island) in Panama 17.01.2017	17/01/2017
Press Releases and Other Announcements	Grivalia Hospitality announces its first investment 17.01.2017	17/01/2017
Financial Log	Corporate events calendar 2017 27.01.2017	27/01/2017
Press Releases and Other Announcements	Net profit of €26.4m for the year 2016 for Grivalia Properties 03.02.2017	03/02/2017
2016	Consolidated and Company Financial Statements for the year ended 31.12.2016	03/02/2017
2016	Investment Schedule 31.12.2016	03/02/2017
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	08/02/2017
Press Releases and Other Announcements	GOLD certification for GRIVALIA's "Green Plaza" building complex 21.02.2017	21/02/2017
Press Releases and Other Announcements	Information Pack for the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	23/02/2017
Press Releases and Other Announcements	Proxy form for the participation in the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	23/02/2017
Press Releases and Other Announcements	Invitation to the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	23/02/2017
Press Releases and Other Announcements	Acquisition of two assets in 340, Syngrou Avenue, Kallithea & 49, Kifissias Avenue, Maroussi, Attica 10.02.017	06/03/2017
Press Releases and Other Announcements	Information Pack for the Ordinary General Shareholders' Meeting on 22.03.2017_23.02.2017	07/03/2017
Press Releases and Other Announcements	Issuance of two (2) Bond Loans of a total amount of €60m 14.03.2017	14/03/2017
Press Releases and Other Announcements	Pearl Island transaction conclusion 14.03.2017	14/03/2017
Press Releases and Other Announcements	Announcement of Dividend Distribution for year 2016 22.03.2017	22/03/2017
Press Releases and Other Announcements	Resolutions of Ordinary General Shareholders Meeting 22.03.2017	22/03/2017
Press Releases and Other Announcements	Clarifications on the means of payment of 2016 dividend 23.03.2017	23/03/2017
Press Releases and Other Announcements	Share Capital Increase in Grivalia Hospitality with simultaneous participation of a strategic investor 20.02.2017	23/03/2017
Press Releases and Other Announcements	Clarifications on the exact amount of 2016 dividend 24.03.2017	24/03/2017
Offering Memoranda	Annual Report 2016 22.03.2017	27/03/2017
Press Releases and Other Announcements	Election of a new B.o.D. member in the place of a resigned member 02.05.2017	02/05/2017
Press Releases and Other Announcements	Net profit of €11.7 million for the first quarter of 2017 for Grivalia Properties 22.05.2017	22/05/2017
2017	Condensed Consolidated and Company Interim Financial Statements for the period ended 31.03.2017	22/05/2017
Financial Log	Update of the Corporate Events Calendar- Change of date of publication of Q2 2017 Financial Results 30.06.2017	30/06/2017
Press Releases and Other Announcements	BREEAM Certification with Excellent Performance for Grivalia's Building on 68, Vas. Sofias Avenue in Athens 05.07.2017	05/07/2017
Transaction Disclosure	Announcement of regulated information according to Law 3556/2007- Fairfax, 10.07.2017	10/07/2017
Transaction Disclosure	Notification concerning changes in voting rights (L.3556_2007) 10.07.2017	10/07/2017
Transaction Disclosure	Announcement of regulated information according to Law 3556/2007- Eurobank, 10.07.2017	10/07/2017
Transaction Disclosure	Announcement of regulated information according to Law 3556/2007- Eurolife, 10.07.2017	10/07/2017
Press Releases and Other Announcements	Successful bid in Tender regarding "Olympos Naoussa" asset 13.07.2017	13/07/2017
Press Releases and Other Announcements	Grivalia Hospitality successfully raised €60 million 28.07.2017	28/07/2017
2017	Investment Schedule 30.06.2017	28/07/2017
Press Releases and Other Announcements	Announcement of the reasoned opinion of BoD 11.08.2017	11/08/2017
Press Releases and Other Announcements	Reasoned opinion of BoD 11.08.2017	11/08/2017
Press Releases and Other Announcements	Net profit of €28.0 million for the first semester of 2017 for Grivalia Properties 11.08.2017	11/08/2017
2017	Financial Report for the six month period ended 30.06.2017	11/08/2017
Press Releases and Other Announcements	Grivalia Hospitality agreed to acquire 80% of Nafsika SA, lessee of Asteria Glyfadas 16.08.2017	16/08/2017
Press Releases and Other Announcements	Acquisition of portfolio of sixteen properties through Public Auction 13.02.017	30/08/2017
Transaction Disclosure	Announcement of regulated information article 17 of Regulation (EU) 596/2014 – Fairfax, 08.09.2017	08/09/2017
Press Releases and Other Announcements	Significant distinction for Grivalia Properties at a European level 11.09.2017	11/09/2017
Press Releases and Other Announcements	Appointment of Market Maker 20.09.2017	20/09/2017
Press Releases and Other Announcements	Preferred bidder for asset in 340, Syngrou Avenue, Kallithea, Attica 21.09.2017	21/09/2017
Press Releases and Other Announcements	Election of a new B.o.D. member in the place of a resigned member 16.10.2017	16/10/2017
Press Releases and Other Announcements	Completion of acquisition of a sixteen properties portfolio 18.10.2017	18/10/2017
Transaction Disclosure	Notification concerning changes in voting rights (L.3556/2007) 23.10.2017	23/10/2017
Press Releases and Other Announcements	Completion of acquisition of asset in 340, Syngrou Avenue, Kallithea, Attica 23.10.2017	23/10/2017
Presentations	Company Presentation at the Road Show in London 09.2017	23/10/2017
Presentations	Company Presentation at the Road Show in New York 06.2017	23/10/2017
Presentations	Company Presentation at the Road Show in New York 11.2016	23/10/2017
Presentations	Company Presentation at the Road Show in London 09.2016	23/10/2017
Presentations	Company Presentation at the Road Show in New York 06.2016	23/10/2017
Presentations	Company Presentation to the Annual Shareholders Meeting 22.03.2017	24/10/2017
Transaction Disclosure	Notification concerning changes in voting rights (L.3556/2007) 25.10.2017	25/10/2017
Press Releases and Other Announcements	Net profit of €35.5 million for the nine month period of 2017 for Grivalia Properties 17.11.2017	17/11/2017
2017	Condensed Consolidated and Company Interim Financial Statements for the period ended 30.09.2017	17/11/2017
Press Releases and Other Announcements	Acquisition of two stand-alone retail assets in Athens and Glyfada, Attica	30/11/2017
Press Releases and Other Announcements	Acquisition completion regarding the "Olympos Naoussa" asset in Thessaloniki 04.12.2017	04/12/2017
Press Releases and Other Announcements	Acquisition of a stand-alone retail asset in Nea Erythraia, Attica 21.12.2017	21/12/2017
Press Releases and Other Announcements	Acquisition of a landmark asset in the centre of Piraeus 22.12.2017	22/12/2017
Presentations	Company Presentation at the Road Show in New York 12.2017	28/12/2017