



Grivalia Properties REIC

FINANCIAL REPORT

for the nine month period ended

September 30, 2017

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

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Consolidated and Company Balance Sheet

		Group		Company	
	Note	30/09/2017	31/12/2016	30/09/2017	31/12/2016
ASSETS					
Non-current assets					
Investment property	5	876.011	849.978	721.811	696.998
Property, plant and equipment		3.790	3.729	3.374	3.296
Intangible Assets		343	347	3	5
Investment in subsidiaries	6	-	-	94.434	96.374
Investment in associates and joint ventures	7	34.783	3.232	32.173	2.250
Deferred tax asset		252	252	-	-
Other long term receivables	8	3.486	3.455	10.961	10.873
		918.665	860.993	862.756	809.796
Current assets					
Trade and other receivables	9	14.033	10.404	14.393	8.765
Greek Government Treasury Bills		14.869	3.973	10.310	2.483
Cash and cash equivalents	10	79.388	57.944	74.218	52.306
		108.290	72.321	98.921	63.554
TOTAL ASSETS		1.026.955	933.314	961.677	873.350
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share Capital	11	215.684	215.684	215.684	215.684
Share premium	11	571.234	571.234	571.234	571.234
Own shares	11	(25.964)	(25.957)	(25.964)	(25.957)
Share based payment reserve	11	4.586	3.682	4.586	3.682
Other reserves	11	12.748	12.596	11.874	11.830
Retained earnings	11	102.776	85.886	65.064	54.281
Total shareholders' equity		881.064	863.125	842.478	830.754
Non-current liabilities					
Borrowings, including finance leases	12	116.025	43.460	94.616	21.095
Tenant deposits		3.507	3.279	3.429	3.279
Other non-current liabilities		196	223	196	223
		119.728	46.962	98.241	24.597
Current liabilities					
Trade and other payables	13	10.861	9.785	10.003	8.699
Dividends payable		40	40	40	40
Current income tax liabilities		6.220	4.486	5.569	4.045
Borrowings, including finance leases	12	8.732	8.783	5.036	5.082
Tenant deposits		310	133	310	133
		26.163	23.227	20.958	17.999
Total liabilities		145.891	70.189	119.199	42.596
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1.026.955	933.314	961.677	873.350

Consolidated Income Statement

	Note	Nine month period ended		Three month period ended	
		30/09/2017	30/09/2016	30/09/2017	30/09/2016
Revenue					
Rental income		48.101	45.639	16.137	15.310
		48.101	45.639	16.137	15.310
Net gain/ (loss) from fair value adjustments on investment property	5	6.083	(11.676)	-	-
Other direct property relating expenses		(1.516)	(1.356)	(674)	(515)
Property taxes	14	(4.275)	(4.138)	(1.417)	(1.005)
Corporate Social Responsibility		(150)	(120)	(50)	(73)
Provision for doubtful debts		-	(1.500)	-	2.539
Employee benefit expense- BoD		(5.371)	(3.643)	(3.224)	(1.365)
Depreciation of assets		(91)	(86)	(30)	(29)
Other income		96	1.474	94	1.412
Other expenses		(1.242)	(1.677)	(545)	(389)
Operating profit		41.635	22.916	10.291	15.885
Finance income		734	486	282	332
Finance costs		(3.095)	(1.150)	(1.141)	(366)
Gain from loss of control of subsidiary	7	253	-	-	-
Gain from change in percentage of participation in joint venture	7	163	-	163	-
Share of net profit of investments accounted for using the equity method	7	1.590	-	(104)	-
Profit before tax		41.280	22.252	9.491	15.851
Taxes	16	(5.735)	(3.205)	(1.905)	(1.845)
Profit for the period		35.545	19.047	7.586	14.006
Earnings per share (expressed in € per share)					
- Basic and Diluted	18	0,37	0,19		

Company Income Statement

	Note	Nine month period ended		Three month period ended	
		30/09/2017	30/09/2016	30/09/2017	30/09/2016
Revenue					
Rental income		39.455	37.206	13.237	12.505
		39.455	37.206	13.237	12.505
Net gain/ (loss) from fair value adjustments on investment property	5	4.866	(11.408)	-	-
Other direct property relating expenses		(1.419)	(1.210)	(640)	(432)
Property taxes	14	(3.572)	(3.396)	(1.184)	(786)
Corporate Social Responsibility		(150)	(120)	(50)	(73)
Provision for doubtful debts		-	(1.050)	-	2.502
Employee benefit expense- BoD		(5.145)	(3.333)	(3.161)	(1.215)
Depreciation of assets		(73)	(69)	(24)	(24)
Other income	15	3.442	9.404	40	1.410
Other expenses		(1.578)	(1.414)	(481)	(314)
Operating profit		35.826	24.610	7.737	13.573
Finance income		1.057	830	393	447
Finance costs		(2.527)	(524)	(950)	(167)
(Loss) from loss of control of subsidiary	7	(253)	-	-	-
Gain from change in percentage of participation in joint venture	7	127	-	127	-
Profit before tax		34.230	24.916	7.307	13.853
Taxes	16	(4.973)	(2.597)	(1.658)	(1.550)
Profit for the period		29.257	22.319	5.649	12.303

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Profit for the period	35.545	19.047	29.257	22.319
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	(106)	(1)	-	-
Items that will not be reclassified to profit or loss				
Actuarial (losses) on post employment benefit obligations net of tax	(13)	(11)	(13)	(11)
Total comprehensive (loss) after taxes	(119)	(12)	(13)	(11)
Total comprehensive income after taxes for the period	35.426	19.035	29.244	22.308
Total comprehensive income for the period attributable to:				
- Shareholders (Owners of the parent)	35.426	19.035	29.244	22.308
- Minority interest	-	-	-	-
Total comprehensive income after taxes for the period	35.426	19.035	29.244	22.308

Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		215.684	571.234	(12.493)	2.430	12.532	90.417	879.804
Profit for the period		-	-	-	-	-	19.047	19.047
Foreign exchange differences		-	-	-	-	1	(2)	(1)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(73)	62	(11)
Total comprehensive income for the period		-	-	-	-	(72)	19.107	19.035
Transactions with shareholders:								
Acquisition of own shares		-	-	(10.079)	-	-	-	(10.079)
Formation of statutory reserve of local subsidiary		-	-	-	-	143	(143)	-
Equity settled share based payments		-	-	-	987	-	-	987
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance September 30, 2016		215.684	571.234	(22.572)	3.417	12.603	78.497	858.863
Balance January 01, 2017		215.684	571.234	(25.957)	3.682	12.596	85.886	863.125
Profit for the period		-	-	-	-	-	35.545	35.545
Foreign exchange differences		-	-	-	-	(104)	(2)	(106)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(26)	14	(13)
Total comprehensive income for the period		-	-	-	-	(130)	35.557	35.426
Transactions with shareholders:								
Differences from Revaluation of securities		-	-	-	-	104	-	104
Acquisition of own shares	11	-	-	(7)	-	-	-	(7)
Formation of statutory reserve of local subsidiary		-	-	-	-	179	(179)	-
Equity settled share based payments	11	-	-	-	904	-	-	904
Dividend relating to 2016 approved by the shareholders	17	-	-	-	-	-	(18.488)	(18.488)
Balance September 30, 2017		215.684	571.234	(25.964)	4.586	12.748	102.776	881.064

Company Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		215.684	571.234	(12.493)	2.430	11.903	62.394	851.152
Profit for the period		-	-	-	-	-	22.319	22.319
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(73)	62	(11)
Total comprehensive income for the period		-	-	-	-	73	22.381	22.308
Transactions with shareholders:								
Acquisition of own shares		-	-	(10.079)	-	-	-	(10.079)
Equity settled share based payments		-	-	-	987	-	-	987
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance September 30, 2016		215.684	571.234	(22.572)	3.417	11.830	53.891	833.484
Balance January 01, 2017		215.684	571.234	(25.957)	3.682	11.830	54.281	830.754
Profit for the period		-	-	-	-	-	29.257	29.257
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(26)	14	(13)
Total comprehensive income for the period		-	-	-	-	(26)	29.271	29.244
Transactions with shareholders:								
Differences from Revaluation of securities		-	-	-	-	71	-	71
Acquisition of own shares	11	-	-	(7)	-	-	-	(7)
Equity settled share based payments	11	-	-	-	904	-	-	904
Dividend relating to 2016 approved by the shareholders	17	-	-	-	-	-	(18.488)	(18.488)
Balance September 30, 2017		215.684	571.234	(25.964)	4.586	11.874	65.064	842.478

Consolidated and Company Cash Flow Statement

		Group		Company	
	Note	01/01 - 30/09/2017	01/01 - 30/09/2016	01/01 - 30/09/2017	01/01 - 30/09/2016
Cash flows from operating activities					
Profit for the period		35.545	19.047	29.257	22.319
Other (gains)		(96)	(1.474)	(42)	(9.404)
Dividend from a subsidiary	15	-	-	(3.400)	-
Provisions		(1.291)	2.218	978	2.204
Finance income		(734)	(486)	(1.057)	(830)
Finance costs		3.095	1.150	2.527	524
Taxes	16	5.735	3.205	4.973	2.597
(Increase)/decrease of fair value of investment property	5	(6.083)	11.676	(4.866)	11.408
Depreciation of assets		91	86	73	69
Changes in working capital:					
Decrease/ (increase) in receivables		(5.036)	(6.267)	(4.507)	(5.646)
Increase / (decrease) in payables		6.815	6.171	5.741	5.095
Cash generated from operating activities		38.041	35.326	29.677	28.336
Interest paid		(3.563)	(1.158)	(2.990)	(516)
Taxes paid		(8.051)	(3.416)	(6.611)	(2.150)
Net cash generated from operating activities		26.427	30.752	20.076	25.670
Cash flows from investing activities					
Paid in share capital of subsidiary		-	-	(60)	-
Amortization of subsidiary's share capital		-	-	-	8.000
Investment in Joint Venture	7	(28.050)	-	(28.050)	-
Dividend received from a subsidiary		-	-	2.000	7.794
Subsequent capital expenditure on investment property		(1.670)	(2.188)	(1.667)	(2.188)
Purchases of investment property		(18.918)	(11.491)	(18.918)	(11.491)
Purchases of property, plant and equipment		(258)	(729)	(258)	(719)
Movement of Greek Government Treasury Bills		(10.792)	(7.449)	(7.756)	(7.449)
Interest received		713	392	1.061	734
Net cash used in investing activities		(58.975)	(21.465)	(53.648)	(5.319)
Cash flows from financing activities					
Acquisition of own shares		(7)	(10.013)	(7)	(10.013)
Loans received	12	75.750	-	75.750	-
Repayments of loans		(1.875)	(1.657)	(920)	(695)
Repayments of finance leases		(851)	(3.058)	(851)	(3.058)
Dividends paid	17	(18.488)	(30.884)	(18.488)	(30.884)
Net cash used in financing activities		54.529	(45.612)	55.484	(44.650)
Net increase/ (decrease) in cash and cash equivalents for the period					
		21.981	(36.325)	21.912	(24.299)
Cash and cash equivalents at the beginning of the period	10	57.944	111.755	52.306	92.020
Cash and cash equivalents excluded due to loss of control of subsidiary		(643)	-	-	-
Exchange gains / (losses) on cash and cash equivalents		106	1	-	-
Cash and cash equivalents at the end of the period	10	79.388	75.431	74.218	67.721

Notes to Condensed Consolidated and Company Interim Financial Statements

1 General information

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

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 September 30, 2017 was 28 and 31 respectively (30.09.2016: 28 and 31).

These Condensed Consolidated and Company Interim Financial Statements (the “Financial Statements”) have been approved by the Board of Directors on November 16, 2017.

2 Summary of significant accounting policies

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

Comparatives

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

3 Accounting Policies

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

Rental Income of the Group is not subject to seasonality.

Amendments to standards and new interpretations adopted by the Group

There are no new standards, amendments to standards and interpretations issued by the International Accounting Standard Board (IASB) and endorsed by the European Union (EU) applicable to the Group from January 01, 2017 except IAS 7 set out below that had no effect in the Condensed Consolidated and Company Interim Financial Statements.

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.

Notes to Condensed Consolidated and Company Interim Financial Statements

4 Segment analysis

A) Group's operating segments

For the nine month period ended on September 30, 2017:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	17.874	3.115	15.349	8.235	3.567	48.140
(Expenses) from service charges	(35)	-	-	(4)	-	(39)
Total	17.839	3.115	15.349	8.231	3.567	48.101
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	581	(58)	2.186	2.788	586	6.083
Other direct property relating expenses	(570)	(112)	(406)	(300)	(128)	(1.516)
Property taxes	(1.578)	(282)	(1.357)	(735)	(323)	(4.275)
Finance costs	(3.025)	(17)	(1)	(52)	-	(3.095)
Profit relating to investment property	13.247	2.646	15.771	9.932	3.702	45.298
Reconciliation of net profit for the period:						
Profit relating to investment property						45.298
Finance income						734
Other expenses						(6.854)
Gain from loss of control in 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						1.590
Other income						96
Taxes						(5.735)
Net profit for the period						35.545

For the nine month period ended on September 30, 2016:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	17.346	3.543	14.577	7.344	2.869	45.679
(Expenses) from service charges	(37)	-	-	(3)	-	(40)
Total	17.309	3.543	14.577	7.341	2.869	45.639
RESULTS						
Net (loss) from fair value adjustments on investment property	(3.428)	(1.803)	(1.815)	(3.528)	(1.102)	(11.676)
Other direct property relating expenses	(497)	(115)	(425)	(226)	(93)	(1.356)
Property taxes	(1.571)	(324)	(1.322)	(659)	(262)	(4.138)
Provision for doubtful debts	(198)	(852)	(450)	-	-	(1.500)
Finance costs	(1.070)	(19)	(1)	(59)	(1)	(1.150)
Profit relating to investment property	10.545	430	10.564	2.869	1.411	25.819
Reconciliation of net profit for the period:						
Profit relating to investment property						25.819
Finance income						486
Other expenses						(5.526)
Other income						1.474
Taxes						(3.205)
Net profit for the period						19.047

Notes to Condensed Consolidated and Company Interim Financial Statements

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

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.964	743	5.094	2.866	1.477	16.144
(Expenses) from service charges	(5)	-	-	(2)	-	(7)
Total	5.959	743	5.094	2.864	1.477	16.137
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	-	-	-	-	-	-
Other direct property relating expenses	(253)	(42)	(180)	(133)	(66)	(674)
Property taxes	(520)	(66)	(446)	(252)	(133)	(1.417)
Finance costs	(1.141)	17	-	(17)	-	(1.141)
Profit relating to investment property	4.045	652	4.468	2.462	1.278	12.905
Reconciliation of net profit for the period:						
Profit relating to investment property						12.905
Finance income						282
Other expenses						(3.849)
Gain from change in percentage of participation in joint venture						163
Share of net profit of investments accounted for using the equity method						(104)
Other income						94
Taxes						(1.905)
Net profit for the period						7.586

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

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.794	1.750	4.848	2.423	508	15.323
(Expenses) from service charges	(12)	-	-	(1)	-	(13)
Total	5.782	1.750	4.848	2.422	508	15.310
RESULTS						
Net gain/ (loss) from fair value adjustments on investment property	-	-	-	-	-	-
Other direct property relating expenses	(186)	(60)	(177)	(71)	(21)	(515)
Property taxes	(388)	(134)	(318)	(152)	(12)	(1.005)
Provision for doubtful debts	461	2.041	37	-	-	2.539
Finance costs	(340)	(7)	-	(19)	-	(366)
Profit relating to investment property	5.329	3.590	4.390	2.180	475	15.963
Reconciliation of net (loss) for the period:						
Profit relating to investment property						15.963
Finance income						332
Other expenses						(1.856)
Other income						1.412
Taxes						(1.845)
Net profit for the period						14.006

Notes to Condensed Consolidated and Company Interim Financial Statements

B) Group's geographical segments

For the nine month period ended on September 30, 2017:

	Revenue	Non-current assets
Greece	43.885	829.801
Romania	3.624	74.673
Serbia	592	13.939
	48.101	918.413

For the nine month period ended September 30, 2016:

	Revenue	Non-current assets
Greece	41.367	745.270
Romania	3.682	75.115
Serbia	590	13.793
	45.639	834.178

For the three month period ended:

	30/09/2017	30/09/2016
	Revenue	Revenue
Greece	14.714	13.892
Romania	1.208	1.230
Serbia	215	188
	16.137	15.310

Notes to Condensed Consolidated and Company Interim Financial Statements

5 Investment Property

	Group	
	30/9/2017	31/12/2016
Balance at the beginning of the period	849.978	825.598
Additions:		
Acquisition of investment property	18.768	32.850
Subsequent capital expenditure on investment property	1.182	5.123
Net gain/(loss) from fair value adjustments on investment property	6.083	(13.593)
Balance at the end of the period	876.011	849.978

	Company	
	30/9/2017	31/12/2016
Balance at the beginning of the period	696.998	673.347
Additions:		
Acquisition of investment property	18.768	32.850
Subsequent capital expenditure on investment property	1.179	5.123
Net gain/(loss) from fair value adjustments on investment property	4.866	(14.322)
Balance at the end of the period	721.811	696.998

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

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

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

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

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.

On October 23, 2017, the Company announced that it officially completed the acquisition of a 50% undivided interest over a commercial asset, located in 340, Syngrou Avenue in Kallithea, for which it was declared preferred bidder in an e-auction. More specifically, the e-auction was conducted on September 21st, 2017, by "PQH Single Special Liquidation SA", as special liquidator of "ATE Leasing SA". The asset is partially leased to a multinational electrical & electronic equipment chain and to a media company.

The acquisition price paid for the 50% undivided interest over the asset amounted to €14.360.

Notes to Condensed Consolidated and Company Interim Financial Statements

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

Country	Greece	Greece	Greece	Greece	Greece	Romania	Romania	Serbia	Serbia	30.09.2017	31.12.2016
Segment	Offices	Logistics	Retail	Mixed use	Special use	Retail	Offices	Mixed use	Retail	Total	Total
Fair value hierarchy	3	3	3	3	3	3	3	3	3		
Fair value at the beginning	262.886	52.487	241.570	157.339	47.403	10.950	63.668	12.512	1.163	849.978	825.598
Additions:											
-Acquisition of investment property	-	-	5.379	13.389	-	-	-	-	-	18.768	32.850
-Subsequent capital expenditure on investment property	454	5	25	695	3	-	-	-	-	1.182	5.123
Net gain/ (loss) from fair value adjustments on investment property	140	(58)	3.542	2.486	586	(1.259)	441	301	(96)	6.083	(13.593)
Fair value at the end	263.480	52.434	250.516	173.909	47.992	9.691	64.109	12.813	1.067	876.011	849.978

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

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

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

The net carrying amount of investment property held under finance leases as at September 30, 2017 amounts to €14.382 (31.12.2016: €15.325).

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

For lease liabilities and bank borrowings that are effectively secured as the rights to the leased asset revert to the lessor in the event of default please refer to note 12.

Notes to Condensed Consolidated and Company Interim Financial Statements

6 Investment in Subsidiaries

	Country of incorporation	Percentage of interest	30/09/2017	31/12/2016	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2011-2016
Eliade Tower S.A.	Romania	99,99%	9.037	9.037	2011-2016
Retail Development S.A.	Romania	99,99%	4.561	4.561	2011-2016
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2011-2016
Cloud Hellas Ktimatiki S.A.	Greece	100%	42.000	42.000	2010, 2016
Grivalia Hospitality S.A.	Luxembourg	-	-	2.000	2015-2016
Grivalia New Europe S.A.	Luxembourg	100%	110	50	2015-2016
			94.434	96.374	

On February 17, 2017 following the share capital increase in Grivalia Hospitality S.A. the subsidiary was appropriated as a joint venture (see Note 7).

7 Participation in associates and joint ventures

On February 17, 2017, following a relative agreement between the Company sole shareholder and Eurolife Life Insurance Limited, a share capital increase in Grivalia Hospitality 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. The Company now owns 50% of Grivalia Hospitality S.A. which is consolidated as a joint venture through the equity method.

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

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

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 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.

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..

Notes to Condensed Consolidated and Company Interim Financial Statements

The share of net profit of investments accounted for using the equity method as at September 30, 2017 was a gain of €1.590 recognised at Group level and is analysed as follows:

- Gain of €1.742 from the joint venture Piraeus Port Plaza 1
- Loss of €152 from the joint venture Grivalia Hospitality S.A.

8 Other long term receivables

Company's "Other long term receivables" for the period ended September 30, 2017, includes a shareholders loan of €8.070 (31.12.2016: €8.070) receivable from the foreign subsidiary Retail Development S.A.. The intercompany loan is interest-bearing and interest recognized in finance income. Additionally, it includes accrued rental receivable of €2.891 (31.12.2016: €2.803).

Group's "Other long term receivables" for the period ended on September 30, 2017, includes accrued rental receivable of €3.486 (31.12.2016: €3.455).

9 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group		Company	
		30/09/2017	31/12/2016	30/09/2017	31/12/2016
Trade receivables		10.161	7.189	9.273	6.808
Receivables from related parties	21	41	226	1.547	215
Other receivables		3.831	2.989	3.573	1.742
Trade and other receivables		14.033	10.404	14.393	8.765

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

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

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

The ageing analysis of trade receivables is as follows:

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Trade receivables				
Due within due date	7.888	3.515	7.001	3.317
Past due but not impaired:				
- 4 to 6 months	2.273	3.674	2.273	3.491
- over 6 months	-	-	-	-
Doubtful debts	2.129	3.146	1.662	2.228
Less: Provision for doubtful debts past due	(2.129)	(3.146)	(1.662)	(2.228)
	10.161	7.189	9.273	6.808

Notes to Condensed Consolidated and Company Interim Financial Statements

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

10 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Cash in hand	3	994	-	482
Cash at bank and short-term deposits	79.385	56.950	74.218	51.824
Cash and cash equivalents	79.388	57.944	74.218	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.

11 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	(1.392)	-	-	(10.079)	-	-	-	(10.079)
Profit for the period	-	-	-	-	-	-	19.047	19.047
Foreign exchange differences	-	-	-	-	-	1	(2)	(1)
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	-	-	-	-	987	-	-	987
Dividend relating to 2015 approved by the shareholders	-	-	-	-	-	-	(30.884)	(30.884)
Balance September 30, 2016	97.703	215.684	571.234	(22.572)	3.417	12.603	78.497	858.863
Balance January 01, 2017	97.214	215.684	571.234	(25.957)	3.682	12.596	85.886	863.125
Acquisition of own shares	(1)	-	-	(7)	-	-	-	(7)
Profit for the period	-	-	-	-	-	-	35.545	35.545
Foreign exchange differences	-	-	-	-	-	(104)	(2)	(106)
Actuarial (losses) on post employment benefit obligations net of tax	-	-	-	-	-	(26)	14	(13)
Differences from Revaluation of securities	-	-	-	-	-	104	-	104
Formation of statutory reserve of local subsidiary	-	-	-	-	-	179	(179)	-
Equity settled share based payments	-	-	-	-	904	-	-	904
Dividend relating to 2016 approved by the shareholders	-	-	-	-	-	-	(18.488)	(18.488)
Balance September 30, 2017	97.213	215.684	571.234	(25.964)	4.586	12.748	102.776	881.064

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

On July 4, 2017, Eurobank Ergasias SA, through a private placement, disposed 20.252.001 common voting shares, the total of its shareholding in the Company, which accounted for approximately 20% of the share capital of the latter, at a price of €8,80 per share. Through this private placement, 10.000.000 shares, i.e. 9,88% of the total shares, were distributed to subsidiaries of FAIRFAX FINANCIAL HOLDINGS LIMITED (now Fairfax), which had as a result the controlling voting rights that Fairfax has in Grivalia to increase to approximately 51,37% of the total voting rights and, on the other hand, the shareholders agreement dated October 17, 2013 between Fairfax and Eurobank Ergasias S.A to be dissolved. Therefore, a Tender Offering liability emerged for Fairfax.

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

Notes to Condensed Consolidated and Company Interim Financial Statements

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.

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%.

As at 30.09.2017 Company's shareholder structure with stakes over 5%, 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 Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited), which owns directly 14.686.373 common shares amounting to 14,50% of Company's Share Capital. Furthermore it includes Clearwater Select Insurance Company (subsidiary of Fairfax Financial Holdings Limited) which owns directly 5.558.612 common shares amounting to 5,49% of Company's Share Capital.

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

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

As at September 30, 2017 the Company owned 4.046.489 own shares of a total cost of €27.805 with an average price of (amount in €) €6,87 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841. As at September 30, 2016 the Company owned 3.557.096 own shares of a total cost of €24.413 with an average price of (amount in €) €6,86 per share, excluding the sale of pre-emption rights of own shares amounting to €1.841.

Share based payment reserve

Share based payment reserve includes an amount of €4.586 relating to equity settled share based payments to key management, of which €822 was recognized as an expense in the account "Employee benefit expense- BoD" in the current period. The cost of these benefits is determined based on the fair value of these rights at the granting date and are recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

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

Other reserves

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

Notes to Condensed Consolidated and Company Interim Financial Statements

12 Borrowings including obligations under finance leases

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Non-current				
Bank borrowings	113.547	40.120	92.138	17.755
Finance lease liabilities	2.478	3.340	2.478	3.340
Non-current borrowings, including finance leases	116.025	43.460	94.616	21.095
Current				
Bank borrowings	7.582	7.640	3.886	3.939
Finance lease liabilities	1.150	1.143	1.150	1.143
Current borrowings, including finance leases	8.732	8.783	5.036	5.082
Total borrowings, including finance leases	124.757	52.243	99.652	26.177

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

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

On March 15, 2017, an amount of €33.750 and an amount of €10.000 were disbursed respectively from the above two bond loans.

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Up to 1 year	8.732	8.783	5.036	5.082
From 1 to 5 years	96.400	43.460	74.991	21.095
Over 5 years	19.625	-	19.625	-
	124.757	52.243	99.652	26.177

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

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

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

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

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

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

Notes to Condensed Consolidated and Company Interim Financial Statements

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.

13 Trade and other payables

The analysis of trade and other payables is as follows:

Note	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Trade payables	903	1.645	767	1.164
Amounts due to related parties	8	252	8	252
Other payables and accruals	9.950	7.888	9.228	7.283
Trade and other payables	10.861	9.785	10.003	8.699

“Other payables and accruals” for the Group and the Company as of September 30, 2017, include an amount of €3.560 (31.12.2016: €3.521) due to the recognition of deferred income relating to the following trimester according to the agreement signed with Hellenic Republic Asset Development Fund for the lease of 14 properties to the Hellenic Republic.

14 Property Taxes

“Property taxes” for both the Group and the Company as at September 30, 2017, amount to €3.572 and €4.275 respectively (30.09.2016: €3.396 and €4.138 respectively). This item mainly includes the aggregate tax on property (ENFIA) for the period, which for the Company and Group for the period ended September 30, 2017, amounted to €3.358 and €3.740 respectively (30.09.2016: €3.210 and €3.595).

15 Other income

As at September 30, 2017 Company’s figure “ Other income” includes dividends receivable from its subsidiary Cloud Hellas Ktimatiki S.A. amounting to €3.400.

16 Taxes

	Group		Company	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Current tax	5.735	3.016	4.973	2.408
Tax audit differences	-	189	-	189
Taxes	5.735	3.205	4.973	2.597

Notes to Condensed Consolidated and Company Interim Financial Statements

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

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

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

The figure "Current tax" for the Company and the Group, for the period ended September 30, 2017 includes tax on total assets (current tax) of €4.973 and €5.368 respectively (30.09.2016: €2.408 and €2.612 respectively). Asset under management tax for the Group includes the Company and its subsidiary Cloud Hellas Ktimatiki S.A., which is incorporated in Greece and taxed under REICs' tax regime.

Company's foreign subsidiaries are taxed on their taxable income based on tax rates of 16% in Romania and 15% in Serbia, applicable to each respective tax jurisdiction. For the period ended September 30, 2017 for the subsidiaries located in Romania the income tax amounted to €343 (30.09.2016: €397), whereas for the subsidiary located in Serbia and Luxembourg no significant taxes arose.

17 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..

18 Earnings per share

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

Basic and diluted earnings per share for the nine month period ended September 30, 2017 amounted to €0,37 (30.09.2016: €0,19).

19 Contingent Liabilities

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years up to December 31, 2004. The Company's Management, based on the opinion of its legal advisors, disputed these amounts and made appeals in regards to the cancellation for additional income tax and fines of up to amount €1.191. The hearing of the case took place on April 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.

Finally, the Company has been audited by a certified auditor according to Law 4174/2013 article 65 ^A and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the year 2011, 2012, 2013, 2014, 2015 and 2016.

Notes to Condensed Consolidated and Company Interim Financial Statements

20 Capital expenditures

On September 30, 2017 Group's capital expenditure relating to improvements on investment property amounted to €2.609.

21 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 September 30, 2017 from 04/07/2017 onwards.

The following transactions were carried out with related parties:

- a) Rental income received and sale of services

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Rental income				
Parent (Bank Eurobank Ergasias S.A.) ⁽¹⁾	6.110	8.679	-	2.893
Other related parties ⁽¹⁾	10.738	12.131	2.517	4.044
	16.848	20.810	2.517	6.937

⁽¹⁾ It should be noted that in Group's rental income as at 30/09/2017, rental income from group Eurobank Ergasias S.A. of amount €9.259 is included up until 04/07/2017.

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Rental income				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	20	20	7	7
Parent (Bank Eurobank Ergasias S.A.) ⁽¹⁾	6.110	8.679	-	2.893
Other related parties ⁽¹⁾	4.611	5.239	1.166	1.747
	10.741	13.938	1.173	4.647

⁽¹⁾ It should be noted that in Company's rental income as at 30/09/2017, rental income from group Eurobank Ergasias S.A. of amount €7.142 is included up until 04/07/2017.

- b) Purchase of services- Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.[Romania])	10	14	-	4
Subsidiary of parent company (ERB Property Services d.o.o. Beograd)	4	6	-	2
	14	20	-	6

Technical service fees as at 30/09/2017 relate in total to transactions with group Eurobank Ergasias S.A. up until 04/07/2017.

Notes to Condensed Consolidated and Company Interim Financial Statements

c) Insurance expense of investment property

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	327	304	116	107
Subsidiary of parent company (Eurolife ERB Asigurari Generale S.A.)	20	21	7	7
Other related parties	(39)	(31)	(13)	(6)
	308	294	110	108

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	285	274	95	97
Other related parties	(21)	(12)	(7)	-
	264	262	88	97

d) Insurance expenses for personnel- Group and Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Other employee benefits				
Subsidiary of parent company (Eurolife ERB Life Insurance S.A.)	76	185	(44)	59
	76	185	(44)	59

e) Income from dividends received - Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Subsidiary (Cloud Hellas Ktimatiki S.A.)	3.400	2.700	-	-
Subsidiary (Reco Real Property A.D.)	-	2.770	-	-
Subsidiary (Seferco Development S.A.)	-	2.463	-	-
	3.400	7.933	-	-

Notes to Condensed Consolidated and Company Interim Financial Statements

f) Finance Costs *

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	931	221	-	72
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	261	370	-	120
Subsidiary of parent company (Eurobank A.D. Beograd)	12	21	-	7
Subsidiary of parent company (Eurobank Cyprus Ltd)	-	1	-	1
Subsidiary of parent company (SC Bancpost S.A.)	2	2	-	-
Subsidiary of parent company (New Europe Funding B.V.)	23	38	-	12
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	40	82	-	23
	1.269	735	-	235

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	808	23	-	7
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	44	1	-	-
Subsidiary of parent company (Eurobank Cyprus Ltd)	-	1	-	1
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	40	82	-	23
	892	107	-	31

g) Interest income earned on cash and cash equivalents *

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Parent (Bank Eurobank Ergasias S.A.)	31	60	-	9
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	26	-	7
Subsidiary of parent company (Eurobank A.D. Beograd)	1	4	-	-
Subsidiary of parent company (Eurobank Cyprus Ltd)	-	52	-	52
Subsidiary of parent company (SC Bancpost S.A.)	-	1	-	-
	32	143	-	68

Notes to Condensed Consolidated and Company Interim Financial Statements

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Subsidiary (Retail Development S.A.)	367	369	124	124
Parent (Bank Eurobank Ergasias S.A.)	22	57	-	7
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	23	-	5
Subsidiary of parent company (Eurobank Cyprus Ltd)	-	52	-	52
	389	501	124	188

* Finance costs and Interest income earned on cash and cash equivalents as at 30/09/2017 relate in total to transactions with group Eurobank Ergasias S.A. up until 04/07/2017.

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

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Other related parties	22	21	8	6
	22	21	8	6

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Other related parties	9	9	3	3
	9	9	3	3

i) Key management compensation

Group

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Key management compensation	1.623	1.561	217	229
Equity settled share based payments	822	793	274	264
	2.445	2.354	491	493

Company

	Nine month period ended		Three month period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Key management compensation	1.432	1.427	216	230
Equity settled share based payments	822	793	274	264
	2.255	2.220	490	494

Notes to Condensed Consolidated and Company Interim Financial Statements

As at September 30, 2017, the balance of interest bearing loans advanced to key management amounted to €172.

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Other long term receivables				
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	-	1.356	-	1.356
Other related parties	349	491	349	450
	349	1.847	8.419	9.876
Trade and other receivables from related parties				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	1.400	-
Subsidiary (Retail Development S.A.)	-	-	124	124
Parent (Bank Eurobank Ergasias S.A.)	-	1	-	1
Other related parties	41	225	23	90
	41	226	1.547	215
Trade payables to related parties				
Parent (Bank Eurobank Ergasias S.A.)	-	37	-	37
Other related parties	8	215	8	215
	8	252	8	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 following Eurobank Ergasias S.A. private placement in the shareholding in the Company dated July 4, 2017, group Eurobank Ergasias S.A. is no longer included in the abovemention balances as at 30.09.2017.

Notes to Condensed Consolidated and Company Interim Financial Statements**k) Commitments and contingent liabilities**

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

22 Events after the balance sheet date

Asides from mentioned events (notes 5 and 11), no significant events have taken place after September 30, 2017, which affect the financial position of either the Group or the Company that need to be mentioned according to the International Financial Reporting Standards.

The Condensed Consolidated and Company Interim Financial Statements for the nine month period ended September 30, 2017 were approved by the Board of Directors on November 16, 2017 and is signed on its behalf by:

Nikolaos A. Bertzos

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