# BriQ Properties R.E.I.C.

## INTERIM FINANCIAL REPORT

**For the period from January 1st to June 30th, 2021**

**BriQ Properties R.E.I.C.**
S.A.Reg.No. 140330201000
Al.Pantou 25, Kallithea

**September 2021**

## CONTENT

*(Amounts presented in thousand € except otherwise stated)*

## STATEMENT OF THE BOARD OF DIRECTORS OF THE COMPANY

## «BriQ PROPERTIES REAL ESTATE INVESTMENT COMPANY» FOR THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED JUNE 30TH, 2021 (in accordance with article 5 par.2 of Law 3556/2007)

The members of the Board of Directors of the company BriQ Properties R.E.I.C. certify that to the best of our knowledge the Interim Condensed Financial Information of the Company "BriQ Properties" for the six-month period ended June 30th, 2021, were prepared according to the applicable accounting standards, and present fairly the financial position and the results of the Company according to paragraphs 3 to 5 of article 5 of Law 3556/2007.

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

**Kallithea, 23 September 2021**

| Chairman of the BoD | Chief Executive Officer | Executive member of the BoD |
|---|---|---|
| **Theodoros Fessas** | **Anna Apostolidou** | **Apostolos Georgantzis** |
| **ID AE106909** | **ID AM540378** | **ID F090096** |

# Board of Directors Report
# «BRIQ PROPERTIES Real Estate Investment Company»
# on the Interim Financial Statements for the six-month period ended 30.06.2021

**Dear Shareholders,**

According to the law 3556/2007 and the relevant provisions of the Hellenic Capital Market Commission, we present below the Board of Directors Report of the Company «BriQ Properties REIC» on the Interim Financial Statements for the period from January 1st to June 30th, 2021. The aim of the report is to provide information that gives the reader the opportunity to develop a comprehensive opinion of the company's development during the first semester of 2021 and to identify the potential risks and challenges that the Company may face in the second half of 2021.

According to the legislation, this report includes the following:

1) Report for the period from January 1st to June 30th 2021
2) Significant events on the first semester of 2021
3) Prospects and significant risks for the second half of the year 2021
4) Significant transactions with related parties

These consolidated and corporate Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), have been approved by the Board of Directors of the Company on September 23, 2021, are posted together with the auditor's review report and the semi-annual report of the Board of Directors at the web address www.briqproperties.gr.

During the period in question, the Company continued the active management of the portfolio of its real estate, conducted investigation on new investments and prepared investments in real estate, which, either were made, or will be made within the financial year 2021.

The Board of Directors, attempting a consultation of the works of the Company, of the details of the Statement of Financial Position and Income Statement of the period in question, notifies you of the following:

## 1. REPORT FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

At the beginning of 2021, there was uncertainty about the course of the economy due to the spread of the COVID-19 coronavirus pandemic, which has created pressures on the world economy. Due to the spread of the pandemic, companies active in tourism and retail trade have been particularly affected financially.

During the first half of 2021 the lifting of travel restrictions as well as the vaccination program boosted economic activity and consumption and tourism recovered creating optimism for the rest of 2021.

According to the announcement of ELSTAT, the GDP of the second quarter increased by 3,4% compared to the immediately preceding quarter and recorded an increase of 16,2% compared to the second quarter of 2020, resulting in the overall increase for the second quarter. in the first half of 2021 to rise to 7%.

During the first half of 2021, the Company proceeded to new investments totaling € 6.151 thousand, of which € 2.146 thousand related to the purchase of 1 new office building in Piraeus, € 1.054 thousand related to the acquisition of land in its area Aspropyrgos and € 2.950 thousand related to capital expenditures mainly for the under-construction of a Storage and Distribution Building (KAD) in Aspropyrgos.

The real estate portfolio of the Group on 30.06.2021, based on the Investment Statement of 30.06.2021 includes 28 properties. The structure of the portfolio in terms of property value is as follows: 47% warehouses - logistics, 30% office buildings, office space and mixed buildings, 17% hotels and 6% other uses.

Considering the long-term lease agreements concluded by the Company, the dispersion and solvency of its tenants, the dispersion of its real estate portfolio, the sufficient liquidity and the available lines of financing, there is a reasonable expectation that the Company has sufficient resources to continue seamlessly run its business soon.

**Impact of the Coronavirus pandemic COVID-19**

The COVID-19 coronavirus pandemic started affecting the Group in mid-March 2020, when the first government measures were taken to deal with the crisis.

According to government measures, the affected companies were exempted from the obligation to pay 40% of the total rent for the months in which they are affected. These reductions concerned almost all the tenants of the Group for the months from January to June 2021.

In addition to the above, hotel companies were exempted from paying 100% of the rent for the months from January to June 2021, while the owner received a state subsidy for 60% of the loss.

The above measures resulted in the total reduction of the Group's rental income for the first half of 2021 due to the Covid-19 pandemic by € 951 thousand, an amount that corresponds to approximately 17% of the expected rental income of the first half of the year. year, while for the corresponding period last year the reduction amounted to € 374 thousand.

The Company estimates that the effects of the pandemic appear to be gradually receding in 2021 and there will be no further measures to reduce rents. The increasing percentage of vaccination and the lifting of travel restrictions and the opening of the market are expected to lead to a recovery in economic activity and tourism.

**Investments in Real Estate**

On June 30th, 2021, the portfolio of the Group included 28 properties, two of which belong to subsidiaries, with a total area of 125.696 sq.m.

The fair value of the Group's investment properties, as assessed by the independent appraisers of the companies "ATHENS ECONOMIC LTD", "HVS HOSPITALITY CONSULTING SERVICES SA". and "Cushman & Wakefield Proprius Ltd." amounted to € 114.244 thousand against a value of € 106,001 thousand on 31.12.2020. The increase in the value of real estate as of June 30, 2021 amounted to € 8.243 thousand (+ 7,8%) compared to December 31, 2020.

This increase of € 8.243 thousand is analyzed in a) amount € 2.146 thousand from the purchase of office building in Piraeus that took place within the first half of 2021, b) 1.054 thousand related to the acquisition of land in the Aspropyrgos, c) amount € 2.950 thousand mainly for the development of a storage and distribution center in Aspropyrgos and amount d) € 2.092 thousand from revaluation of the existing portfolio.

The real estate portfolio consists of 10 office properties which include two office buildings with ground floor stores (mixed use), 6 storage buildings (logistics) which includes a sub-construction storage and distribution building, 5 hotels, 3 stores, 2 properties special purpose and 2 plots.

The valuations of the Group's properties were made according to the Discounted Cash Flow Method and the Real Estate Comparative Data Method (see Note 6).

The total investments of the Company in Real Estate and participations in subsidiaries for 30.06.2021 were valued at € 110.212 thousand against € 101.566 thousand on 31.12.2020 according to the published Investment Statements of the Company.

**Rental Income**

The rental income of the Company for the semester ended on June 30th, 2021, amounted to € 2.574 thousand compared to € 1.766 thousand for the respective last year semester, an increase by 45,7%. This increase is mainly due to the incorporation of revenue from the new property investments of the Company.

The Group's Rental Income for the six months ended June 30, 2021, arises after the reduction of € 951 thousand regarding the reduction of rent in the affected companies due to the measures against the spread of Covid-19, while for the corresponding period last year the reduction amounted to € 374 thousand.

The percentage of annual rental income that comes from companies of the Quest Holdings Group SA. amounted to 27,7% on 30.06.2021 compared to 45,1% on 30.06.2020. On June 30, 2021, the total occupancy rate (the total leased space by the total rentable area not including plots, buildings under construction and privately owned property) of the Group's properties was 98,7% while on 31.12.2020 it was 98,8%.

*(Amounts presented in thousand € except otherwise stated)*

**Net gain/(loss) from fair value adjustments on investment properties**

The Group's profits from revaluation of investments in real estate at fair value for the first half of 2021 amounted to € 2.092 thousand compared to € 495 thousand for the corresponding period last year.

**Operating expenses**

**Direct Property related Expenses** (see Note 14) for the six months ended June 30, 2021, amounted to € 158 thousand compared to € 76 thousand for the corresponding period last year. The expenses of the first half of 2021 include a non-recurring expense of € 70 thousand that concerns compensation given to a tenant for early termination of the lease in view of the intended renovation of an office building. The annual forecast of the Single Property Tax (ENFIA, see Note 15) for the whole year 2021 is included in the results of the period of the first half and corresponds to an amount of € 664 thousand compared to € 369 thousand for the corresponding period last year, increase due to the increase in the number of properties on 01.01.2021 (28 properties) compared to 01.01.2020 (22 properties).

**Other Operating Expenses** (see Note 16) amounted to € 254 thousand compared to € 174 thousand in the corresponding period last year, ie they increased by € 80 thousand.

**Financial expenses**

**Financial expenses** amounted to € 336 thousand compared to € 379 thousand for the corresponding period last year.

**Operating profits – Earnings before Taxes**

The Group's **operating profit** for the first half of 2021 amounted to € 3.406 thousand compared to € 1,455 thousand in the corresponding period last year, while operating profit excluding profits from the revaluation of investments in real estate at fair value amounted to € 1.314 thousand against the amount of € 960 thousand of the corresponding period last year, showing an increase of € 354 thousand or 36,9%.

**Earnings before taxes** amounted to profit of € 3.070 thousand compared to € 1.119 thousand in the corresponding period last year. The results before taxes, not including the profit from the revaluation of investments in real estate at fair value, amounted to € 978 thousand compared to € 624 thousand in the previous year, showing an increase of € 354 thousand or 56,7%.

**Alternative Performance Measurement Indicators (EBITDA and Adjusted EBITDA)**

The Group uses alternative performance measures (APMs) to better assess its financial performance. "Profit before Interest, Tax and Depreciation and amortization (EBITDA)" and "Adjusted EBITDA" are analyzed below. The above figures should be taken into account complementary with the financial results prepared in accordance with IFRSs and they do not replace them in any case.

Adjusted Earnings before Interest, Taxes and Depreciation amounted to € 1.661 thousand compared to € 1.152 thousand for the respective last year period, showing an increase of 44,2%, as it appears in the following table:

| | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** |
|---|---|---|
| **Earnings before taxes** | **3.070** | **1.119** |
| Plus : Depreciation tangible and intangible assets | 15 | 7 |
| Plus: Financial expenses (Note 17) | 336 | 336 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | **3.422** | **1.462** |
| Less: Net profit of fair value adjustment of investment properties | (2.092) | (495) |
| Plus: 50% of the annual provision for E.N.F.I.A. *(1)* | 332 | 185 |
| **Adjusted Earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA)** | **1.661** | **1.152** |

*(1) The results of the semester are burdened by 100% of the total annual obligation of payment of the property tax (ENFIA), which amounts to €664 thousand for the year 2021 and to €369 thousand for the year 2020 respectively.*

*(Amounts presented in thousand € except otherwise stated)*

**Taxes**

The Company's taxes for the six months ended June 30, 2021 amounted to € 57 thousand compared to € 46 thousand for the respective period of 2020, showing an increase by €11 thousand or 23,9% due to the increase of the Company's investments.

**Net profit after tax**

The net profits of the Group for the first half of 2021, based on the above amounted to € 3.013 thousand against profits of € 1.073 thousand of the corresponding period last year. Net profit, not including profit from the revaluation of investments in real estate at fair value, amounted to € 921 thousand compared to € 578 thousand in the corresponding period last year, showing an increase of € 343 thousand or 59,3%.

**Balance Sheet Details**

The total equity of the Group corresponding to shareholders for the half year ended June 30, 2021 amounts to € 84.282 thousand from € 84.016 thousand on December 31, 2020.

The cash of the Company as at June 30th, 2021 amounted to € 3.358 thousand, compared to € 2.067 thousand on December 31st, 2020.

As of June 30, 2021, the Group's loan liabilities amounted to € 26.232 thousand compared to € 18.313 thousand as of December 31, 2020.

The leverage ratio of the Company (Loan / Investments in real estate) of the Group on June 30, 2021 amounted to 23,0% and Net L.T.V. ((Loans - Cash and Cash) / Real Estate Investments) at 20,0%, while on December 31, 2020 it amounted to 16,5% and 14,9% respectively.

The Company's Net Asset Value (N.A.V.) on June 30th, 2021 amounted to € 84.282 thousand and Net Asset Value (N.A.V.) per share to € 2.38, while on December 31st, 2020 they amounted to € 84.016 thousand and € 2.37 respectively.

**Basic Ratios**

| | 30.06.2021 | | 31.12.2020 | |
|---|---|---|---|---|
| **Current Ratio** | | | | |
| Current assets | 4.755 | 0,81x | 4.040 | 0,34x |
| Current liabilities | 5.838 | | 11.806 | |
| **Leverage Ratios** | | | | |
| Loans Liabilities | 26.232 | 21,9% | 18.313 | 16,5% |
| Total Assets | 119.652 | | 110.758 | |
| Loans Liabilities | 26.232 | | 18.313 | |
| less: Cash and cash equivalents | (3.358) | 19,7% | (2.067) | 14,9% |
| Total Assets | 119.652 | | 110.758 | |
| less: Cash and cash equivalents | (3.358) | | (2.067) | |
| **L.T.V. (Loan to value)** | | | | |
| Loans Liabilities | 26.232 | 23,0% | 18.313 | 17,3% |
| Investment Properties | 144.244 | | 106.001 | |

| | | | | |
|---|---|---|---|---|
| **Net L.T.V. (Net Loan to value)** | | | | |
| Loans Liabilities | 26.232 | | 18.313 | |
| less: Cash and cash equivalents | (3.358) | 20,0% | (2.067) | 15,3% |
| Investment Properties | 114.244 | | 106.001 | |
| | | | | |
| **Equity** | | | | |
| Total equity attributable to the shareholders of the parent Company | 84.282 | 2,38 € | 84.016 | 2,37 € |
| Shares outstanding at the end of the year (in thousands) | 35.406 | | 35.492 | |

## Funds from Operations (F.F.O.)

Operating capital, defined as profit or loss, excluding fair value adjustments of investment properties, results from the sale of investment properties, depreciation and amortization, impairment losses, non-recurring expenses and net financial results, are as follows:

| **Funds from Operation** | **01.01.2021-30.06.2021** | **01.01.2020-30.06.2020** |
|---|---|---|
| Net profit before taxes | 3.070 | 1.119 |
| Less: Gains from the revaluation of investment properties | (2.092) | (495) |
| Plus: Depreciation and amortization | 15 | 7 |
| Plus: Net financial (income) / expenses | 336 | 336 |
| **Funds from Operation (F.F.O.)** | **1.330** | **967** |

## SIGNIFICANT EVENTS DURING THE PERIOD

### A. Corporate events

1. Dividend distribution

On April 13th, 2021, the Ordinary General Meeting of the shareholders of the Company, decided the distribution of a total dividend of € 2.124 thousand or € 0,060 per share (net), from the profits of the year 2020 and previous years, which was paid to the shareholders on April 28, 2021.

2. Purchase of own shares

In the first half of 2021 the Company proceeded to the purchase of 86,206 own shares. The Company on 30.06.2021 owned a total of 358,618 own shares with a total nominal value of € 753 thousand and a hold of € 624 thousand. The own shares held on 30.06.2021 correspond to 1,0% of the Company's share capital.

3. Election of a new Board of Directors and its composition

After the resignation of Mr. Faidonas Tamvakakis, Vice Chairman of the Board of Directors of the Company, due to non-fulfillment of the independence criteria of article 9 of Law 4706/2020, the Board of Directors of the Company in its meeting of 14.07.2021 and following the recommendation of the Remuneration Committee and Nominations of the Company, elected Mr. Efstratios Papaefstratiou, until recently Independent Non - Executive Member of the Board of Directors, as its Vice President.

Following the above, the Board of Directors, with its composition remaining unchanged, was reorganized into a body for the remainder of its four-year term, ie until April 1, 2024, which may be automatically extended until the first Ordinary General Meeting of the shareholders of the Company after its expiration, as follows:

1. Theodoros, Dimitriou, Fessas, Chairman of the Board, Non-Executive Member
2. Efstratios, Dimitriou, Papaefstratiou, Independent Non-Executive Member
3. Anna, Georgiou, Apostolidou, CEO, Executive Member
4. Apostolos, Miltiadi, Georgantzis, Executive Member
5. Eftychia, Sophocles, Koutsoureli,, Non-Executive Member
6. Markos, Grigoriou, Bitsakos,, Non-Executive Member
7. Eleni, Dimitriou, Linardou, Independent Non-Executive Member

The above change in the composition of the Board of Directors will be announced at the next General Assembly in accordance with art. 7 of the Company's Articles of Association, art. 82 of Law 4548/2018 and art. 9 par. 4 of law 4706/2020.

**B. Investments**

1. On February 11, 2021, the Company proceeded with the purchase of an independent office building with a ground floor store located at 3 Dimitriou Gounari Street in Piraeus. The building consists of a ground floor store, five office floors and underground storage spaces, has a total area of 2.428 sq.m. and is fully leased. The price for the above purchase amounted to € 2.100 thousand (excluding acquisition costs € 46 thousand).

2. On the 20th of May 2021 and the 29th of June 2021, the Company proceeded with the purchase of three (3) adjacent plots with a total area of 18.083 sq.m. located in Aspropyrgos, Attica at "Imeros Topos". The total price for the purchase of the three plots amounted to € 1.038 thousand, not including acquisition costs of € 16 thousand. These plots are adjacent to the existing plots of the Company on which it is already developing a modern Storage and Distribution building. As a result, today the single plot area for development in Aspropyrgos amounts to a total area of 103.001 sq.m.

**EVENTS AFTER THE BALANCE SHEET DATE**

1. On July 30, 2021, the Company was announced the highest bidder in a public auction conducted electronically via e-auction for the acquisition of a plot of land located in Naoussa, Paros and bordering the hotel property owned by MMW Paros Company, with a total area of 501 sq.m. The total price for the purchase of the plot amounted to € 203 thousand, not including acquisition costs of € 4 thousand. The property will be used by the Company initially as a parking space for the hotel.
2. On August 30, 2021 the Company signed a preliminary agreement for the purchase of property - office of 258,13 sq.m. located at 3 Mitropoleos Street in Syntagma. The total price for the purchase of the above property will amount to € 1.050 thousand, not including acquisition costs and is expected to be completed within September 2021.

No further significant events after the Balance Sheet date have occurred that affect the present financial statements.

**PROSPECTS FOR THE SECOND HALF OF 2021**

The forecasts for the domestic economy are quite positive, while the Bank of Greece's forecast for the development of the Greek Economy amounts to 4,2%.

The Company having a long-term horizon in its investments, having sufficient liquidity and having a low exposure to borrowing (30.06.2021 Net L.T.V.: 20,0%) has the ability to cope with the current conditions and to continue its investment program responsibly.

The Company now manages its investment portfolio of real estate, the construction of a modern warehouse and distribution center, fire protection specifications of category Z3 and a total area of 20.764 sq.m. in Aspropyrgos, Attica, which is expected to be completed at the end of 2021 and to offer significantly to the future results of the Company. Also, with the purchase of three (3) adjacent plots with a total area of 18.083 sq.m. in Aspropyrgos, Attica, at the location "Imeros Topos", the Company has a total area of 103.001 sq.m. in which it intends to develop as a Logistics Center.

The main priority of the Company for the second half of 2021 is the completion of the construction of the first Storage and Distribution Building in Aspropyrgos and in general the further development of its real estate portfolio through investments in commercial income properties that offer attractive returns and have attractive returns that have attractive returns. to shareholders in conjunction with the payment of income to shareholders through dividend distribution.

**SIGNIFICANT RISKS**

**A) Market Risk**

**i) Foreign exchange risk**

The Group operates in Greece, its transactions are carried out in (€) Euros and therefore it is not exposed to risks from foreign currency.

**ii) Fluctuations in Property Values**

The Group is exposed to risk from the change in the value of real estate that has an impact on the income statement and the statement of financial position. To reduce this risk, the Group has entered into long-term leases with trusted tenants and has increased the spread of the real estate portfolio in more categories of real estate. In the current year, the Group recorded profits from the revaluation of investments in real estate at fair value.

**iii) Inflation Risk**

The Group's exposure to inflation risk is minimized, as most lease agreements provide for annual rent adjustments linked to the Consumer Price Index. In addition, most leases provide that in the event of negative inflation there is no negative impact on rents. The rental income of the Group is not subject to seasonal fluctuations, except for some individual leases where there is a percentage of turnover in addition to the monthly rent which is calculated at the beginning of each year and relates to the previous calendar year.

**iv) Cash flow and fair value risk due to the interest rate changes**

The Group's exposure to interest rate risk arises from current deposits (see Note 9) held at banks, as well as from floating rate bank loans (see Note 11) which expose the Group to cash flow risk due to a possible change. of interest rates.

The Group is exposed to fluctuations in market interest rates that affect its financial position, as borrowing costs may increase because of such changes.

The Group's exposure to interest rate risk is not significant due to the Group's low exposure to borrowing (30.06.2021: Net Loan to Value Ratio 20,0%).

**B) Credit Risk**

The Company has credit risk concentrations with respect to revenue received from tenants under property operating lease contracts and cash and cash equivalents. Credit risk of lease contracts refers to the risk that counterparties fail to meet their contractual obligations

A significant part of the Group's exposure to credit risk comes from related party transactions, as a portion of the Company's real estate portfolio is leased to Quest Group companies. The Group has managed to increase the spread of its portfolio to different tenants. As a result, the percentage of annual rental income derived from companies of the Quest Holdings SA group. on 30.06.2021 amounted to 27,7% from 45,1% on 30.06.2020.

No significant losses are expected, as real estate lease agreements are made with tenants who have sufficient creditworthiness. In addition, the Group for the reduction of credit risk receives collateral such as guarantees of an amount ranging between 2 and 12 leases.

*(Amounts presented in thousand € except otherwise stated)*

**C) Liquidity Risk**

The current or prospective risk to earnings and capital arising from the inability of the Company to collect outstanding receivables without incurring significant losses. The Company ensures timely the required liquidity in order to meet its obligations on time, through the regular monitoring of liquidity needs and collection of amounts due to from tenants and though prudent cash management. The Company's liquidity is monitored by management on a regular basis.

**D) External Factors**

The Group invests only in Greek territory. The Group may be affected by factors such as financial instability, political turmoil, tourism, tax changes and health crises such as the COVID-19 pandemic.

The outlook for the real estate market is affected by the wider economic environment and the attraction of investment. The prices of "prime" real estate are not expected to decrease, while the reduction of the "country risk" as reflected in the recent announcement for the issuance of a 10-year bond in June 2021 with an interest rate of 0,9%, contribute to attracting foreign investment. which will support the real estate sectors where the Group operates.

The developments that could negatively affect the Greek economy are beyond the control of the Group and the Management is not able to predict or anticipate any consequences. Nevertheless, the Management constantly evaluates the situation and its possible effects, in order to ensure that all necessary and possible measures and actions are taken in time to minimize any impact on the Group's activities.

**RELATED PARTIES TRANSACTIONS**

Although the Company is not a member of the Quest Holding S.A. Group of Companies, it is an associated party to the Group due to the existence of common controlling shareholders in the Company and this Group.

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 23 in the current Interim Financial Information for the six-month period ended June 30th, 2021

For the Board of Directors

Kallithea, 23 September 2021

The undersigned

| The Chairman | The Chief Executive Officer |
|---|---|
| Theodoros Fessas | Anna Apostolidou |
| ID No. AE106909 | ID No. AM540378 |

[Translation from the original text in Greek]

## Report on Review of Interim Financial Information

To the Board of directors of «BriQ Properties R.E.I.C.»

### Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of BriQ Properties R.E.I.C. (the "Company"), as of 30 June 2021 and the related condensed company and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed company and consolidated financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed company and consolidated financial information based on our review.

### Scope of Review

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

### Conclusion

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

**Report on other legal and regulatory requirements**

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying interim condensed company and consolidated financial information.

Athens, 27 September 2021

The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kiffisias Avenue,
152 32, Halandri
SOEL Reg. No. 113

Evangelos Venizelos
SOEL Reg. No. 39891

# BriQ Properties R.E.I.C.

**Interim Condensed Financial Information**

**for the six-month period ended June 30th, 2021**

**in accordance with International Financial Reporting Standards**

*(Amounts presented in thousand € except otherwise stated)*

## Company and Consolidated Statement of Financial Position

| | Note | Group 30.06.2021 | Group 31.12.2020 | Company 30.06.2021 | Company 31.12.2020 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment Property | 6 | 114.244 | 106.001 | 80.613 | 72.860 |
| Investment in subsidiaries | 7 | - | - | 27.690 | 27.425 |
| Property Plant and equipment | | 304 | 312 | 160 | 161 |
| Right of Use Assets | | 32 | 75 | 25 | 29 |
| Intangible assets | | 1 | 1 | 1 | 1 |
| Trade and other receivables | 8 | 316 | 329 | 316 | 329 |
| | | **114.897** | **106.718** | **108.805** | **100.805** |
| **Current assets** | | | | | |
| Trade and other receivables | 8 | 1.397 | 1.973 | 978 | 1.233 |
| Cash and cash equivalents | 9 | 3.358 | 2.067 | 966 | 899 |
| | | **4.755** | **4.040** | **1.944** | **2.132** |
| **Total assets** | | **119.652** | **110.758** | **110.749** | **102.937** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | | |
| **Shareholders' equity** | | | | | |
| Share capital | 10 | 75.106 | 75.106 | 75.106 | 75.106 |
| Treasury shares | | (624) | (455) | (624) | (455) |
| Reserves | | 1.323 | 1.307 | 1.323 | 1.307 |
| Retained earnings | | 8.477 | 8.058 | 6.748 | 6.846 |
| **Total equity attributable to the shareholders of the Parent company** | | **84.282** | **84.016** | **82.553** | **82.804** |
| Non-controlling interests | | 6.307 | 6.118 | - | - |
| **Total Equity** | | **90.589** | **90.134** | **82.553** | **82.804** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Borrowings | 11 | 22.095 | 7.979 | 22.028 | 7.924 |
| Retirement benefit obligations | | 17 | 17 | 17 | 17 |
| Government grants | | 4 | 5 | - | - |
| Lease liability | | 24 | 46 | 20 | 23 |
| Trade and other payables | 12 | 1.085 | 771 | 1.071 | 771 |
| | | **23.225** | **8.818** | **23.136** | **8.735** |
| **Current liabilities** | | | | | |
| Trade and other payables | 12 | 1.468 | 1.243 | 990 | 1.139 |
| Current tax liabilities | 18 | 225 | 199 | 50 | 39 |
| Lease liabilities | | 7 | 30 | 6 | 6 |
| Borrowings | 11 | 4.137 | 10.334 | 4.014 | 10.214 |
| | | **5.838** | **11.806** | **5.060** | **11.398** |
| **Total liabilities** | | **29.063** | **20.624** | **28.196** | **20.133** |
| **Total shareholders' equity and liabilities** | | **119.652** | **110.758** | **110.749** | **102.937** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

*(Amounts presented in thousand € except otherwise stated)*

## Company and Consolidated Statements of Profit or Loss and other Comprehensive Income

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **01.01.2021 to 30.06.2021** | **01.01.2020 to 30.06.2020** | **01.01.2021 to 30.06.2021** | **01.01.2020 to 30.06.2020** |
| Rental Income | 13 | 2.574 | 1.766 | 1.544 | 1.686 |
| | | **2.574** | **1.766** | **1.544** | **1.686** |
| Net gain/(loss) from fair value adjustments on investment property | 6 | 2.092 | 495 | 1.801 | (25) |
| Direct property related expenses | 14 | (158) | (76) | (136) | (70) |
| Property Tax | 15 | (664) | (369) | (388) | (369) |
| Employee benefit expenses | | (171) | (173) | (171) | (173) |
| Other operating expenses | 16 | (254) | (174) | (227) | (171) |
| Depreciation and amortization | | (15) | (7) | (8) | (7) |
| Other profit / (loss) net | | 2 | (7) | | (7) |
| **Operating profit** | | **3.406** | **1.455** | **2.415** | **864** |
| Finance income | | - | 43 | - | 43 |
| Finance expenses | | (336) | (379) | (332) | (379) |
| **Financial income - net** | 17 | **(336)** | **(336)** | **(332)** | **(336)** |
| **Profit/ (Loss) before tax** | | **3.070** | **1.119** | **2.083** | **528** |
| Corporate tax | 18 | (57) | (46) | (40) | (44) |
| **Profit/ (Loss) for the year** | | **3.013** | **1.073** | **2.043** | **483** |
| | | | | | |
| **Attributable to the:** | | | | | |
| Shareholders of the Company | | 2.824 | 1.073 | 2.043 | 483 |
| Shareholders of non-controlling interests | | 189 | - | - | - |
| | | **3.013** | **1.073** | **2.043** | **483** |
| | | | | | |
| **Other Comprehensive Income:** | | | | | |
| **Items that may be reclassified to profit / loss** | 20 | **0,0798** | **0,0301** | **0,0577** | **0,0136** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

*(Amounts presented in thousand € except otherwise stated)*

## Group Statement of changes in Equity

| | | Group | | | | | |
|---|---|---|---|---|---|---|---|
| | Note | **Share capital** | **Treasury shares** | **Reserves** | **Retained Earnings** | **Non-controlling interest** | **Total Equity** |
| **Balance January 01, 2020** | | **75.106** | **-** | **2.866** | **5.972** | **-** | **83.944** |
| Profit/(Losses) for the period | | - | - | - | 1.922 | 148 | 2.070 |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **1.922** | **148** | **2.070** |
| Share Capital decrease | | - | (455) | - | - | - | **(455)** |
| Share Capital increase | 19 | - | - | - | (1.395) | - | **(1.395)** |
| Share Capital increase expenses | | - | - | (1.583) | 1.583 | - | **-** |
| Dividend relating to 2018 approved by the shareholders | | - | - | - | - | 5.970 | **5.970** |
| Legal reserve | | - | - | 24 | (24) | - | **-** |
| **Balance December 31, 2020** | | **75.106** | **(455)** | **1.307** | **8.058** | **6.118** | **90.134** |
| **Balance January 01, 2021** | | **75.106** | **(455)** | **1.307** | **8.058** | **6.118** | **90.134** |
| Profit/(Losses) for the period | | - | - | - | 2.824 | 189 | 3.013 |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **2.824** | **189** | **3.013** |
| Purchase of treasury shares | | - | (169) | - | - | - | **(169)** |
| Dividend relating to 2020 approved by the shareholders | 19 | - | - | - | (2.124) | - | **(2.124)** |
| Transfers Acquisition of subsidiary | | - | - | - | (265) | - | **(265)** |
| Legal reserve | | - | - | 16 | (16) | - | **-** |
| **Balance December 31, 2021** | | **75.106** | **(624)** | **1.323** | **8.477** | **6.307** | **90.589** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

*(Amounts presented in thousand € except otherwise stated)*

## Company Statement of changes in Equity

| | | Company | | | | |
|---|---|---|---|---|---|---|
| | | **Share capital** | **Treasury shares** | **Reserves** | **Retained Earnings** | **Non-controlling interest** |
| | **Σημ.** | | | | | |
| **Balance January 01, 2020** | | **75.106** | **-** | **2.866** | **5.972** | **83.944** |
| Profit/(Losses) for the period | | - | - | - | 709 | 709 |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **709** | **709** |
| Share Capital decrease | | - | (455) | - | - | **(455)** |
| Share Capital increase | 19 | - | - | - | (1.395) | **(1.395)** |
| Share Capital increase expenses | | - | - | (1.583) | 1.583 | **-** |
| Dividend relating to 2018 approved by the shareholders | | - | - | 24 | (24) | **-** |
| Legal reserve | | **75.106** | **(455)** | **1.307** | **6.845** | **82.804** |
| **Balance December 31, 2020** | | | | | | |
| | | **75.106** | **(455)** | **1.307** | **6.845** | **82.804** |
| **Balance January 01, 2021** | | - | - | - | 2.043 | 2.043 |
| Profit/(Losses) for the period | | **-** | **-** | **-** | **2.043** | **2.043** |
| **Total comprehensive income for the year** | | - | (169) | - | - | **(169)** |
| Purchase of treasury shares | 19 | - | - | - | (2.124) | **(2.124)** |
| Dividend relating to 2020 approved by the shareholders | | - | - | 16 | (16) | **-** |
| Transfers Acquisition of subsidiary | | **75.106** | **(624)** | **1.323** | **6.748** | **82.553** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

*(Amounts presented in thousand € except otherwise stated)*

## Group Cash Flow Statement

| | | Group | |
|---|---|---|---|
| | | 01.01.2021 | 01.01.2020 |
| | Σημ. | to | to |
| **Cash flows from operating activities** | | **30.06.2021** | **31.06.2020** |
| Profit / (loss) before tax | | 3.070 | 1.119 |
| **Adjustments for:** | | | |
| Depreciation | | 16 | 7 |
| (Increase)/ Decrease of fair value of investment properties | 6 | (2.092) | (495) |
| Provisions for retirement benefits obligations | | 1 | 2 |
| Finance (income) / exprense | | 336 | 336 |
| **Changes in working capital** | | | |
| (Increase) / Decrease in receivables | | 589 | (553) |
| Increase / (Decrease) in payables | | 523 | (412) |
| Interest paid | | (309) | (153) |
| Tax paid | | (42) | (35) |
| **Net cash flows from operating activities** | | **2.092** | **(184)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchases of Property Plant and equipment | | (9) | (2) |
| Purchases of investment property | 6 | (3.200) | (7.795) |
| Subsequent capital expenditure on investment properties | 6 | (202) | (102) |
| Advances and charges related to real estate under construction | 6 | (2.749) | - |
| Acquisition of a subsidiary (excluding cash and cash equivalents acquired) | | (265) | (3.496) |
| **Net cash used in investing activities** | | **(6.425)** | **(11.395)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Purchase of treasury shares | | (169) | (206) |
| Loans repayments | 11 | (10.026) | (12.588) |
| Proceeds short term borrowings | | 3.304 | - |
| Proceeds from bond issue | | 14.628 | - |
| Proceeds from government loan - grant | | 11 | - |
| Lease payments - capital | | (1) | (2) |
| Dividends paid | 19 | (2.123) | (1.395) |
| **Net cash from financing activities** | | **5.624** | **(14.193)** |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **1.291** | **(25.772)** |
| Cash and cash equivalents at the beginning of the year | | 2.067 | 37.568 |
| **Cash and cash equivalents at the end of the year** | 9 | **3.358** | **11.796** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

*(Amounts presented in thousand € except otherwise stated)*

## Group Cash Flow Statement

| | Note | 01.01.2021 to 30.06.2021 | 01.01.2021 to 30.06.2020 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit / (loss) before tax | | 2.083 | 528 |
| **Adjustments for:** | | | |
| Depreciation | | 8 | 7 |
| (Increase)/ Decrease of fair value of investment properties | 6 | (1.801) | 25 |
| Provisions for retirement benefits obligations | | 1 | 2 |
| Finance (income) / exprense | | 332 | 336 |
| **Changes in working capital** | | | |
| (Increase) / Decrease in receivables | | 266 | (489) |
| (Increase) / Decrease in obligations | | 137 | (396) |
| Interest paid | | (307) | (153) |
| Tax paid | | (40) | (36) |
| **Net cash flows from operating activities** | | **678** | **(176)** |
| **Cash flows from investing activities** | | | |
| Purchases of Property Plant and equipment | | (2) | (2) |
| Purchases of investment property | 6 | (3.200) | (7.795) |
| Acquisition of a subsidiaries | | (265) | (3.522) |
| Advances and charges related to real estate under construction | 6 | (2.749) | - |
| Subsequent capital expenditure on investment properties | 6 | (4) | (102) |
| **Net cash used in investing activities** | | **(6.220)** | **(11.421)** |
| **Cash flows from financing activities** | | | |
| Purchase of treasury shares | | (169) | (206) |
| Loans repayments | 11 | (10.026) | (12.588) |
| Proceeds short term borrowings | 11 | 3.302 | - |
| Proceeds from bond issue | 11 | 14.628 | - |
| Lease payments - capital | | (3) | (2) |
| Dividends paid | 19 | (2.123) | (1.395) |
| **Net cash from financing activities** | | **5.609** | **(14.191)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **67** | **(25.789)** |
| Cash and cash equivalents at the beginning of the year | | 899 | 37.568 |
| **Cash and cash equivalents at the end of the year** | 9 | **966** | **11.778** |

The notes on pages 20 to 40 constitute an integral part of these Interim Financial Statements for the period ended on June 30,2021.

## Notes to Interim Condensed Financial Information

### 1. General Information

The Separate and Consolidated Financial Statements for the year from 01 January 2021 to 30 June 2021 include the separate financial statements of "BriQ Properties Real Estate Investment Company (the" Company ") and the consolidated financial statements of the Company and its subsidiaries "Plaza Hotel Skiathos M.S.A." and "Sarmed Warehouses SA", (together "the Group").

"BriQ Properties REIC" (the "Company") was established on 21 October 2016 under the name "BriQ Properties Real Estate Investment Company" and the distinctive title "BriQ Properties REIC" has been registered in the General Commercial Registry (G.E.MI). with the Number 140330201000 and Tax Registration Number 997521479 in accordance with law 4548/2018, law 2778 / 1999 and law 4209 / 2013 as amended and in force.

The Company is a Real Estate Investment Company (REIC), licensed by the Hellenic Capital Market Commission under number 757 / 31.05.2016. Its operation is in accordance with Law 2778/1993, Law 4209/2013 and Law 4548/2018, as well as by regulatory decisions and circulars of the Hellenic Capital Market Commission and the Ministries of Economy and Finance. The exclusive purpose of the Company is the acquisition and management of real estate and investing according to Article 22 of Law 2778/1999, as in force. Also, since its establishment, the Company has been supervised and controlled by the Hellenic Capital Market Commission regarding its obligations as REIC, as well as for the compliance of the Hellenic Capital Market legislation and the corporate governance rules, and further, is supervised by the competent Attica Region as a societe anonyme and by the Athens Stock Exchange as a listed company.

From 31.07.2017 the shares of the Company are traded on the Main Market of the Athens Stock Exchange.

On March 30, 2020 the Board of Directors of the Company was reconstituted in accordance with the decision of the Ordinary General Meeting of Shareholders of March 30, 2020 with the addition of Mrs. Eleni Linardou. The eight-member Board of Directors elected by the Ordinary General Meeting of Shareholders of March 30, 2020, which appointed its independent non-executive members in accordance with article 87 par. 5 of Law 4548/2018 and article 3 of Law 3016 / 2002, was formed on the same day in a body, has a four-year term, ie until April 1, 2024, and its term will be automatically extended until the first Ordinary General Meeting of the Company's shareholders after its expiration.

Following the resignation of Mr. Tamvakakis, Vice Chairman of the Board of Directors of the Company, the Board of Directors of the Company in its meeting of 14.07.2021 and following a proposal of the Remuneration and Nominations Committee of the Company, elected Mr. Papaefstratiou - until recently of the Board of Directors, as its Vice President.

Following the above, the new seven-member Board of Directors, with its composition remaining unchanged, was reorganized into a body for the remainder of its four-year term, ie until April 1, 2024, which may be automatically extended until the first Ordinary General Meeting of the Company's shareholders after its expiration, as follows:

1. Theodoros, Dimitriou, Fessas, Chairman of the Board, Non-Executive Member
2. Efstratios, Dimitriou, Papaefstratiou, Independent Non-Executive Member
3. Anna, Georgiou, Apostolidou, CEO, Executive Member
4. Apostolos, Miltiadi, Georgantzis, Executive Member
5. Eftychia, Sophocles, Koutsoureli,, Non-Executive Member
6. Markos, Grigoriou, Bitsakos,, Non-Executive Member
7. Eleni, Dimitriou, Linardou, Independent Non-Executive Member

The above change in the composition of the Board of Directors will be announced at the next General Assembly in accordance with art. 7 of the Company's Articles of Association, art. 82 of Law 4548/2018 and art. 9 par. 4 of law 4706/2020.

The headquarters of Company are on 25th Alexandrou Pantou Street, 176 71 Kallithea, Attica. The Company's website is: www.briqproperties.gr.

The total number of employees of the Company as at June 30, 2021 was 7 (30.06.2020: 4).

This Interim Condensed Corporate and Consolidated Financial Information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, approved by the Board of Directors at its meeting of 23.09.2021.

## 2. Principles for the preparation of Interim Condensed Financial Information

This Interim Condensed and Consolidated Financial Information for the six-month period from 1 January 2021 to 30 June 2021 includes the financial data of the Company and its subsidiaries "Plaza Hotel Skiathos M.A.E" and "Sarmed Warehouses SA", ("Subsidiaries" jointly with the Company "the Group").

The basic accounting policies applied for the preparation of the Interim Condensed Corporate and Consolidated Financial Information are presented below.

### 2.1 Framework for the preparation of Interim Condensed Financial Information

The interim condensed consolidated financial information of the Group dated 30 June 2021 covers the half year from 1 January to 30 June 2021 and has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Statements".

The accounting principles used to prepare and present the condensed interim financial information are consistent with the accounting principles used to prepare the Company's annual financial statements for the year ended 31 December 2020, excluding the adoption of new and modified standards as set out below and the consolidation principles.

The condensed interim financial information must be read in conjunction with the annual financial statements of December 31, 2020 of the Company that are available on the Company's website: www.briqproperties.gr.

Amounts are shown rounded to thousands of Euros (unless otherwise stated) to facilitate presentation.

**Continuity of operations**

The Company meets its daily working capital requirements through cash generated and related resources at its disposal.

The spread of coronavirus (COVID-19) creates pressures and restrictions on the level of leases of the Group and the Company, as well as on their liquidity for the foreseeable future. The effects of COVID-19 coronavirus on the value of the properties and the income of the Group, as well as the measures taken by the Group are mentioned in Note 4.1.

However, taking into account the long-term lease agreements concluded by the Company, the dispersion and the solvency of its tenants, the dispersion of the real estate portfolio based on the real estate estimates of 30.06.2021 in warehouses - logistics (47,1%), offices (30,0%), hotels (16,9%), special purpose properties (3,0%), shops (2,6%) and plots (0,4%) and the sufficient liquidity it has, the reasonable expectation that the Company has sufficient resources to continue its business smoothly in the near future.

Therefore, the Group continues to apply the "principle of business continuity" during the preparation of the financial statements for the period ended 30 June 2021.

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

***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 January

2021. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

**Standards and Interpretations effective for the current financial year**

**IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'**

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

**IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'**

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

**Standards and Interpretations effective for subsequent periods**

**IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'** (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The standard has not yet been endorsed by the EU.

**IFRS 17 'Insurance contracts' and Amendments to IFRS 17** (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, 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.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'** (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

**IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'** (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

**IFRS 3 (Amendment) 'Reference to the Conceptual Framework'** (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'** <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

**IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies'** <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

**IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates'** <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRS Standards 2018–2020** <u>(effective for annual periods beginning on or after 1 January 2022)</u>

<u>*IFRS 9 'Financial instruments'*</u>

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

<u>*IFRS 16 'Leases'*</u>

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

<u>*IAS 41 'Agriculture'*</u>

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

## 3. Financial risk management

### 3.1. Financial risk factors

The Group is exposed to financial risks, such as market risks (changes in interest rates, market prices), credit risk and liquidity risk. The Company's general risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential negative impact on the Company's financial performance.

The Management implements an integrated risk management framework, which aims at the continuous monitoring of the Group's business operation, in order to identify the risk areas in time, to evaluate and categorize and then to manage through appropriate actions.

At the level of organizational structure, the Risk Management Service in collaboration with the executive members of the Management, as well as the supervisory units of the Company, are in charge of risk management, while the internal control function evaluates the adequacy and effectiveness of the risk management system.

In addition to the above, the Company's Board of Directors must regularly review the main risks faced by the Group, as well as the effectiveness of the internal control system in terms of managing these risks.

***(a) Market risk***

**(i) Foreign exchange risk**

The Group operates in Greece, its transactions are conducted in Euro and therefore is not exposed to foreign currency risks.

**(ii) Price risk**

The Group is not exposed to risk related to financial instruments since it does not hold equity instruments.

The Group is exposed to the risk from fluctuation in the fair value of real estate property and in lease income. In order to reduce the risk of prices not related to financial instruments, such as the risk of real estate prices, the Group leases its property under long-term operating lease agreements, which provide for annual adjustments of rents associated with the Consumer Price Index, while in case of negative inflation there is no negative impact on rents. Rental income of the Group is not subject to seasonal fluctuations, except for some individual leases where there is a percentage of turnover in addition to the monthly rent which is calculated at the beginning of each year and relates to the previous calendar year.

In addition, the Company is governed by an institutional framework of REIC, according to which:

a) periodic valuation of its investment properties by an independent appraiser is required;

b) valuation of the property is required before acquisition or pre-sale by an independent appraiser;

c) the construction, completion or repair of real estate is allowed as long as the relevant costs do not exceed, in total, forty percent (40%) of the total investment of the company in real estate, as it will have been formed after the completion of the works and,

d) the value of each property, at the time of acquisition or completion of works, is prohibited to exceed 25% of the value of all its investments.

This scheme contributes significantly to the avoidance and / or timely treatment of the relevant risks.

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

The Group's exposure to interest rate risk arises from current deposits (see Note 12) in its assets as well as from floating rate bank loans (see Note 16) which expose the Group to cash flow risk due to a possible change in cash of interest rates.

The Group is exposed to fluctuations in market interest rates that affect its financial position, as borrowing cost may increase as a result of such changes.

The Group's exposure to interest rate risk is not significant due to the low exposure of the Group in borrowing presenting Net Loan to Value Ratio equal to 20,0% on 30.06.2021.

***(b) Credit risk***

The Group has credit risk concentrations in relation to lease receivables arising from operating leases and cash and cash equivalents. Credit risk relates to the risk of default of counterparties in meeting their financial obligations.

(Amounts presented in thousand € except otherwise stated)

No significant losses are expected, as real estate lease agreements are made with clients - tenants who have sufficient creditworthiness. The maximum exposure of the Group to credit risk comes mainly from transactions with related parties, as a significant part of the Group's real estate portfolio is leased to Quest Group companies. The percentage of annual rental income that comes from subsidiaries and affiliates of the Quest Holdings Group SA. amounted on 30.06.2021 to 27,7% from 28,7% on 31.12.2020 of total rental income.

**(c) Liquidity risk**

The current or future risk for profits and capital arises from the inability of the Group to liquidate / collect overdue receivables without suffering significant losses. The Group ensures the required liquidity in a timely manner in order to meet its obligations, through the regular monitoring of liquidity needs and the collection of debts by tenants and the prudent management of cash.

The Company's liquidity is monitored by Management on a regular basis.

### 3.2 Capital risk management

In terms of capital management, the Group's goal is to ensure its ability to remain as a going concern in order to generate profits for its shareholders and benefits for other stakeholders and to maintain the optimal capital structure to reduce its cost of capital.

The maintenance or adjustment of the capital structure can be done by adjusting the amount of dividends paid to shareholders, issuing new shares or selling assets to reduce borrowing.

The Group manages capital based on leverage ratio. This ratio is calculated as the ratio of total debt to total assets and as the ratio of net debt to total assets. Net borrowing is calculated as the total of borrowings (long-term and short-term) plus lease liabilities less cash and cash equivalents.

The legal status that governs the REICs in Greece, permits borrowing of loans and provides credits to them in amounts that in total do not exceed 75% of their assets, for the acquisition and utilization of real estate.

Below are the leverage ratios on total assets as at 30.06.2021 compared to 31.12.2020.

| | **Group 30.06.2021** | **Group 31.12.2020** | **Company 30.06.2021** | **Company 31.12.2020** |
|---|---|---|---|---|
| Loans and leases | 26.263 | 18.389 | 26.068 | 18.167 |
| Total Assets | 119.652 | 110.758 | 110.484 | 102.937 |
| Cash and cash equivalents | 3.358 | 2.067 | 966 | 899 |
| **Debt Ratio** | **21,95%** | **16,60%** | **23,59%** | **17,60%** |
| **Net Debt Ratio** | **19,70%** | **15,00%** | **22,92%** | **16,90%** |

### 3.3 Fair value estimation

The Company and the Group provide the necessary disclosures regarding the measurement of fair value through a three-level hierarchy.

- Financial assets that are traded in active markets and their fair value is determined based on the published purchase prices that are valid at the reporting date for similar assets and liabilities ("Level 1").
- Financial assets that are not tradable in active markets, the fair value of which is determined using valuation techniques and assumptions based either directly or indirectly on market data at the reporting date ("Level 2").
- Financial assets that are not tradable in active markets, the fair value of which is determined using valuation techniques and assumptions that are not fundamentally based on market data ("Level 3").

The Company and the Group do not hold financial assets measured at fair value. However, the Company and the Group own investment property that is measured at fair value (note 6).

As at 30 June 2021, the carrying amount of trade and other receivables, cash and cash equivalents, loans, as well as trade and other payables, was close to fair value.

During the year no transfers were made between Levels 1 and 2, nor transfers inside and outside Level 3 to measure the fair value of investment properties.

## 4. Significant accounting estimates and judgments of the Management

For the preparation of the condensed interim financial information in accordance with IFRS, the significant assumptions adopted by Management and the main sources of information for the estimates made are in line with those adopted in the published annual financial statements for the year ended December 31, 2020 which are considered by management to be the most significant in applying the Company's accounting policies.

### 4.1. Effects of coronavirus COVID-19

The COVID-19 coronavirus pandemic started affecting the Group in mid-March 2020, when the first government measures were taken to deal with the crisis.

According to government measures, the affected companies were exempted from the obligation to pay 40% of the total rent for the months in which they are affected. These reductions concerned almost all the tenants of the Group for the months from January to June 2021.

In addition to the above hotel companies were exempted from paying 100% of the rent for the months from January to June 2021, while the owner is compensated by the state for 60% of the loss.

The total reduction of the Group's rental income for the first half of 2021 due to the Covid-19 pandemic amounted to € 951 thousand, an amount that corresponds to approximately 17% of the expected rental income of the first half of the year, while for the corresponding last year the reduction amounted to € 374 thousand.

The Company estimates that the effects of the pandemic appear to be gradually declining in 2021 and there will be no further measures to reduce rents. The rate of vaccinations is increasing and the lifting of travel restrictions and the opening of the market are expected to lead to a recovery in economic activity and tourism.

#### 4.1.1. Impact on the fair value of investment properties

During the fiscal year 2020, due to the spread of the COVID-19 pandemic, there was an unprecedented deterioration in economic conditions. The coronavirus pandemic has put pressure on the global economy, as measures imposed to curb the spread of the pandemic have hit economic activity and markets, which was also reflected in the real estate values of the year ended 31.12. 2020.

During the first half of 2021 the effects of the pandemic gradually receded, while with the progress of the vaccination program and the removal of restrictions on movement, consumption, economic activity and tourism recovered reducing market uncertainty, which led to recovery. expectations and therefore real estate values.

The values of real estate investments of 30.06.2021 were valued by independent appraisers who have used reasonable assumptions and appropriate data to develop appropriate hypotheses to determine the fair value of real estate investments. According to the independent appraisers, given the uncertainty from the evolution of the COVID-19 pandemic and the possible future effects on the real estate markets in our country and internationally and in the absence of sufficient comparative data, conditions of "substantial valuation uncertainty" are created. . For this reason, real estate values go through a period in which they are monitored with a higher degree of attention.

The Group has also made every effort to take into account all the reasonable and sound information that was available during the assessment of the fair value of the investment properties on 30.06.2021, given the limitations set by the levels of uncertainty of the macroeconomic outlook due to the negative impact. of COVID-19 while it will continue to evaluate and review the value of its investment properties.

The net profit / (loss) from the revaluation of real estate investments at fair value as well as the breakdown of real estate investments by operating sector is shown in Note 6.

#### 4.1.2. Measures taken by the Group

In order to mitigate the impact of the loss of its rental income due to the COVID-19 coronavirus pandemic, the Group utilizes whatever support measures the government offers to the affected companies and reconsiders its investment strategy based on the new conditions created in the real estate market.

(Amounts presented in thousand € except otherwise stated)

The Group also takes the necessary measures for the uninterrupted operation and safety of its employees and their families such as:

- Adoption of a timely and successful new model of remote work (teleworking) where possible, remote information systems support.
- Continuous information of all employees and continuous health support (COVID-19 exams).
- Regular disinfection in all workplaces, provision of appropriate personal protective equipment (PPE).

## 5. Segment Reporting

The operating segments of the Group and the Company are presented according to the segments of investment activity as monitored in internal reports and used for decision making and monitoring the financial results by the Company's management, in accordance with its Articles of Association and its Internal Procedures.

Operating segments relate to investment types of real estate and include income from assets belonging to different types of real estate.

On 30.06.2021 all the properties of the Group were located in Greece. Also, investment properties of the Group are divided into offices and mixed buildings (offices with ground floor stores), commercial warehouses, hotels, shops, special purpose properties and plots.

The Group's management monitors the operating results of the sectors separately in order to allocate resources and evaluate its performance. The assessment of the sector's performance is based on the Gains / (losses) related to real estate investments as presented below. The Company applies the same principles for measuring the operating results of the segments as those of the financial statements. The analysis of real estate investments by operating sector is shown in Note 6.

The COVID-19 coronavirus ("CV-19") pandemic began affecting the Group in mid-March 2020, when the first government measures were taken to address the crisis. The total reduction of the Group's rental income for the first half of 2021 due to the Covid-19 pandemic amounted to € 951 thousand, an amount that corresponds to approximately 17% of the expected rental income of the first half of the year, while for the corresponding last year the reduction amounted to € 374 thousand.

The breakdown for the semester ended 30 June 2021 is as follows:

| | 01.01.2021-30.06.2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Offices** | **Logistics** | **Hotels** | **Retail** | **Special Use** | **Land Plots** | **Total** |
| **REVENUE** | | | | | | | |
| Rental Revenue | 778 | 1.196 | 480 | 67 | 36 | 17 | 2.574 |
| **Total** | **778** | **1.196** | **480** | **67** | **36** | **17** | **2.574** |
| **RESULTS** | | | | | | | |
| Net gain / (loss) from the fair value adjustment of investment properties | 654 | 1142 | 201 | 34 | 67 | (6) | 2.092 |
| Direct property related expenses | (267) | (358) | (134) | (24) | (34) | (5) | (822) |
| **Total profit/(loss) from Investment properties** | **1.165** | **1.980** | **547** | **77** | **69** | **6** | **3.844** |
| **Net profit / (loss) for the period:** | | | | | | | |
| Total profit/(loss) from property related expenses | | | | | | | 3.844 |
| Other expenses | | | | | | | (438) |
| Net financial income / | | | | | | | (336) |

*(Amounts presented in thousand € except otherwise stated)*

| | |
|---|---|
| (expenses) | |
| Taxes | (57) |
| **Profit / (Loss) for the period** | **3.013** |

The breakdown for the semester ended 30 June 2020 is as follows:

| | 01.01.2020-30.06.2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Offices** | **Logistics** | **Hotels** | **Retail** | **Special Use** | **Land Plots** | **Total** |
| **REVENUE** | | | | | | | |
| Rental Revenue | 837 | 370 | 405 | 74 | 73 | 8 | 1.766 |
| **Total** | **837** | **370** | **405** | **74** | **73** | **8** | **1.766** |
| **RESULTS** | | | | | | | |
| Net gain / (loss) from the fair value adjustment of investment properties | 250 | 114 | (175) | 58 | 9 | 239 | 495 |
| Direct property related expenses | (201) | (89) | (104) | (19) | (30) | (3) | (445) |
| **Total profit/(loss) from Investment properties** | **886** | **395** | **126** | **113** | **52** | **244** | **1.816** |
| **Net profit / (loss) for the period:** | | | | | | | |
| Total profit/(loss) from property related expenses | | | | | | | 1.816 |
| Other expenses | | | | | | | (361) |
| Net financial income / (expenses) | | | | | | | (336) |
| Taxes | | | | | | | (46) |
| **Profit / (Loss) for the period** | | | | | | | **1.073** |

*(Amounts presented in thousand € except otherwise stated)*

## 6. Investment Property

The change in investments properties by operating sector at Group level is as follows:

| Country | | | | Group Greece | | | |
|---|---|---|---|---|---|---|---|
| **Segment** | **Offices** | **Logistics** | **Hotels** | **Retails** | **Special Use** | **Land Plots** | **Total** |
| Fair value specification | 3 | 3 | 3 | 3 | 3 | 3 | |
| **Fair value at January 1,2020** | **30.387** | **10.303** | **13.686** | **3.524** | **1.365** | **528** | **59.793** |
| Acquisition of investment property | - | 5.580 | 3.045 | 1.155 | 185 | 68 | **10.033** |
| Acquisitions of investment real estate through the purchase of subsidiaries - Mechanical merger | - | 28.497 | 3.480 | - | - | - | **31.977** |
| Subsequent capital expenditures related to real estate investments | 174 | 3.482 | 99 | 19 | 10 | - | **3.784** |
| Transfers between sectors | 686 | - | (686) | (1.819) | 1.819 | - | **-** |
| Net gain / (loss) from the fair value adjustment of investment property | 275 | 896 | (724) | 30 | 15 | (76) | **416** |
| **Fair value at December 31, 2020** | **31.522** | **48.756** | **18.900** | **2.909** | **3.394** | **520** | **106.001** |
| | | | | | | | |
| **Fair value at January 1,2021** | **31.522** | **48.756** | **18.900** | **2.909** | **3.394** | **520** | **106.001** |
| Acquisition of investment property | 2.145 | 1.054 | - | - | - | - | **3.199** |
| Subsequent capital expenditures related to real estate investments | 3 | 2.749 | 198 | - | - | - | **2.950** |
| Transfers between sectors | | 66 | - | - | - | (66) | **-** |
| Net gain / (loss) from the fair value adjustment of investment property | 654 | 1.141 | 202 | 34 | 67 | (5) | **2.092** |
| **Fair value at June 30, 2021** | **34.324** | **53.766** | **19.300** | **2.943** | **3.462** | **449** | **114.244** |

*(Amounts presented in thousand € except otherwise stated)*

The change in investments properties per operating sector of the Company is as follows:

| **Country** | | | **Company Greece** | | | | |
|---|---|---|---|---|---|---|---|
| **Segment** | **Offices** | **Logistics** | **Hotels** | **Retails** | **Special Use** | **Land Plots** | **Total** |
| Fair value specification | 3 | 3 | 3 | 3 | 3 | 3 | |
| **Fair value at January 1,2020** | **30.387** | **10.303** | **13.686** | **3.524** | **1.365** | **528** | **59.793** |
| Acquisition of investment property | - | 5.580 | 3.045 | 1.155 | 185 | 68 | **10.033** |
| Subsequent capital expenditures related to real estate investments | 174 | 3.482 | 50 | 19 | 10 | - | **3.735** |
| Transfers between sectors | 686 | - | (686) | (1.819) | 1.819 | - | **-** |
| Net gain / (loss) from the fair value adjustment of investment property | 275 | 250 | (1.195) | 30 | 15 | (76) | **(701)** |
| **Fair value at December 31, 2020** | **31.522** | **19.615** | **14.900** | **2.909** | **3.394** | **520** | **72.860** |
| **Fair value at January 1,2021** | **31.522** | **19.615** | **14.900** | **2.909** | **3.394** | **520** | **72.860** |
| Acquisition of investment property | 2.145 | 1.054 | - | - | - | - | **3.199** |
| Subsequent capital expenditures related to real estate investments | 3 | 2.749 | - | - | - | - | **2.752** |
| Transfers between sectors | - | 66 | - | - | - | (66) | **-** |
| Net gain / (loss) from the fair value adjustment of investment property | 654 | 751 | 300 | 34 | 67 | (5) | **1.801** |
| **Fair value at June 30, 2021** | **34.324** | **24.235** | **15.200** | **2.943** | **3.462** | **449** | **80.613** |

On February 11, 2021, the Company proceeded with the purchase of an independent office building with a ground floor store located at 3 Dimitriou Gounari Street in Piraeus for a price of € 2.100 thousand (excluding acquisition costs of € 46 thousand). The building consists of a ground floor store, five office floors and underground storage spaces and has a total area of 2.428 sq.m. and is fully leased.

On the 20th of May 2021 and the 29th of June 2021, the Company proceeded with the purchase of three (3) adjacent plots with a total area of 18.083 sq.m. located in Aspropyrgos, Attica at "Imeros Topos". The total price for the purchase of the three plots amounted to € 1.038 thousand, not including acquisition costs of € 16 thousand. These plots are adjacent to the existing plots of the Company on which it is already developing a modern Storage and Distribution building. As a result, today the single plot area for development in Aspropyrgos amounts to a total area of 103.001 sq.m.

*(Amounts presented in thousand € except otherwise stated)*

**Investment Property Valuation Method**

According to the current legislation for REIC, the values of investments in real estate are valued by independent appraisers, whose reports must be prepared twice a year, on June 30th and December 31st. Each report is based on two methods according to International Valuation Standards. For the estimation of the value of the Group's portfolio as at 30.06.2021, the ((a) method of comparative data or comparative method, (b) the method of capitalization of income or the method of discounted cash flows (DCF) and (c) the residual method.

All the properties of the Group are located in Greece. The following table contains information on the valuation methods of investment properties, by category of operating sector:

| Segment | Fair Value | Valuation Method | Monthly Market Rent | Discount Rate (%) | Capitalization Rate (%) |
|---|---|---|---|---|---|
| Offices | 34.325 | 80% discounted cash flows (DCF) & 20% comparative | 222 | 5,80%-9,19% | 6,25%-8,00% |
| Logistics | 53.766 | 80% discounted cash flows (DCF) & 10% comparative | 436 | 9,14%-9,72% | 7,50%-8,25% |
| Hotel | 19.300 | 80-85% discounted cash flows (DCF) & 20-15% comparative | n/a | 9,20%-10,40% | 7,0%-8,50% |
| Retail | 2.943 | 80% discounted cash flows (DCF) & 20% comparative | 16 | 7,21%-7,74% | 6,5%-6,75% |
| Special Use | 3.461 | 80% discounted cash flows (DCF) & 20% comparative | 22 | 8,47%-8,69% | 6,50%-7,75% |
| Land Plot | 449 | 80%-10% discounted cash flows (DCF) & 20%-90% comparative | 4 | 9,50%-9,72% | 8,25% |
| | **114.244** | | | | |

The following table contains information regarding the valuation methods of investment properties, by category of operating sector for 31.12.2020:

| Segment | Fair Value | Valuation Method | Monthly Market Rent | Discount Rate (%) | Capitalization Rate (%) |
|---|---|---|---|---|---|
| Offices | 31.522 | 80% discounted cash flows (DCF) & 20% comparative | 203 | 7,35%-9,10% | 6,25%-7,50% |
| Logistics | 48.756 | 80% discounted cash flows (DCF) & 10% comparative | 406 | 9,30%-9,70% | 8,0%-8,25% |
| Hotel | 18.900 | 80-85% discounted cash flows (DCF) & 20-15% comparative | n/a | 9,30%-10,80% | 7,0%-8,50% |
| Retail | 2.909 | 80% discounted cash flows (DCF) & 20% comparative | 17 | 7,21%-8,60% | 6,75%-7,0% |
| Special Use | 3.394 | 80% discounted cash flows (DCF) & 20% comparative | 20 | 7,64%-8,71% | 6,50%-7,25% |

*(Amounts presented in thousand € except otherwise stated)*

| | | | | | |
|---|---|---|---|---|---|
| Land Plot | 520 | 80%-10% discounted cash flows (DCF) & 20%-90% comparative | 89 | 9,30%-9,71% | 8,00%-8,25% |
| | **106.001** | | | | |

The measurement at fair value of non-financial assets was determined taking into account the Company's ability to achieve their maximum and optimal use, assessing the use of each item that is physically possible, legally permissible and economically feasible. This estimate is based on the physical characteristics, the permitted uses and the opportunity cost of the investments made.

If on 30 June 2021 the discount rate used in the cash flow discount analysis differed by +/- 5% from Management estimates, the book value of real estate investments would be estimated at € 2.345 thousand lower or € 3.806 thousand higher.

If on June 30, 2021, the capitalization rate used in the cash flow discount analysis differed by +/- 5% from Management estimates, the book value of real estate investments would be estimated at € 2.215 thousand lower or € 3,479 thousand higher.

If on June 30, 2021, the monthly market rent used in the cash flow discount analysis differed by +/- 5% from the estimates of the Management, the book value of real estate investments would be estimated at € 3.446 thousand higher or € 2.206 mm lower.

## 7. Acquisition of Subsidiaries

The subsidiaries that are consolidated in the Group are **«Plaza Hotel Skiathos M.A.E.»** and **«Sarmed Warehouses A.E.»** based in Greece. Subsidiaries are fully consolidated (total consolidation).

The Company holds 100% of the shares of the company "Plaza Hotel Skiathos M.A.E" and 80% of the shares of the company "SARMED WAREHOUSES A.E"

| | **30.06.2021** | **31.12.2020** |
|---|---|---|
| **Plaza Hotel Skiathos S.S.A.** | 3.522 | 3.522 |
| **Sarmed Warehouses S.A.** | 24.168 | 23.903 |
| | 27.690 | 27.425 |

Increasing participation in the subsidiary **"Sarmed Warehouses A.E."** due to the liquidation of the purchase and sale, as stated in the contract between us.

## 8. Trade and other receivables

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Trade receivables | 341 | 315 | 292 | 262 |
| Less: Impairment provisions | (249) | (249) | (4) | (4) |
| **Trade receivables** | **92** | **66** | **288** | **258** |
| Receivables from related parties (note.28) | 130 | 228 | 131 | 95 |
| Subsequent expenses and advances | 92 | 242 | 39 | 205 |
| Accrued income | 502 | 345 | 209 | 174 |
| Other receivables and guarantees | 897 | 1.421 | 627 | 830 |
| **Trade and other receivables** | **1.713** | **2.302** | **1.294** | **1.562** |
| Non-current | 316 | 329 | 316 | 329 |

(Amounts presented in thousand € except otherwise stated)

| | | | | |
|---|---|---|---|---|
| Current | 1.397 | 1.973 | 978 | 1.233 |
| **Total** | **1.713** | **2.302** | **1.294** | **1.562** |

The trade receivables of the Company as of 30 June 2021 include an amount of € 283 thousand relating to lease incentives under a lease agreement. The accounting treatment of these incentives, in accordance with IFRS 16, provides for their partial amortization during each lease.

The ageing analysis of the current trade receivables is as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| **Due within due date** | | | | |
| Up to 1 month | 1.376 | 1.973 | 957 | 1.233 |
| From 1 month to 3 months | 19 | - | 19 | - |
| From 3 months to 12 months | 2 | - | 2 | - |
| Over 12 months | - | - | - | - |
| **Total** | **1.397** | **1.973** | **978** | **1.233** |
| **Doubtful debts** | **249** | **249** | **4** | **4** |
| Less: Provisions for bad debts | (249) | (249) | (4) | (4) |
| **Net receivables after provisions** | **1.397** | **1.973** | **978** | **1.233** |

## 9. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Cash in hand | 2 | 1 | 2 | 1 |
| Short term bank deposits | 3.356 | 2.066 | 964 | 898 |
| **Total** | **3.358** | **2.067** | **966** | **899** |

Short-term bank deposits consist of deposits on demand in Greece. All cash and cash equivalents relate to Euro deposits.

## 10. Share Capital and purchase of treasury shares

The Share Capital is analyzed as follows:

| | **Shares Number** | **Share Capital** |
|---|---|---|
| **Balance December 31, 2020** | **35.764.593** | **75.106** |
| **Balance June 30, 2021** | **35.764.593** | **75.106** |

The Company on 30.06.2021 owned a total of 358,618 treasury shares with a total nominal value of € 753 thousand and an acquisition value of € 624 thousand. The treasury shares held on 30.06.2021 corresponded to 1,0% of the Company's share capital.

*(Amounts presented in thousand € except otherwise stated)*

## 11. Borrowings

The analysis of trade and other payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Sort term borrowings | 3.391 | 10.137 | 3.268 | 10.017 |
| Government loan | 67 | 55 | - | - |
| Bond loans | 22.774 | 8.121 | 22.774 | 8.121 |
| **Total borrowings** | **26.232** | **18.313** | **26.042** | **18.138** |
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Long-term borrowing | | | | |
| Government loan | 67 | 55 | - | - |
| Bond loans | 22.028 | 7.924 | 22.028 | 7.924 |
| **Long-term borrowings** | **22.095** | **7.979** | **22.028** | **7.924** |
| **Short-term borrowings** | | | | |
| Sort term borrowings | 3.391 | 10.137 | 3.268 | 10.017 |
| Bond loans | 746 | 197 | 746 | 197 |
| **Short-term borrowings** | **4.137** | **10.334** | **4.014** | **10.214** |
| **Total borrowings** | **26.232** | **18.313** | **26.042** | **18.138** |

The maturity of loans is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Up to 1 year | 4.137 | 10.334 | 4.014 | 10.214 |
| From 1 to 5 years | 4.702 | 1.688 | 4.635 | 1.633 |
| Over 5 years | 17.393 | 6.291 | 17.393 | 6.291 |
| | **26.232** | **18.313** | **26.042** | **18.138** |

Liabilities from the above bonds are secured by collateral on investment properties (see Note 22). Also, according to the terms of most loan agreements, the Company is required to comply with specific financial ratios. Throughout the existing borrowing, the Company covered the obligations to comply with these indicators.

On June 14, 2019, the Company entered into a program for the issuance of a joint bond loan with EUROBANK Bank SA. up to € 20.000 thousand. On December 31, 2020 the amount of outstanding bonds amounted to € 8.110 thousand, while on 21.01.2021, 18.02.2021 and 20.04.2021 new bonds were issued resulting in the balance of outstanding on 30.06.2021 bonds amounting to € 12.738 thousand.

On October 22, 2020, the Company proceeded with the modification of the above bond loan that it had concluded with Eurobank SA. reducing the interest rate margin, while on February 5, 2021 the Company proceeded to a second amendment with a further reduction.

On December 11, 2020, the Company entered into a mutual loan to finance investments amounting to € 10.000 thousand. This loan was used as bridge financing until the completion of the procedures for issuing an equivalent bond loan with Alpha A. which was signed on March 5, 2021.

From the 27th of January 2021 and the 17th of May 2021 additional operations, the Company modified the debt program with Alpha Bank A.E. and the Company on 10.02.2021, on 16.03.2021, on 20.05.21 and on 28.06.2021 was financed with a total amount of € 2.050 thousand. After the balance sheet date and until the date of publication of this financial information the Company has made additional financing of a total amount of € 900 thousand. This loan is used as interim loan (bridge financing) until the completion of the procedures for issuing a new bond loan with Alpha Bank SA

*(Amounts presented in thousand € except otherwise stated)*

From the program of the reciprocal debt from 13.04.2021 with E.T.E. A.E. the Company on 19.04.2021 and on 11.05.2021 was financed with a total amount of € 1.200 thousand, which was repaid on 30.07.2021.

The subsidiary "Plaza Hotel Skiathos M.A.E" has been financed through mutual loans on November 3, 2020 and December 29, 2020 with a loan of € 120 thousand maturing on May 4, 2021. On May 5, the maturity of the loan was extended until October 29, 2021. After the balance sheet date and until the date of publication of this financial information, the subsidiary has made additional financing in the total amount of € 150 thousand.

On May 14, 2021 the subsidiary "Sarmed Warehouses.AE" was subsidized with a state loan of 12 thousand through the repayable advance 7. For the period until December 31, 2021 an interest-free grace period is provided during which the subsidiary is not obliged to return any part capital or interest. Half (50%) of the amount of aid is not refundable under the condition of maintaining the level of employment until 31 August 2021, a condition met by the subsidiary.

## 12. Trade and other payables

The analysis of trade and other payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Suppliers | 211 | 868 | 69 | 847 |
| Amounts due to related parties (Note 23) | 5 | 10 | 5 | 7 |
| Accrued expenses | 159 | 140 | 141 | 102 |
| Social security funds | 65 | 6 | 22 | (27) |
| Customer advances | 15 | 25 | 15 | 25 |
| Property Tax (ENFIA) | 664 | 131 | 388 | 123 |
| Deferred income | 9 | 9 | 9 | 9 |
| Other liabilities | 973 | 400 | 959 | 400 |
| Rental guarantees received | 453 | 424 | 453 | 424 |
| **Total** | **2.553** | **2.014** | **2.061** | **1.910** |

| **Liabilities classification:** | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2021** | **31.12.2020** | **30.06.2021** | **31.12.2020** |
| Non-current | 1.085 | 771 | 1.071 | 771 |
| Current | 1.468 | 1.243 | 990 | 1.139 |
| **Total** | **2.553** | **2.014** | **2.061** | **1.910** |

Other liabilities include an amount of € 618 thousand which relates to a guarantee of good execution of the Company's property under construction in Aspropyrgos.

## 13. Rental Income

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2021** | **30.06.2020** | **30.06.2021** | **30.06.2020** |
| Rental income from investment properties | 2.111 | 1.766 | 1.174 | 1.686 |
| rent subsidy | 447 | - | 368 | - |
| Other income | 17 | - | 1 | - |
| **Total** | **2.574** | **1.766** | **1.544** | **1.686** |

(Amounts presented in thousand € except otherwise stated)

The Group leases its properties with long-term operating leases. Given that the Group's properties are located in Greece, the annual rent adjustments are linked to the Greek VAT rate, while in most leases in case of deflation there is no negative impact on the Group's revenues.

The category "Rent subsidy" refers to the compensation by the Greek government to the legal entities less than 60% of the monthly rent for the months January to June 2021, due to the mandatory reduction of 100% of the monthly rent for businesses that remained closed with state mandate due to the COVID-19 pandemic.

The rental income of the Group is not subject to seasonal fluctuations, except for some individual leases where a percentage of the turnover is provided in addition to the monthly rent which is calculated at the beginning of each year and relates to the previous calendar year.

## 14. Direct property related expenses

The direct expenses related to investment properties are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **01.01.2021 - 30.06.2021** | **01.01.2020 - 31.12.2020** | **01.01.2021 - 30.06.2021** | **01.01.2020 - 31.12.2020** |
| Valuation fees | (27) | (20) | (24) | (18) |
| Expenses for lawyers, notaries | (1) | (2) | (1) | (2) |
| Insurance expenses | (49) | (35) | (32) | (33) |
| Office utilities and other service charges | (8) | (8) | (8) | (8) |
| Repair and maintenance expenses | (1) | (10) | (1) | (8) |
| Other Expenses | (73) | (2) | (70) | (2) |
| **Total** | **(158)** | **(76)** | **(136)** | **(70)** |

The direct operating expenses incurred on leased and non-leased real estate were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** |
| Leased properties | (158) | (70) | (136) | (64) |
| Vacant properties | - | (6) | - | (6) |
| **Total** | **(158)** | **(76)** | **(136)** | **(70)** |

## 15. Single Property Tax (ENFIA)

| | Group | | Company | |
|---|---|---|---|---|
| | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** |
| Single Property Tax (ENFIA) | (663) | (369) | (388) | (369) |
| **Total** | **(663)** | **(369)** | **(388)** | **(369)** |

*(Amounts presented in thousand € except otherwise stated)*

The provision of the Single Property Tax for the whole year 2021 is included in the results of the year first half and corresponds to an amount of € 663 thousand compared to 369 thousand for 2020, an increase of 79.67% due to the increase in the number of properties on 01.01.2021 (28 properties) compared to 01.01.2020 (22 real estate).

## 16. Other operating expenses

| | Group | | Company | |
|---|---|---|---|---|
| | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 |
| Remuneration of Board members | (46) | (42) | (46) | (42) |
| Third party expenses | (10) | (15) | (10) | (15) |
| Administrative expenses | (97) | (77) | (73) | (74) |
| Communal expenses and utilities (owner-occupied) | (3) | (4) | (3) | (3) |
| Insurance expenses (D&O) | (4) | (2) | (4) | (2) |
| Right-of-use assets | - | (1) | (1) | (1) |
| Other expenses | (94) | (34) | (90) | (34) |
| **Total** | **(254)** | **(174)** | **(227)** | **(171)** |

The costs of administrative support of the Group amounting to € 97 thousand include € 42 thousand relating to costs of operational / administrative support services from affiliated companies (see Note 23).

The other expenses of the Group and the Company amounting to € 94 thousand and € 90 thousand respectively include € 63 thousand concerning the determination of the deductible tax (prorata) of the current period (01.01.2020-30.06.2020: € 17 thousand.).

## 17. Financial income and costs

The net financial income and expenses are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 |
| Bond Loans interest expenses | (192) | (370) | (192) | (370) |
| Open-end account interest expenses | (140) | - | (136) | - |
| Financial expenses | (4) | (9) | (4) | (9) |
| Other interest income | - | 43 | - | 43 |
| **Total** | **(336)** | **(336)** | **(332)** | **(336)** |

## 18. Taxes

| | Group | | Company | |
|---|---|---|---|---|
| | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 |
| Corporate tax (REIC) | (57) | (46) | (40) | (44) |
| **Total** | **(57)** | **(46)** | **(40)** | **(44)** |

*(Amounts presented in thousand € except otherwise stated)*

## 19. Dividends per share

On April 21, 2021, the Ordinary General Meeting of the Company's shareholders decided to distribute a dividend totaling € 2.124 thousand, ie € 0.06 per share (net), from the profits of the year 2020 and previous years, which was paid to the beneficiaries on the 28th. April 2021. On 30.03.2020 the Company had distributed a dividend of € 1.395 thousand, ie € 0.039 per share (net) from the profits for the year 2019.

## 20. Earnings per share

**Basic and diluted**

The basic and diluted earnings per share are calculated by dividing the profit / (loss) attributed to the shareholders of the Company, by the weighted average number of common shares outstanding during the period.

| | Group | | Company | |
|---|---|---|---|---|
| | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** | **01.01.2021 - 30.06.2021** | **01.01.2020 - 30.06.2020** |
| Profits after taxes | 3.013 | 1.073 | 2.043 | 483 |
| Profits attributable to the shareholders | 2.824 | 1.073 | 2.043 | 483 |
| Profits attributable to minority shareholders | 189 | - | - | - |
| Weighted average number of shares | 35.764.593 | 35.764.593 | 35.764.593 | 35.764.593 |
| Treasury shares | 358.618 | 122.298 | 358.618 | 122.298 |
| Weighted average number of ordinary shares in issue | 35.405.975 | 35.642.295 | 35.405.975 | 35.642.295 |
| Basic and diluted earnings per share (€ per share) | 0,0798 | 0,0301 | 0,0577 | 0,0136 |

## 21. Contingent Liabilities

**Capital commitments**

On July 30, 2020, the Company entered into a contract for the construction of a modern warehouse and distribution building, fire protection specifications of category Z3 and a total area of 20.764 sq.m. in Aspropyrgos, Attica. The contractor's consideration was agreed at € 9.626 thousand plus VAT which will be paid gradually until the completion of the project which is expected to be completed at the end of 2021. This construction is financed through a loan. By 31.12.2020, the Company had repaid an amount of € 3.482 thousand plus VAT from the total contract price.

**Financial leases commitments**

The Company has not entered into any leasing agreements.

**Legal cases**

There are no legal cases against the Group.

## 22. Contingent Liabilities

In the context of the issuance of the joint bond loan with Eurobank Ergasias S.A. up to € 20.000 thousand, a pre-mortgage note has been registered in favor of the lender "Eurobank Ergasias SA", amounting to € 26.000 thousand each for the properties 27 Al. Pantou, 119 Kifissou Avenue, 125-127 Kifissou Avenue, 65 Loutrou, 283 Kifissias Avenue, Alamanas 1 and the hotel "Mr & Mrs White Paros". In addition, all the rights of the Company have been assigned as a result of the leases and insurance contracts of the aforementioned properties.

For the store located on 25th of March 1 and Volunteer Dodecanese streets in the city of Rhodes, acquired on 29/10/2019, the completion of the elimination of a mortgage note of € 2.600 thousand in favor of "PROBANK Bank S.A." is pending. to the cadastral office which was borne by the previous owners and is expected to be completed in the near future.

*(Amounts presented in thousand € except otherwise stated)*

## 23. Related party transactions

At the end of the current period the main shareholders of the Company, which hold significant direct or indirect within the meaning of articles 9 to 11 of Law 3556/2007, are also the main shareholders of the Quest Holdings Group SA. and participate directly in the management, in the control of the Company and the Group and there is administrative dependence, as well as exercise of controlling influence in the Company. Based on these, there is a related party relationship between the Company and the above Group.

At the end of the current period, Quest Holdings SA has investments in subsidiaries that are also related parties to the Company.

All transactions with related parties are objective and are carried out on an arm's length basis with the usual commercial terms for similar transactions with third parties.

Related parties' transactions are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01.01.2021-30.06.2021 | 01.01.2020 - 30.06.2020 | 01.01.2021 - 30.06.2021 | 01.01.2020 - 30.06.2020 |
| **i) Rental income investment properties** | | | | |
| Subsidiaries | - | - | 2 | - |
| Quest Holdings SA | 34 | 40 | 34 | 40 |
| Other related parties | 647 | 760 | 647 | 760 |
| | **681** | **800** | **683** | **800** |
| **i) Purchases of fixed assets** | | | | |
| Quest Holdings SA | - | - | - | - |
| Other related parties | 1 | - | 1 | - |
| | **1** | **-** | **1** | **-** |
| **iii) Expenses related to services Obtaining operational / administrative support services** | | | | |
| Quest Holdings SA | 4 | 4 | 4 | 4 |
| Other related parties | 38 | 30 | 28 | 28 |
| | **42** | **34** | **32** | **32** |
| **iv) Management Benefits** | | | | |
| Salaries and other short-term employee benefits | 173 | 124 | 178 | 124 |
| | **173** | **124** | **178** | **124** |
| **v) End-of-year balances from rentals,-purchases of goods / receipt of services** | | | | |
| **Receivables from related parties:** | | | | |
| Quest Holdings SA | 3 | 2 | 3 | 2 |
| Other related parties | 128 | 226 | 128 | 93 |
| | **131** | **228** | **131** | **95** |
| **Liabilities due to related parties:** | | | | |
| Quest Holdings SA | 1 | 1 | 1 | 1 |
| Other related parties | 4 | 8 | 4 | 6 |
| | **5** | **9** | **5** | **7** |
| **Long-term guarantees:** | | | | |
| Quest Holdings SA | 15 | 15 | 15 | 15 |

*(Amounts presented in thousand € except otherwise stated)*

| | | | | |
|---|---|---|---|---|
| Other related parties | 296 | 293 | 296 | 293 |
| | **311** | **308** | **311** | **308** |

The service costs of a total amount of € 42 thousand relate to services offered by the related party Quest Holdings A.E. for shareholder services and corporate announcements, by Unisystems A.E. for accounting support and payroll management, as well as IT and computer services from the affiliated party Info Quest Technologies SA.

## 24. Events after the end of the reporting period

1. On July 30, 2021, the acquisition of a plot of land located in Naoussa, Paros, with a total area of 501 sq.m., which is adjacent to the Company's properties, was completed. The total price for the purchase of the plot amounted to € 203 thousand, not including acquisition costs of € 4 thousand.

2. On August 30, 2021, the Company signed a preliminary agreement for the purchase of property - office of 258,13 sq.m. located at 3 Mitropoleos Street in Syntagma. The total price for the purchase of the above property will amount to € 1.050 thousand, not including acquisition costs and is expected to be completed within September 2021.

No further significant events after the Balance Sheet date have occurred that affect the present financial statements.
This Interim Condensed Corporate and Consolidated Financial Information for the six months ended June 30, 2021, has been approved by the Board of Directors of the Company on September 23, 2021 and is signed as below:

| Chairman of the Bod | Chief Executive Officer | Chief Accountant | Financial Controller |
|---|---|---|---|
| Theodore D. Fessas | Anna G. Apostolidou | Konstantinos I. Tsiagkras | Emmanouil A. Andrikakis |
| ID No. AE106909 | ID No. AM540378 | ID No. AI113404 | ID No. AO133897 |
| | | Reg.No. 0008340/ A'Class | Reg.No. 0008340/ A'Class |