Prodea Real Estate Investment Company
Société Anonyme

Group and Company
ANNUAL FINANCIAL REPORT
for the year from January 1 to December 31, 2019
In accordance with International Financial Reporting Standards

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

February 2020

Certification by Members of the Board of Directors pursuant to article 4 of Law 3556/2007

We, the members of the Board of Directors of the company Prodea Real Estate Investment Company Société Anonyme certify that to the best of our knowledge:

(1) The Consolidated and Separate Financial Statements for the year ended December 31, 2019 have been prepared in accordance with IFRS as adopted by the European Union and present a true and fair view of the Statement of Financial Position, Statements of Income, Total Comprehensive Income, Changes in Equity and Cash flow of the Company and of the companies included in the consolidation.

(2) The Board of Directors Annual Report fairly presents the evolution, the performance and the position of the Company and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, February 24, 2020

The Vice-Chairman of the BoD and CEO	The Executive Member of the BoD	The Member of the BoD
Aristotelis Karytinos	Thiresia Messari	Athanasios Karagiannis

Board of Directors Annual Report
of "Prodea Real Estate Investment Company Société Anonyme"
on the Consolidated and Separate Financial Statements for the financial year 2019

The present Board of Directors Report of the Company "Prodea Real Estate Investment Company Société Anonyme " with the distinctive title "Prodea Investments" (hereinafter "the Company") relates to the financial year 2019 and has been prepared in accordance with the provisions of Articles 150-154 of Law 4548/2018, Law 3556/2007 and the implementing decisions of the Hellenic Capital Market Commission, and in particular Decision No 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission.

FINANCIAL POSITION OF THE GROUP

During 2019, the Group continued with its increased investment activity in real estate, with the new investments being fully attached to the Company's strategy for the development of its portfolio with selected placement to properties with significant investment characteristics (see "SIGNIFICANT EVENTS DURING 2019" below). The new acquisitions were financed by loans. During 2019, the Company entered into long-term loan agreements, as presented in Note 18 of the Financial Statements for year ended December 31, 2019. Part of the loans' proceeds refinanced existing long-term and short-term borrowings resulting in the extension of the weighted average maturity of the Group's loans from 2 years as of December 31, 2018 to 7 years as of December 31, 2019 (incl. the Company's options for the extension of the maturities). In addition, the weighted average interest rate (spread) on the Group's borrowings was formed to 2.95% as of December 31, 2019.

Through the abovementioned financings, the Company is able to support the expansion of its portfolio and its sustainable business growth, while promoting its strategic focus on sustainable development. More properties in Greece will meet the latest standards of sustainability and environmental friendliness. It is noted that the Company will also be integrated into the research and evaluation system of the Global Real Estate Sustainability Benchmark ("GRESB"), which aims to enhance values through the evaluation and promotion of sustainability practices.

In the context of a prudent financial management policy, the Company's Management seeks to manage its lending (short and long term) by utilizing a variety of funding sources in accordance with its business planning and strategic objectives. The Company assesses its financing needs and available funding sources in the international and domestic financial markets and explores any opportunities to raise additional capital through borrowing in these markets.

As of December 31, 2019, the Group's real estate portfolio consisted of 372 (December 31, 2018: 349) commercial properties (mainly retail and offices), of a total leasable area of 1,300 thousand sq.m.. Three hundred and twenty eight (328) of those properties are located in Greece, mainly in prime areas. In addition, twenty six (26) properties are located in Cyprus, fourteen (14) properties are located in Italy, two (2) properties in Bulgaria and two (2) properties in Romania.

As of December 31, 2019 the fair value of the Group's investment property (incl. hotels and other related facilities, which are included in the line "Property and Equipment") of the Group amounted to €2,189,988 (December 31, 2018: €1,779,481) according to the valuation performed by the independent statutory valuers, i.e. the company "Proprius Commercial Property Consultants EPE" (representative of Cushman & Wakefield) and jointly the companies "P. Danos & Associates" (representative of BNP Paribas) and "Athinaiki Oikonomiki EPE" (representative of Jones Lang LaSalle) and the company " Hospitality Consulting Services S.A." for the properties outside Italy and the company "CBRE Valuations S.P.A." for the properties in Italy. The valuations provided by the Independent Valuers to the Company as above, must not be relied upon by and do not confer any rights or remedies upon, any emloyee, creditor, shareholder or other equity holder of or any other third party to the Company.

The Group owns residencial properties and land plots for the development of residential properties for sale (hereinafter "Inventories"), the value of which as of December 31, 2019 amounted to €32,560.

In addition, the Company owns 40% of the share capital of the company EP Chanion S.A., owner of two land plots in Chania, Crete. The fair value of the land plots, according to the valuation performed by the independent statutory valuer, as of December 31, 2019 amounted to €8,900. Moreover, the Company owns 49% of the share capital of the company Panterra S.A. which owns two adjacent commercial properties in Athens. The fair value of the properties, according to the valuation performed by the independent statutory valuer, as of December 31, 2019 amounted to €11,863. Finally, the Company owns 35% of the share capital of the company RINASCITA S.A., which has a long-term lease agreement for a multistorey building in Athens. The fair value of the properties, according to the valuation performed by the independent statutory valuer, as of December 31, 2019 amounted to €11,100. The abovementioned investments are included in line "Investment in joint ventures" in the Statement of Financial Position as of December 31, 2019.

SIGNIFICANT EVENTS DURING 2019

A. CORPORATE EVENTS

1. The Extraordinary General Meeting of the shareholders of the Company which took place on September 11, 2019 resolved upon the amendment of the Company's corporate name to «Prodea Real Estate Investment Company Société Anonyme», with distinctive title «Prodea Investments». The amendment was approved by the Ministry of Development and Investments with its decision No. 1695248/01.10.2019 which was registered in the General Commercial Registry of the abovementioned Ministry on October 1, 2019.

2. On December 16, 2019 the Company's Board of Directors resolved on the distribution of a total amount of €81,247 (i.e. €0.318 per share – amount in €), as interim dividend to its shareholders for the year 2019.

3. On June 18, 2019 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €73,071 (i.e. €0.286 per share – amount in €), as dividend to its shareholders for the year 2018. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 18, 2018, the remaining dividend that was distributed amounted to €50,076 (i.e. €0.196 per share – amount in €).

4. On May 23, 2019 Invel Real Estate B.V. directly acquired 76,156,116 shares with voting rights in the Company, i.e. it acquired on a solo basis a percentage of 29.81% of the total number of voting rights of the Company. On the same date, May 23, 2019, CL Hermes Opportunities L.P. directly acquired, 7,281,997 shares with voting rights in the Company, i.e. 2.85% of the total number of voting rights in the Company. The above-mentioned percentage of 32.66% of voting shares was transferred to Invel Real Estate B.V. and CL Hermes Opportunities L.P. by National Bank of Greece S.A. Following those two acquisitions, National Bank of Greece S.A. does not own any shares or voting rights in the Company. Consequently, from the above mentioned date (May 23, 2019) onwards, National Bank of Greece S.A. no longer controls the Company by virtue of the Shareholders Agreement dated 30.12.2013 between National Bank of Greece S.A. and Invel Real Estate (Netherlands) II B.V., and consequently the control rights over the Company that, according to the law and the Company's articles of association, are conferred to Invel Real Estate (Netherlands) II B.V., in its capacity as majority shareholder of the Company with a percentage of 63.39% fully exercised by the latter.

B. INVESTMENTS

1. During 2019, the Group proceeded with the below investments which contributed to the dispersion of the Group's real estate portfolio:

   - On December 13, 2019 the Company concluded the acquisition of a commercial property which is located at 12 Olympou street and 19 Gladstonos street, in Thessaloniki, for a total consideration of €1,260 (not including acquisition costs of €71). The fair value of the property at the acquisition date, according to the valuation performed by the independent statutory valuers, amounted to €1,325. The total area of the property is c. 4.9 thousand sq.m.. The aim of the Company is the renovation of the property and the development in student houses and apartments of short-term lease. The total cost of the renovation will amount to c. €2,687.

- On November 15, 2019 the Company concluded the acquisition of 100% of the shares of the company "ILDIM Monoprosopi Private Capital Company" ("ILDIM M.IKE"). The company owns a building of commercial warehouses with modern specifications, with a total area of approximately 5.1 thousand sq.m., which is already leased to a creditworthy tenant. The consideration for the acquisition of ILDIM amounted to €1,012 (taking into account the liabilities and assets of ILDIM). The consideration for the acquisition of the building amounted to €2,757 and the fair value of the building at the acquisition date, according to the valuation performed by the independent statutory valuers, amounted to €2,899.

- On November 14, 2019 the Company concluded the acquisition of a commercial property which is located at 44 Syggrou Avenue, Donta street and Falirou street, in Athens, of a total area of 5.5 thousand sq.m.. The final consideration for the acquisition amounted to €5,882 (not including acquisition costs of €374) and its fair value, according to the valuation performed by the independent statutory valuers, amounted to €5,960.

- On November 7, 2019 the Company together with the company Cante Holdings Ltd, interests of Dimand S.A. and EBRD, were pronounced, according to the decision with No 382/2019 of the Financial Committee of the Municipality of Piraeus, as the successful bidders and thus as temporary contractors for the long-term lease, i.e. 99 years, of the Naval and Commercial Centre of Piraeus ("Piraeus Tower") with a total area of approximately 32 thousand sq.m. The development of the property includes mixed uses which will comprise of, among others, underground parking spaces, ground floor retail spaces and offices on the upper floors, taking into account the prime area in which the property is located.

- On September 10, 2019, Panterra SA concluded the acquisition of two adjacent commercial properties in Athens (one of which is located on Syggrou Avenue and Lagoumtzi Avenue with a total surface of c. 6.9 thousand sq.m. and the second is located on Evridamantos street and Lagoumtzi street with a total surface of c. 2 thousand sq.m), for a total consideration of €10,000. The plan provides for the demolition of the buildings and the construction of one or more modern buildings in accordance with the principles of sustainable development, with an estimated total area of over 24 thousand sq.m. (above - ground area of over 14 thousand sq.m. and underground auxiliary areas and parking spaces of 10 thousand sq.m.). On April 25, 2019, the company Panterra S.A. was established in Maroussi, Attica. The share capital of the company amounts to €11,500 and divided to 1,150,000 common ordinary shares with a par value of €10 each. The Company owns 49% of the share capital of Panterra S.A..

- On June 25, 2019 the Company concluded the acquisition of the 100% of the management shares and 88.23% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus. CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). The consideration for the acquisition of the shares of CYREIT amounted to €140,437. The acquisition cost of the properties at the acquisition date amounted to €147,635 and its fair value amounted to €163,021, according to the valuation performed by the independent statutory valuers.

- On May 31, 2019 the Company acquired 40.0% of the shares of the company "Investment Property Chanion Societe Anonyme" ("EP Chanion S.A.") for a consideration of €3,472. The company owns two land plots in Chania of a total area of 11.4 thousand sq.m. The aim of the Company and its partners is the development and exploitation of these land plots taking into account the prime area in which they are located.

- On February 22, 2019, the Company acquired 90% of the shares of Vibrana Holdings Ltd., in Cyprus. On April 18, 2019 the company Vibrana Holdings Ltd. acquired 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Company Limited" ("CTDC"), owner of the 5* hotel "The Landmark Nicosia" in Nicosia, Cyprus. The total consideration for the acquisition of the shares of CTDC amounted to €55,625 through a public offer submitted on February 26, 2019 for the acquisition of at least 90% and up to 100% of the shares of CTDC.The consideration that corresponds to the indirect percentage of the Company (90% of the 97.93%) amounted to €50,063. On August 13, 2019 Vibrana exercised its rights to acquire the 100% of the shares of CTDC, for an additional consideration of €1,178, therefore as of December 31, 2019, Vibrana owns 100% of the shares of CTDC.

- On March 28, 2019, the Company proceeded with the acquisition of the majority stake (60%) of the share capital of the company Aphrodite Hills Resort Limited, in Paphos, Cyprus. Aphrodite Hills Resort has the only certified PGA National Cyprus golf course as well as hotel facilities and other properties related to the use, operation and exploitation of the resort. In addition, the company owns inventories which include residences and land plots for the development of residences and their subsequent sale. Prodea's and its partners aim is to continue to expand the resort as there is a significant residual building factor for the development of additional housing. The fair value of the investment property, the hotel facilities and the other properties related to the hotel as well as the abovementioned inventories as of the acquisition date amounted to €90,968.

- On March 28, 2019, the Company proceeded with the acquisition of the majority stake (60%) of the share capital of the company Aphrodite Springs Public Limited in Paphos, Cyprus. Aphrodite Springs covers 1,472 thousand sqm of land, adjacent to Aphrodite Hills Resort, and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses. The cost of the land plot at the date of the acquisition amounted to €8,108 and its fair value amounted to €25,500.

2. In addition, the Group during 2019 proceeded with the signing of binding offers for the acquisition of investment properties as presented below:

   - On October 31, 2019, the Company proceeded with the signing of notarial preliminary agreement for the acquisition of a commercial property located in Athens, for a total consideration of €2,300. On January 28, 2020 the acquisition of the property was concluded, see "Events after the Date of the Interim Financial Statements" below.

FINANCIAL PERFORMANCE OF THE GROUP

Revenue: Total revenue of €175,056 for the year ended December 31, 2019 relates to:
1. Rental income of €135,611 compared to €121,363 for financial year 2018, representing an increase of 11.7%. The increase on rental income mainly relates to rental income from new properties acquired by the Group during the second semester of 2018 and during the current period.
2. Revenue from hotel and other operations of €33,092 (compared to Nil for financial year 2018) which derived from the companies Aphrodite Hills Resort Limited & The Cyprus Tourism Development Company Limited (companies that were included in the Group during the first semester of 2019), and
3. Revenue from the sale of Real Estate Inventories, owned by Aphrodite Hills Resort Limited, of €6,273 (compared to Nil for the respective period in 2018).
4. Revenue from compensation due to early lease termination amounting to €80 compared to €3 of prior year.

Gain from the disposal of Investment Property: Management always evaluates the optimal management of the Group's portfolio property, including a possible sale if market conditions are appropriate. In this context, on December 19, 2019, the Company concluded with the disposal of four investment properties located in Athens. The total sale price amounted to €93,000 while their book value as of the date of disposal was €73,880. The gain from the disposal of the property amounted to €19,120.

Net gain / (loss) from the fair value adjustment of investment property: The stable recovery of the Greek economy, the increase of confidence and the strong fiscal performance were depicted in the commercial real estate market, which presents improving trends. The commercial real estate properties with investment characteristics similar to those of our Group's portfolio (investment grade properties) continue to hold a more advantageous position. As a result, the fair value of investment properties of the Group increased during the first semester of 2019 by €179,819 (compared to net gain of €46,326 of the previous period).

Personnel expenses – Investment Property: The salaries and expenses of the personnel amounted to €5,596 for the financial year of 2019 compared to amount €3,215 of the prior period (increase €74.1%). The increase is mainly due to the distribution of profit of the year 2018 to the personnel and to the members of the BoD, amounted to €1,774, following the resolution of the Annual Genenal Meeting of the Company's Shareholders which took place on June 18, 2019.

Personnel expenses – Hotel and relating operations: The salaries and expenses of the personnel amounted to €11,871 for the financial year of 2019 compared to Nil of the prior period and the increase is attributable to the companies Aphrodite Hills Resort and the CTDC, which were acquired from the Group during 2019 (See " Significant events during 2019" above).

Consumables used, net change in inventories and impairment of inventories: The consumables used, the net changes in inventories and the impairment of inventories amounted to €10,112 for 2019 compared to Nil of 2018. The increase is attributable to the companies Aphrodite Hills Resort and CTDC.

Other Expenses – Investment Property: Other expenses of the Group for the financial year of 2019 amounted to €4,745 compared to €5,173 of the previous year (decrease of 8.3%). The aforementioned decrease is mainly due to the decrease in the category "Third party fees" by €938 (31 December 2019: €2,383, 31 December 2018: €3,321) which was partially counterbalanced by the increase in the category Promotiond and Advertising (31 December €789, 31 December 2018: €419).

Other Expenses – Hotel and relating operations: Other expenses of the Group relating to Hotel and relating operations for the financial year of 2019 amounted to €11,802 compared to nil of the previous year due to the acquisition of Aphrodite Hills Resort and CTDC which were acquired by the Group during 2019 (See "Significant events during 2019" above).

Other income: Other income of the Group amounted to €19,521 for the year 2019 compared to the €2,072 of the previous year. The increase is mainly attributable to the amount of €19,097 relating to the Company's income in relation to the December 23, 2013 agreement with Invel Real Estate (Netherlands) II BV (hereinafter "Invel II"). Specifically, in the context of a share capital increase in 2013, the Company entered into an agreement with Invel II on December 23, 2013, and Invel II transferred to the Company all of the shares of the company "Nash SrL", owner of land plot of 1,856 thousand sqm in the Torvaianica district of Pomezia (Rome) District in Italy. In accordance with the said agreement, Invel II provided specific statements and warranties to the Company in relation to Nash and its real estate property.

Net impairment loss on non-financial assets: This line includes impairment of inventory amounting to €3,103 and impairment of of Property and Equipment amounting to €3,188 for financial year 2019 compaired to nil of previous year due to the acquisition of Aphrodite Hills Resort and CTDC which were acquired by the Group during 2019 (See "Significant events during 2019" above).

Operating Profits / (Losses): Operating profits of the Group for financial year 2019 amounted to €321,909 compared to operating profits of €147,130 of the previous year. By excluding the net gain from the fair value adjustment of investment property (2019: net gain of €179,819, 2018: net gain of €46,326), the gain from the sale of investment property (2019: gain of €19,120, 2018: nil), the income in accordance with the December 23, 2013 agreement with Invel Real Estate (Netherlands) II BV, as described above, (2019: €19.097, 2018: nil), the net change in fair value of financial instruments at fair value through profit or loss (2019: profit of €61, 2018: profit of €158), the impairment of the receivable from Stirling Bulgaria EOOD (2019: €1,807 , 2018: nil), the impairment of non-financial assets (2019: € 6,291, 2018: nil), the expenses relating to the issueance of a bond loan in May 2018 which was canceled (2019: nil, 2018: €2,314) and the reversal of a provision for property taxes (EETA of L. 4152/2013 and EETHDE of Law 4021/2011) (2019: nil, 2018: €1,388), the Group's operating profit for the fiscal year 2019 amounted to €111,910 compared to € 101,572 of the prior year (10.2% increase). The increase is mainly due to the increase in the Group's turnover, as stated above.

All amounts expressed in € thousand, unless otherwise stated

Finance costs: The Group's finance costs for the financial year 2019 amounted to €22,490 compared to €21,944 of the prior year (increase 2.5%). The increase is mainly attributable to the new loan agreements that the Group concluded during the 2019 as well as to the loans of the companies acquired during the second semester of 2018 and the during 2019.

Taxes: As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.2778/1999 as in force, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the article 46, par. 2 of L.4389/2016 a floor was set in the REIC tax of 0.375% on the average investments plus cash and cash equivalents, at current prices. The article 53 of Law 4646/2019 abolished the floor. It is noted, that the subsidiaries of the Company in Greece, Karolou Touristiki S.A., Irina Ktimatiki S.A., Anaptixi Fragokklisia S.A. and lldim M. IKE have the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L. and Prodea Immobiliare S.r.L. in Italy, Egnatia Properties S.A. in Romania, Quadratix Ltd., Lasmane Properties Ltd., Aphrodite Hills Resort Limited, Aphrodite Springs Public Company, CYREIT Variable Investment Company Plc and Vibrana Holdings in Cyprus and PNG Properties EAD and I&B Real Estate EAD in Bulgaria are taxed on their income, based on a tax rate equal to 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the financial year 2019.

Taxes at a Group level amounted to €14,443 for 2019 compared to €12,232 of the previous year. The increase is mainly due to the increase of deferred taxes that derived from the new investments of the Group during 2019 which was counterbalanced by the decrease in the REIC tax due to the abolishment of the floor of 0.375%.

Profit / (Loss) for the period: The Group's profit for the financial year 2019 amounted to €298,902 compared to profit for the period of €115,104 of the previous year. By excluding the net gain from the fair value adjustment of investment property (2019: net gain of €179,819, 2018: net gain of €46,326) the gain from the sale of investment property (2019: gain of €19,120, 2018: nil), the income in accordance with the December 23, 2013 agreement with Invel Real Estate (Netherlands) II BV, as described above, (2019: €19,097, 2018: nil), the net change in fair value of financial instruments at fair value through profit or loss (2019: profit of €61, 2018: profit of €158), negative goodwill from the acquisition of subsidiaries (2019: €13,572, 2018: €2,093), the impairment of the receivable from Stirling Bulgaria EOOD (2019: €1,807, 2018: nil), the impairment of non-financial assets (2019: €6,291, 2018: nil), expenses relating to the issue of a bond loan in May 2018 which was canceled (2019: nil, 2018: €2,314) and the reversal of a provision for property taxes (EETA of L. 4152/2013 and EETHDE of Law 4021/2011) (2019: nil, 2018: €1,388), the Group's profit for the period for the fiscal year 2019 amounted to €75,311 compared to €67,453 of the prior year (9.2% increase). The increase is mainly due to the increase in the Group's turnover, as stated above.

BASIC RATIOS OF EFFICIENCY AND EFFECTIVENESS

The Company's Management measures and monitors the Group's performance on a regular basis based on the following ratios, which are widely used in the sector in which the Group operates.

	31.12.2019	**31.12.2018**
Current ratio [1] (Current assets / Current liabilities)	2.31x	0.20x
Gearing ratio [2]	36.1%	29.7%
LTV [3]	40.0%	31.4%
Net LTV [4]	36.7%	28.8%

Taking into account the repayment of capital of €27,430 of the bond loan with NBG and EBRD, subsequently to 31 December 2019, the LTV ratio is equal to 38.8% and net LTV ratio is equal to 35.5%.

[1] The current liabilities as at 31.12.2018 include capital of a loan of €237,500, which was refinanced in July 2019 through the issuance of a secured long term bond loan of up to €300 million, with a full and exclusively undertaking of the loan from National Bank of Greece S.A. ("NBG") and the European Bank for Reconstruction and Development ("EBRD" and, together with NBG, the "Issuers").
[2] The Gearing Ratio is defined as the long-term and current liabilities as they are shown in the statement of financial position divided by total assets at each reporting date.
[3] The LTV ratio is defined as the outstanding capital of borrowings divided by the fair value of the real estate portfolio (ie investment property, owner occupied property and hotel units and other facilities (included in the lines "Property and equipment") and Real Estate Inventories at each reporting date.
[4] The net LTV ratio is defined as the outstanding capital of borrowings minus cash & cash equivalents and restricted cash and pledged deposits divided by the fair value of the real estate portfolio (ie investment property, owner occupied property and hotel units and other facilities (included in the line "Property and equipment") and Real Estate Inventories at each reporting date.

The Company's Management defines as Net Asset Value (NAV) the total shareholders' equity taking into account, at each reporting date, the difference between the fair value and the net book value of the owneroccupied property, real estate inventories and other non current assets. (31.12.2019: €848, 31.12.2018: €(62)).

Net Asset Value (NAV)	**31.12.2019**	**31.12.2018**
NAV	**1,419,292**	**1,286,620**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**5.56**	**5.04**

The Company's Management defines EPRA Net Asset Value (EPRA NAV) as the Net Asset Value (NAV), as defined above, adjusted in order to include investments in real estate and other investments at fair value and to exclude certain items which are not expected to occur in the long term, such as the fair value of derivative financial instruments (31.12.2019: €4, 31.12.2018: €148) and deferred tax (31.12.2019: €28,592, 31.12.2018: €4,586), in accordance with the directions issued by the European Public Real Estate Association (EPRA) (November 2016).

EPRA Net Asset Value (EPRA NAV)	**31.12.2019**	**31.12.2018**
EPRA NAV	**1,447,888**	**1,291,354**
No. of shares at year end (in thousands)	255,495	255,495
EPRA NAV (per share)	**5.67**	**5.05**

	From 01.01. to	
	31.12.2019	**31.12.2018**
Profit for the period	298,902	115,104
Plus: Depreciation & amortization	3,553	53
Plus: Net Finance costs	22,467	21,887
Plus: Taxes	14,443	12,232
EBITDA	**339,365**	**149,276**
Less: Net gain of fair value adjustment of investment property	(179,819)	(46,326)
Less: Net change in fair value of financial instruments at fair value through profit or loss	(61)	(158)
Less: Gain from disposal of investment property	(19,120)	-
Less: Net non-recurring income[1]	(30,727)	(1,170)
Plus: Net Impairment loss on non-finanial assets	6,291	-
Adjusted EBITDA	**115,929**	**101,622**

[1] Net non-recurring income includes negative goodwill from acquisition of subsidiaries (31.12.2019: €13,572, 31.12.2018: €2,093), income in accordance with the December 23, 2013 agreement with Invel Real Estate (Netherlands) II BV, as described above (31.12.2019: €19,097, 31.12.2018: nil), income from the reversal of tax provision of real estate property (31.12.2019: Nil, 31.12.2018: €1,397), expenses relating to the issue of bond loan on September 2018 which was canceled (31.12.2019: €76, 31.12.2018: Nil), expenses relating to the initial public offering for the listing of the Company's shares on the Athens Stock Exchange, which was canceled (31.12.2019: €22, 31.12.2018: Nil), expenses relating to the merger by absorption of NBG Pangaea REIC from its subsidiary MIG Real Estate (31.12.2019: €37, 31.12.2018: €6), expenses relating to the impairment of the receivable from the company Stirling Bulgaria EOOD (31.12.2019: €1,807, 31.12.2018: Nil) and expensed relating to the issue of bond loan on May 2018 which was canceled (31.12.2019: Nil, 31.12.2018: €2,314).

All amounts expressed in € thousand, unless otherwise stated

By excluding the effect of the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited (which were acquired by the Group during the first semester of 2019), EBITDA amounted to €334,005. Respectively, Adjusted EBITDA amounted to **€109,019**, representing an increase of **€7,397** (or **7.3%**) compared to the previous year.

Funds from Operations (FFO)	**From 01.01. to**	
	31.12.2019	**31.12.2018**
Profit for the period attributable to the Company's equity shareholders	293,896	115,104
Plus: Depreciation and Amortization	3,553	53
Plus: Deffered taxes	6,097	-
Plus: Net impairment loss on non-financial assets	6,291	-
Plus: Net impairment loss on financial assets	2,209	192
Less: Net change in fair value of financial instruments at fair value through profit or loss	(61)	(158)
Less: Gain from disposal of investment property	(19,120)	-
Less: Net gain from modification of terms of loan agreements	(8,380)	-
Less: Net non-recurring income[1]	(32,534)	(1,170)
Less: Net gain from fair value adjustment of investment properties	(179,819)	(46,326)
Plus: Gain attributable to the non controlling interest of the abovementioned adjustments	3,846	-
FFO	**75,798**	**67,695**

[1] Net non-recurring income includes negative goodwill from acquisition of subsidiaries (31.12.2019: €13,572, 31.12.2018: €2,093), income in accordance with the December 23, 2013 agreement with Invel Real Estate (Netherlands) II BV, as described above (31.12.2019: €19,097, 31.12.2018: nil), income from the reversal of tax provision of real estate property (31.12.2019: Nil, 31.12.2018: €1,397), expenses relating to the issue of bond loan on September 2018 which was canceled (31.12.2019: €76, 31.12.2018: Nil), expenses relating to the initial public offering for the listing of the Company's shares on the Athens Stock Exchange, which was canceled (31.12.2019: €22, 31.12.2018: Nil), expenses relating to the merger by absorption of NBG Pangaea REIC from its subsidiary MIG Real Estate (31.12.2019: €37, 31.12.2018: €6) and expensed relating to the issue of bond loan on May 2018 which was canceled (31.12.2019: Nil, 31.12.2018: €2,314).

By excluding the effect of the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited (which were acquired by the Group during the first semester of 2019), FFO amounted to **€72,420** representing an increase of **€4,725 (7.0%)** compared to the previous year.

EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

On February 13, 2020, the company "PIRAEUS TOWER SOCIETE ANONYME MANAGEMENT DEVELOPMENT AND EXPLOITATION OF THE COMMERCIAL SHIPPING CENTER PIRAEUS", with the distinctive title "Piraeus Tower S.A.", was established, with its registered seat being in Maroussi, Attica. The share capital of the company amounts to €2,900 divided to 290 thousand common ordinary shares with a par value of €10 each. The Company holds the 30% of the shares of Piraeus Tower. The aim of the company is the completion, renovation, maintenance, operation, exploitation and management for a certain period, in particular for 99 years, of Piraeus Tower.

On January 28, 2020, the Company concluded the acquisition of a commercial property located in 19-20 Filikis Etaireias Square Street, in Athens, with an area of c. 496.5 sqm. The total consideration for the acquisition amounted to €2,300, out of which an amount of €629 had been paid as an advance payment.

On January 27, 2020, the Company concluded the acquisition of a commercial property located in 7 Aggelou Metaxa Avenue in Glyfada, Attica, with a total area of 415 sqm. The total consideration for the acquisition amounted to €2,100.

There are no other significant events subsequent to the date of the financial statements relating to the Group or the Company for which disclosure is required by International Financial Reporting Standards (hereinafter IFRSs).

SIGNIFICANT RISKS

Fluctuations in property values (price risk)

The Group is exposed to risk from changes in property values and rents which can originate from:
a) the developments in the real estate market in which the Group operates,
b) the characteristics of properties owned by the Group and
c) events concerning existing tenants of the Group.

The Group minimizes its exposure to this risk, as the majority of the Group's lease agreements consists of long-term operating leases with creditworthy tenants, for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

The Group is governed by an institutional framework (Law 2778/1999, as in force) under which:
a) periodic valuation of properties by an independent professional valuer is required,
b) a valuation of properties prior to an acquisition or a sale by an independent professional valuer is required,
c) development or repair of properties is permitted if the cost of works does not exceed 40% of the final commercial value after the completion of works and
d) the value of each property must not exceed 25% of the value of the property portfolio.

This framework contributes significantly to prevent or/and timely manage related risks.

Credit risk

Credit risk relates to cases of default of counterparties to meet their transactional obligations. As of December 31, 2019, the Group has concentrations of credit risk with respect to cash and cash equivalents and trade receivables which relates to mainly receivables from rentals under property operating lease contracts.

No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. It is note that the Group's maximum exposure mainly results from NBG (2019: 49.2%, 2018: 54.9% of the total rental income).

The Group applies IFRS 9 Financial Instruments in relation to the impairment of the Group's financial assets, including lease receivables and receivables from customers in the context of the hotels' operation (city hotel, resort).

The impact of IFRS 9 on the Group and Company Financial Statements was not material and is set out in Note 13.

Inflation risk

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future. The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

Cash flow risk and fair value interest rate risk

The Group has significant interest-bearing assets comprising demand deposits and short term bank deposits. Furthermore, the Group's liabilities include borrowings.

All amounts expressed in € thousand, unless otherwise stated

The Group is exposed to fluctuations in interest rates prevailing in the market and on its financial position and cash flows. Borrowing costs may increase as a result of such changes and create losses or borrowing costs may be reduced by the occurrence of unexpected events. To reduce the Group's exposure to fluctuations in interest rates of long-term borrowings, the re-pricing dates are limited by contract to a maximum period of six months. If the reference rate changed by +/-1%, the effect on the Group's results is estimated to be a decrease by €5,161 and an increase by €1,529 respectively.

Liquidity risk

The current or prospective risk to earnings and capital arising from the Group's inability to collect outstanding receivables without incurring significant losses. The Group ensures timely the required liquidity in order to meet its liabilities through the regular monitoring of liquidity needs and collection of amounts due from tenants, the preservation of bridge loans with financial institutions as well as the prudent cash management.

The Group's liquidity is monitored by the Management on a regular basis. The maturity analysis of financial liabilities for the Group and the Company as at December 31, 2019 and 2018 is as follows:

Group:

December 31, 2019	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	14,141	6,935	41,954	133,137	570,875	244,060	**1,011,102**
Other long-term liabilities	-	-	-	681	11,789	3,489	**15,959**
Derivative financial liabilities	-	-	-	4	-	-	**4**
Trade and other payables	1,047	4,852	21,208	-	-	-	**27,107**
Total	**15,188**	**11,787**	**63,162**	**133,822**	**582,664**	**247,549**	**1,054,172**

December 31, 2018	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	3,492	57,439	398,112	9,363	74,398	43,088	**585,892**
Other long-term liabilities	-	-	-	186	424	3,345	**3,955**
Derivative financial liabilities	-	-	164	-	-	-	**164**
Trade and other payables	2,119	5,947	4,271	-	-	-	**12,337**
Total	**5,611**	**63,386**	**402,547**	**9,549**	**74,822**	**46,433**	**602,348**

Company:

December 31, 2019	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	12,700	4,892	17,656	23,482	527,949	183,865	**770,544**
Derivative financial liabilities	-	-	-	178	367	3,181	**3,726**
Trade and other payables	29	3,674	7,396	-	-	-	**11,099**
Total	**12,729**	**8,566**	**25,052**	**23,660**	**528.316**	**187,046**	**785,369**

All amounts expressed in € thousand, unless otherwise stated

December 31, 2018	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	2,756	56,997	288,905	4,353	58,088	-	**411,099**
Other long-term liabilities	-	-	-	59	157	3,210	**3,426**
Derivative financial liabilities	-	-	-	-	-	-	**-**
Trade and other payables	1,004	3,367	3,747	-	-	-	**8,118**
Total	**3,760**	**60,364**	**292,652**	**4,412**	**58,245**	**3,210**	**422,643**

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relate to bond loans of variable and not fixed interest rates, the amount presented is determined by reference to the conditions existing at reporting date – that is, the actual spot interest rates effective as of December 31, 2019 and 2018 respectively, were used for determining the related undiscounted cash flows.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

According to the common industry practice in Greece, the Group monitors the capital structure on the basis of gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as depicted in the statement of financial position. The regulatory regime governing Real Estate Investment Companies (hereinafter REICs) in Greece permits to Greek REICs to borrow up to 75.0% of their total assets.

The goal of the Group's Management is to optimise the Group's capital structure through the effective use of debt financing.

The table below presents the gearing ratio (or debt ratio) as at December 31, 2019 and December 31, 2018.

	Group		Company	
	31.12.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Borrowings	876,280	560,139	659,893	393,759
Total assets	2,427,561	1,885,865	2,028,766	1,686,057
Gearing ratio	**36.1%**	**29.7%**	**32.5%**	**23.4%**

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the years 2019 and 2018 the Group has complied with this obligation.

External factors and international investments

The Group has investments in Cyprus, Italy, Bulgaria and Romania. External factors which may affect the Group's financial position and results are the economic conditions prevailing in the above-mentioned countries, as well as any changes in the tax framework.

Climate change risk

Extreme weather conditions are occurring more frequently as a result of climate change. Among Group's objectives is the protection of its investment product against extreme climate change phenomena such as prolonged heat wave periods, intense thunderstorms and strong winds, but at the same time contributing to climate change mitigation. Towards this direction, the designed strategies of the Group include the creation of a resilient real estate portfolio assets which consists of energy efficient, environmentally and resource friendly buildings and are governed by the principles of sustainability both in their construction and operation phase.

SOCIAL AND LABOUR ISSUES

Among the Group's companies, the Company has 34 empoyees, I&B Real Estate EAD has 1 employee, Aphrodite Hills Resort Limited has 517 employees and The Cyprus Tourism Development Company Limited has 137 employees. It should be noted that Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited are engaged in the hotel industry.

a) Diversification and equal opportunities policy

The Company has adopted a Code of Business Contact and Ethics, according to which the Company promotes equal opportunities and protects diversity. By virtue of the code as above, any discriminatory behaviour based on sex, age or other special trait is inter alia prohibited. The Company's management does not discriminate when recruiting, remunerating, and training or delegating job tasks. Candidates and executives of the Company are assessed only by taking into account their experience, their qualifications, their education, their skills and their performance. The Company's main value is the principle of equality and equal opportunities in employment, while during 2019 the Company employed persons of different gender and ages.

b) Human rights and trade union freedom

The Company fully complies with labor laws and respects the rights of employees. During the year 2019 the Company has not been imposed with any fine or remark for violation of labor law by the competent authorities. There is no union of employees in the Company.

c) Health and safety

The Company provides safe and healthy working conditions as employee's safety is a top priority. The Company cooperates with a safety technician in accordance with the current legislation and trains its employees in matters of first aid and fire safety.

d) Training, education and promotions

The Company is continuously informed about the conduct of training seminars and conferences and encourages the participation of its executives in those where it is considered appropriate and beneficial. The Company evaluates its employees, using an employee evaluation system, on an annual basis, based on which promotions or other type of recognitions are provided. The Company has a Human Resources and Remuneration Committee which is responsible for evaluating candidates for recruitment as well as for promotions.

e) Assessment of suppliers

The Company has adopted a procurement policy and adheres to a regulation of technical works aimed at the smooth operation and service of its business objectives. Similarly, companies of the Group follow competitive procedures by incorporating quality and cost criteria. This framework ensures the transparency, reliability and quality of the processes while helping to reduce the Group's expenses and improve its business performance.

f) Satisfaction measurement and customer complaints management

Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited apply customer satisfaction measurement, CSQs and "Medallia" questionnaires respectively to continuously improve their services. Complaints management issues are addressed through internal procedures and with the involvement of senior executives.

g) Corporate responsibility program "STRUCTURES OF RESPONSIBILITY"

During 2019, the Company continued the realization of the corporate responsibility program entitled "Structures of Responsibility", adopted during 2016, a continuously evolving plan of social actions and interventions. The improvement of infrastructure and the operational upgrade of important social structures have been selected as the program's field of action and basic element, using the experience and expertise of the Company's executives and in cooperation with well-known bodies in local and national level and aiming at the substantial social contribution and the address of key social problems.

Non-financial Ratios

Women employees in the Group:

	Total number of employees	Women employees	Percentage of women employees
Company	34	13	38%
Aphrodite Hills Resort Limited	517	235	46%
The Cyprus Tourism Development Company Limited	137	59	43%
I&B Real Estate EAD	1	-	-
Total	**689**	**307**	**45%**

Women employees in Senior Management:

	Women employees in Senior Management
Prodea Investments	2
Aphrodite Hills Resort Limited	8
The Cyprus Tourism Development Company Limited	6
Total	**16**

Training and educational cost for employees:

	Training and educational cost for employees Amount in thousand €
Prodea Investments	1
Aphrodite Hills Resort Limited	31
The Cyprus Tourism Development Company Limited	7
Total	**39**

Health & Safety Measurement:

	Number of recorded injuries
Prodea Investments	-
Aphrodite Hills Resort Limited	24
The Cyprus Tourism Development Company Limited	26
Total	**50**

ENVIRONMENTAL ISSUES

Management approach

The Group by implementing a responsible business operation, is harmonized with the United Nations' Sustainable Development Goals (SDGs), recognizing the crucial role of the private sector towards the achievement of the goals for a better future for all.

The Group, by adopting an environmentally friendly policy, which aims to reduce its environmental footprint, implements actions that cover both the broader range of its business activity and its role as a user.

Prodea Investments

Policy axes

The basic elements for the achievement of the objectives of the Company's policy are the continuous improvement of the energy efficiency of its real estate portfolio, the reduction of greenhouse gas emissions and the rational use of natural resources.

Basic policy measures of the Company as a property manager are:

- The benchmarking between Company's properties through the issuance of energy performance certificates.
- The identification of energy efficiency measures of the properties of its portfolio.
- The development of collaborations with external partners for the systematic and rational management of its real estate portfolio.
- The adoption of energy and environmental criteria when acquiring real estate and the assignment of maintenance and upgrading services.

Basic policy measures of the Company as an investor in real estate are:

- The recognition of the multiple benefits of sustainable properties and their increased importance in the Company's investment decision making process.
- Targeting in the continuous increase of the certified real estate in its portfolio according to sustainability standards.

Basic policy measures of the Company as a user of real estate are:

- The performance of energy audit in its current office premises.
- The promotion of the recycling of paper and devices.
- The adoption of energy and environmental criteria when purchasing goods and assignment maintenance and operation services.
- The awareness of its employees for a more rational use of energy and natural resources.
- The identification of opportunities to improve the energy performance of its office buildings by conducting energy audits and issuing Energy performance Certificates.

The Company, consistent with the continuous improvement of the environmental footprint of its business operations, systematically monitors the developments and the legislative framework both at national and European level through its participation in conferences and international organizations.

Disclosure of results

The Company owns the Karela property, with a total area of 62 thousand sq.m., located in Pousi Ledi area in Peania, which is certified according to the environmental LEED ("Leadership in Energy and Environmental Design") sustainability standard at Gold level.

The Company's property located at the center of Athens, at Chrysospiliotissis str., in which reconstruction works are in progress in order to relocate the Company's headquarters, is under certification according to the LEED standard. Except of the LEED certification, this property is in the process of receiving an international certification according to Well. Well Building Standard is the first building standard that focuses on the health and well-being of people in buildings. It is an American system that incorporates best practices from scientific and medical research into building design, construction and management. Upon completion of the reconstruction work it will be the first WELL-certified building in Greece.

Furthermore, the Company owns a 20-storey commercial building in Sofia, Bulgaria, with an area of 54 thousand sq.m., which is certified according to BREEAM.

Regarding the new investments, the Company implements its strategy in accordance with the principles of sustainable development. Typical examples are the under debelopment office building on a company's owned plot of land located at Fragkokklisias str., the new project of the renovation of Piraeus Tower, the new office building at Syggrou avenue 97 and the new development in Chania Crete, where all buldings will be certified according to LEED.

Aphrodite Hills Resort Limited

Policy axes

The key pillars for meeting the company's policy goals are the continuous improvement of its energy and environmental performance by establishing and achieving annual goals. The company having established an ISO 14001 environmental management system as well as an ISO 50001 energy management system, designs, implements, and controls its energy and environmental performance, through processes that guarantee its improvement.

Key company's policy measures

• Management and responsible use of water
• Implementation of water consumption mitigation measures
• Management and responsible use of energy resources
• Implementation of energy efficiency improvement and energy saving measures
• Waste management, including packaging and promotion of recycling
• Raising Awareness of users on water and energy consumption
• Adoption of energy and environmental criteria on the procuring procedures of equipment and consumables.

Environmental targets

- 2% decrease in electricity consumption compared to the previous year (2018: 38.69 Kwh/ Per Person Per Night - pppd).
- Keeping LPG consumption at the same level of the previous year (2018: 0.35 lt/pppd) .
- Keeping oil consumption at the same level of the previous year (2018: 1.34 lt/pppd).
- Keeping water consumption at the same level of the previous year (2018: 0.55m3/pppd).
- Rational solid waste management, proper waste recycling - Target: Production of 3kg/pppd 3kg/pppd

Non-financial indexes

Energy consumption per energy product:

Energy product	MWh	Percentage
Electricity	7,877.7	66%
Oil	3,649.6	30%
LPG	497.7	4%
Total	12,024.9	

Water consumption

	m^3	Percentage
Drinking water	117,805	21%
Treated water for irrigation use	434,628	79%
Total	552,433	

Percentage of recycled waste

	Percentage
Recycled waste	12%

The Cyprus Tourism Development Company Limited

Policy axes

The key pillars for meeting the company's policy goals are the continuous improvement of its energy and environmental performance by establishing and achieving annual goals. The company having established an ISO 14001 environmental management system, designs, implements, and controls its environmental performance, through processes that guarantee its improvement.

Key company's policy measures

• Management and responsible use of water
• Implementation of water consumption mitigation measures
• Management and responsible use of energy resources
• Implementation of energy efficiency improvement and energy saving measures
• Waste management, including packaging and promotion of recycling
• Raising Awareness of users on water and energy consumption
• Adoption of energy and environmental criteria on the procuring procedures of equipment and consumables.

Environmental targets

The goals of The Cyprus Tourism Development Company Limited for the current year 2019 relate to the following reductions / savings from its operation compared to 2018:

• 2.5% reduction in water consumption
• 2.5% reduction in electricity consumption
• 2.5% reduction in oil consumption
• 2.5% reduction in gas consumption
• CO^2 emission reduction by 1%
• 5% reduction in paper consumption
• Reduction of solid waste and increase of recyclable quantities by 3.5%

Non-financial indexes

Energy consumption per energy product

Energy product	MWh	Percentages
Electricity	2,807.8	48%
Oil	2,768	47%
LPG	307.6	5%
Total	5,883.4	

Water consumption

	m^3
Water	44,630

Percentage of recycled waste

	Percentage
Recycled waste	33%

RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out on the basis of the "arm's length" principle (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24) are thoroughly described in Note 34 of the Financial Statements for the year ended December 31, 2019.

PROSPECTS

The prospects for the Greek economy are positive and since September 1, 2019 controls on capital movements have been completely abolished, boosting confidence in the Greek economy and attracting foreign investments. The Greek market for commercial real estate and especially those with significant investment characteristics is expected to show further upward trends as it is directly affected by the above positive developments.

The Group's revenue for 2020, is expected to present a further increase mainly due to the new investments of the Group in real estate property carried out during 2019.

In the context of the evaluation of the optimal management of the Group's real estate portfolio, Management investigates the possibility of the disposal of the investment in the subsidiary of Picasso Fund.

Finally, it is noted that the Company, having taken into consideration the current applicable circumstances and recent economic developments, considers that the market conditions have substantially changed and, based on that, it is now possible for the Company to seek to raise funds in the international and domestic market. The Company will use the funds to be raised to further develop its portfolio and achieve its investment objectives, which include, inter alia, the possibility of expanding the current high-quality portfolio, mainly in Greece and Cyprus. In this context, the Company will review imminently the possibility of raising funds through a share capital increase, the structure of which will take into account the existing free float and the need to efficiently enhance the free float by expanding the currently applicable shareholders base and attract new international and Greek institutional investors and investment funds.

CORPORATE GOVERNANCE

Introduction

In accordance with article 152 of law 4548/2018 (which replace the article 43bb of C.L.2190/1920 with effective date the 01.01.2019), as in force, the Company is obliged to include the Corporate Governance Statement, as a specific part of the annual Board of Directors' Report. As per the said article, the Company's Corporate Governance Statement includes the following sections:

A. Corporate Governance Code of the Company ("CGC"),

B. Corporate Governance Practices of the Company,

C. Board of Directors and Other Management, Administrative and Supervisory Bodies,

D. Internal Control System of the Company and Risks Management,

E. Diversity policy regarding the composition of the Company's administrative, management and supervisory bodies.

It is noted that additional information as mandated by article 10 of the European Directive 2004/25/EC is included in a separate section of the Board of Directors' Report, namely, the Supplementary Report to the Annual General Meeting of Shareholders.

A. Corporate Governance Code of the Company

The Company's corporate governance framework is aligned with the requirements of the Greek legislation, the rules of the Hellenic Capital Market Commission ("HCMC"), the Company's Articles of Association and regulations. The Company has adopted a framework that describes the Company's corporate governance structure and policies. This framework is based on international best practices and fosters continuity, consistency and efficiency in the modus operandi of the Board and also the governance of the Company and the Group.

In accordance with the CGC adopted and implemented by the Company, in compliance with the requirements of L.2778/1999 and L.3873/2010, the Board of Directors regularly (and at least every two (2) years) assess its effectiveness in fulfilling its obligations and that of its committees.

The CGC is posted on the Company's website www.prodea.gr (section: ABOUT US / Corporate Governance / Corporate Governance Code).

B. Corporate Governance Practices

In its endeavor to maintain the establishment and implementation of corporate governance excellence and enhance its existing risk management framework, the Company has adopted the following main corporate governance policies and practices, in the context of its business operation, including practices relating to the management and progression of its employees and its executives, to the prevention of conflicts of interests and risk management in which the Company is exposed. Such policies and practices are aligned with its activities and ensure the transparency and effectiveness of its operations.

More specifically, taking into account the relevant provisions of L.2778/1999 regarding Real Estate Investment Companies and L.4209/2013 on alternative investment funds and fund managers, as in force, the Company maintains and implements:

- a Code of Business Conduct and Ethics,
- a Remuneration Policy,
- a procedure to prevent abuse of privileged information and market manipulation as well as situations of conflict of interests within the meaning of Regulation (EU) 596/2014 and Regulation 231/2013, respectively,
- detailed procedures for the outsourcing of important activities of the Company, as provided in the relevant provisions of L.4209/2013 and Regulation 231/2013, as well as
- a risk management policy.

The abovementioned practices are described in more detail in the Company's Internal Regulation of Operations and / or the Corporate Governance Code, of which the CGC is posted on the Company's website www.prodea.gr (section: ABOUT US / Corporate Governance / Corporate Governance Code). It is noted that the Company does not deviate from the Corporate Governance Code that applies.

C. Board of Directors and Other Management, Administrative and Supervisory Bodies

Composition and Operation of the Company's Board of Directors

The Company is managed by its Board of Directors ("BoD"), consisting of nine (9) members, who are elected by the General Meeting, which also determines the duration of their term. A legal entity may be elected as a member of the BoD.

The current BoD was elected by the Ordinary General Meeting of Shareholders of the Company on 18.06.2019.

The term of the current BoD is three years and ends on the Ordinary General Meeting of Shareholders of the Company that will take place after the end of its term. The Board of Directors consists of the following:

Full Name	Capacity
Christophoros N. Papachristophorou	Chairman of the BoD (executive member)
Aristotelis D. Karytinos	Vice President and CEO (executive member)
Thiresia G. Messari	Executive member
Nikolaos M. Iatrou	Non-executive member
Athanasios D. Karagiannis	Non-executive member
Ioannis P. Kyriakopoulos	Non-executive member
Georgios E. Kountouris	Non-executive member
Spyridon G. Makridakis	Independent non-executive member
Prodromos G. Vlamis	Independent non-executive member

The BoD elects from its membership a Chairman, up to two Vice-Chairmen and a Managing Director (CEO).

If one Vice-Chairman has been elected, when the Chairman is absent, unavailable or non-existent, his duties (as defined by the provisions of the law or of the articles of association) are undertaken by the Vice-Chairman. If two Vice-Chairmen have been elected, when the Chairman is absent, unavailable or non-existent, his duties (as defined by the provisions of the law or of the articles of association) are undertaken by the first Vice-Chairman. In case of absence or incapacity of the first Vice-Chairman, the second Vice-Chairman or an officer designated by the BoD undertakes the Chairman's duties.

The BoD must consist in its majority by non-executive members (including at least two independent non-executive members) and by at least two (2) executive members.

The independent non-executive members shall be free of conflicts of interests with the Company, and close ties with management, main shareholders or the Company in general, in accordance with law 3016/2002.

Board of Directors' Committees

The Board of Directors has established the following committees: the Investment Committee, the Audit Committee, the Human Resources and Remuneration Committee and the Procurement Committee.

- **Investment Committee**

  The Investment Committee has been appointed by the BoD which also assigns all relevant powers to the Investment Committee. More specifically, the Investment Committee is responsible for establishing the Company's investment strategy, making decisions on the implementation of new investments, cooperation with any investment advisor of the Company, the monitoring of current investments, the liquidation of current investments and other related activities, such as new leases or renegotiation of existing leases.

  The Investment Committee is a collective body composed of five (5) members, one (1) of which is the Chairman of the Investment Committee and member of Investment Committee can be non-BoD members

  The Investment Committee meets at least quarterly and at any other time deemed necessary or appropriate (by any of its members), following an invitation by its Chairman.

  The Investment Committee currently consists of the following persons, as appointed by the Board of Directors' resolution dated June 18, 2019:

Full Name	Capacity
Christophoros N. Papachristophorou	Chairman
Aristotelis D. Karytinos	Member
Georgios E. Kountouris	Member
Georgios I. Konstantinidis	Member
Athanasios D. Karagiannis	Member

- **Audit Committee**

The Audit Committee consists of at least three (3) members, who are appointed by the General Meeting of shareholders. It may consist of one (1) to three (3) non-executive members of the Company's BoD. At least one (1) independent non-executive BoD member should be member of the Committee, while members of the Committee may also be non-members of the Board.

The majority of the Committee's members are independent of the Company within the meaning of L. 3016/2002, as in force. The evaluation of their independence is carried out by the general meeting of the shareholders which elects the members of the Committee, which is adequately justified when elected.

All the members of the Audit Committee have adequate knowledge in the sector in which the Company operates. At least one member of the Audit Committee is a suspended or retired chartered accountant or has adequate knowledge in accounting and auditing matters.

The term of the members of the Audit Committee is annual and may be renewed unlimitedly. Each member is provided at its appointment, as well as on a continuous basis, appropriate information and training. It is noted that the members of the Audit Committee shall not hold other posts or capacities or carry out transactions that could be considered incompatible with the mission of the Audit Committee. Participation in the Audit Committee does not preclude participation in other committees of the Board of Directors, provided that such a participation is not able to create a conflict of interest.

The Audit Committee meets as often as deemed necessary, but at least four times a year upon an invitation by the Chairman and meets the statutory auditor of the Company at least twice a year without members of the Company's Management being present.

The Audit Committee is a statutory committee of the Board and it is established in order to assist in the fulfillment of its supervisory duties related to the financial reporting and update process, the compliance of the Company and its subsidiaries with the legal and regulatory framework of operation, the procedure of the control system and the supervision of the audit function.

Principal responsibilities of the Audit Committee are as follows:

- As regards the system of internal control and information systems, the Audit Committee:
  - monitors the financial reporting process and the reliability of financial statements. It also oversees all official communication regarding the Company's financial performance, and examines the key points of the financial statements that involve significant judgments and estimates of the management, by confirming the appropriateness of the financial statements of the Company;
  - supervises the internal audits of the Company and monitors the effectiveness of internal control and risk management systems of the Company. For this purpose, the Audit Committee should periodically review the system of internal control and risk management of the Company, to ensure that key risks are identified, managed and disclosed correctly;
  - examines conflicts of interest in the transactions of the Company and its subsidiaries with related parties and submits to the Board related reports;
  - to the extent required by the Company's policy, it supports the Board as to obtain sufficient information to make decisions relating to transactions between related parties.

- As regards supervising the internal audit unit, the Audit Committee:
  - identifies and evaluates the functioning of the internal audit department of the Company;

- monitors and supervises the proper functioning of the internal audit, and examines the audit reports of the unit;
- ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit unit;
- assesses the head of the internal audit unit.

o As regards the supervision of the statutory audit, the Audit Committee:
  - proposes through the Board to the General Assembly the appointment, re-appointment and revocation of the statutory auditor and makes proposals as to the remuneration and terms of appointment of the statutory auditor;
  - examines and monitors the existence and maintenance of objectivity and independence of the statutory auditor and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements in Greece;
  - examines and monitors the provision of additional services to the Company by the auditing company to which the statutory auditor(s) belong(s). For this purpose, it needs to develop and implement a policy on the recruitment of statutory auditors for the provision of non-audit services, and oversee the implementation thereof;
  - discusses with the statutory auditor any matter relating to the progress and outcome of the statutory audit, regardless of whether these were subsequently resolved or left unresolved;
  - discuss with the statutory auditor his report referring to weaknesses of the internal control system, in particular those relating to the process of providing financial reporting and the preparation of financial statements.

The Audit Committee has its own internal operation regulation, which specifies in detail its composition, responsibilities and operation.

The Audit Committee currently consists of the following persons, as appointed by the resolution dated June 18, 2019 of the General Meeting of Shareholders of the Company:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Ioannis P. Kyriakopoulos	Member
Prodromos G. Vlamis	Member

- **Human Resources and Remuneration Committee**

The objective of the Human Resources and Remuneration Committee is to assist the Company's BoD in performing its duties regarding the establishment and monitoring of the application of the remuneration policy of the staff of the Company's Group, as well as the attraction, maintenance, exploitation and progression of specialized executives.

During the performance of its duties and responsibilities, the Human Resources and Remuneration Committee takes into account the long-term interests of shareholders, investors and other involved parties of the Company's Group, and it focuses on the sound and proper management of the Company and the prevention or elimination of conflict of interests situations.

The Human Resources and Remuneration Committee during the performance of its duties acts in the name of the BoD and reports only to the BoD.

In that respect, the BoD has assigned to the Human Resources and Remuneration Committee responsibilities related to the examination of the adequacy, efficiency and productivity of the BoD members, as well as the recommendation for the appointment of the main management executives of the Company's Group, the periodic examination of the benefits' policy for the staff of the Company's Group, the preparation of decisions regarding remunerations, including those that have an impact on the risks and the risk management of the Company, the monitoring of the application of the remuneration policy.

The Human Resources and Remuneration Committee consists of at least three (3) non-executive members of the BoD with experience in the real estate sector. The members and the Chairman of the Human Resources and Remuneration Committee are appointed by the Company's BoD. The two Vice-Chairmen of the Company's BoD participate in the Committee (provided that the Company's BoD has elected Vice-Chairmen who are non-executive members). The Chairman of the Human Resources and Remuneration Committee must be an independent non-executive member. In any case, the majority of the Committee's members must be independent non-executive members of the BoD.

The term of the members is three years and may be renewed for an equal period more than once. Participation in the Human Resources and Remuneration Committee does not preclude participation in other Committees of the BoD.

The Human Resources and Remuneration Committee currently consists of the following persons, as appointed by the resolution of the Company's Board of Directors dated June 18, 2019:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Ioannis P. Kyriakopoulos	Member
Prodromos G. Vlamis	Member

- **Procurement Committee**

The Procurement Committee is established by a resolution of the BoD and consists (according to the resolution of the Company's Board of Directors dated June 18, 2019, which modified the relevant point in the internal regulation of the Company) of 3 members:

- the Chief Executive Officer of the Company; and
- 2 independent members of the BoD.

The Procurement Committee shapes the strategic planning with respect to supplies in order to ensure the smooth operation of the Company and the attainment of its business objectives.

In the context of its responsibilities, it assesses and approves the necessity of proceeding to acts of procurement and the relevant expense that exceed the approval limits that the Chief Executive Officer and the CFO/COO have been assigned by the BoD.

The Procurement Committee operates under the Procurement Regulation and its own internal regulation, which will be approved and updated when necessary by the BoD.

The Procurement Committee currently consists of the following persons, as appointed by the resolution of the BoD dated June 18, 2019:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Aristotelis D. Karytinos	Member
Prodromos G. Vlamis	Member

D. Description of the internal control and risk management system with regard to the preparation of the Consolidated and Company Financial Statements

Internal Control System – Introduction

The BoD adopts appropriate policies to ensure that the exercise of the Company's internal controls is effective and has appointed the Audit Committee to oversee the application of such policies.

The Audit Committee oversees the internal controls over financial reporting of the Company and monitors the effectiveness of the internal control and risk management systems of the Company.

Main features of the Internal Control System in relation to the preparation of Consolidated and Separate Financial Statements

Aiming to ensure the good reputation and credibility of the Company and the Group towards shareholders, customers, investors and the supervisory and other independent authorities, the Company provides for the continuous enhancement of its Internal Control System ("I.C.S.") at a Group level. The I.C.S. refers to the set of controls and processes that cover all activities on an ongoing basis and is designed to ensure that the Company and the Group operate effectively.

The I.C.S. aims to achieve the following main objectives:

- Consistent implementation of the Group business strategy through the efficient use of available resources;
- Identification and management of the undertaken risks, including the operational risk;
- Completeness and reliability of data and information that are necessary for the accurate and timely determination of the Group's financial position and the production of reliable financial statements filed to Greek authorities;
- Compliance with the local institutional framework (e.g. L. 2778/1999, L. 3016/2002) that governs the operation of the Company and the Group, including internal regulations, IT systems and code of ethics;
- Adoption of international Corporate Governance best practices; and
- Prevention and avoidance of any errors and irregularities that may put at risk the reputation and the interests of the Company, its shareholders and customers.

The Company's BoD, with the assistance of its Committees, in the context of the review of the corporate strategy and the significant business risks, adopts appropriate policies aiming to ensure an adequate and effective I.C.S. for the Company and the Group. The Management is responsible for establishing and maintaining adequate controls and procedures, depending on the nature of activities and the undertaken risks, for assessing any I.C.S.'s deficiencies and finally undertaking the necessary corrective actions.

Risk Management System

The Company and the Group aims to adopt practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements.

The risk management functions are functionally and hierarchically separated from the operating units and portfolio management functions of the Company. In any case, the Company applies risk management systems to identify, measure, manage and monitor all relevant risks associated with the investment strategy that the Company has decided to follow. The risk management systems are reviewed by the Company at least once per year and adjusted when necessary. The Company uses appropriate, documented and regularly updated due diligence process in finding, selecting and executing investments. Furthermore it implements adequate stress tests.

The Group's risk governance framework comprises of a number of different constituents. For example, the Audit Committee, as appointed by the BoD, examines the effectiveness of the internal controls system, risk management system, regulatory compliance and financial publications / notifications and updates the BoD.

The Audit Committee is also in regular collaboration with the statutory auditor and internal auditor as well as the Company's Compliance and Risk Officer.

Following to the Company's Board of Directors resoluation, on November 30, 2018, the Company appointed Ms. Nikoletta Zoi, as the Company's Internal Audit Officer, who assumed full office on 01.01.2019 following the termination of the Internal Audit Service Contract dated 03.10.2014 by the Company held with the National Bank of Greece SA.

Code of Business Conduct

The Company maintains and applies a Code of Business Conduct and Ethics, which, among others, provides for safeguards to protect the reputation and assets of the Company and the group to which it belongs.

Information Systems

The Company operates IT systems to support its corporate objectives, in accordance with the policy of the Group.

Monitoring

There is regular reporting (at least on a quarterly basis) to the Company's Management and the Company's Audit Committee and BoD in relation to the Group's operations and financial performance.

The Audit Committee oversees the financial reporting process and assists the BoD for relevant matters. More specifically, the Audit Committee has responsibilities regarding the financial statements and related disclosures of the Group and Company, such as, indicatively but not limited to:

- evaluating the processes regarding the preparation of the annual and quarterly consolidated and separate financial statements, as well as any other financial disclosures made publicly available;
- reviewing the consolidated and separate financial statements prior to their submission to the BoD for approval and expresses its views to the BoD;
- overseeing the Company's compliance issues with regulatory requirements;
- collaborating with the internal auditor and the statutory auditor in order to assess the effectiveness of the Company's operations and make suggestions for improvements of monitoring as required.

F. Diversity policy regarding the composition of the Company's administrative, management and supervisory bodies

Diversity matters regarding the composition of the Company's administrative, management and supervisory bodies set forth in the Code of Business Conduct and Ethics, which the Company has adopted. By virtue of the code as per above, any discriminatory behaviour based on sex, age or other special trait is inter alia prohibited. The same principle is observed in the Company's administrative, management and supervisory bodies, by taking into account the legal framework of the Company, according to which certain eligibility criteria must be met as regards, among others, the members of the BoD of the Company. Generally, it is a standard practice of the Company to provide equal development and promotion opportunities based solely on the suitability.

Athens, Februay 24, 2020

The Vice-Chairman of the BoD and CEO	The Executive Member of the BoD	The Member of the BoD
Aristotelis Karytinos	Thiresia Messari	Athanasios Karagiannis

Supplementary Report
To the Annual General Meeting of Shareholders
of "Prodea Real Estate Investment Company Société Anonyme"
pursuant to article 4 of Law 3556/2007

(all amounts expressed in € thousand, unless otherwise stated)

Pursuant to article 4 of L. 3556/2007, companies whose shares are listed on a regulated market in Greece, in this case the Athens Stock Exchange, must submit a supplementary report to the General Meeting of Shareholders providing detailed information on specific issues. This Board of Directors' supplementary report to the General Meeting of Shareholders contains detailed information on these matters.

A. Structure of the share capital of the Company

The share capital of the Company as of December 31, 2019 amounted to €766,484 thousand, divided into 255,494,534 ordinary registered shares, with voting rights, of nominal value of €3.00 each.

B. Restrictions on transfer of Company's shares

There are no restrictions imposed by the Company's articles of association as regards to the transfer of shares other than those imposed by L. 2778/1999, as in force, relating to the acquisition of shares. Also, please refer to point F below.

C. Significant direct or indirect shareholdings within the meaning of the provisions of articles 9 to 11 of Law 3556/2007

According to the disclosures of changes in significant shareholdings of Law 3556/2007 that the Company has received until December 31, 2019, the control over the Company exercised by the National Bank of Greece SA. (NBG) pursuant to the Shareholders' Agreement dated 30.12.2013 between NBG and INVEL REAL ESTATE (NETHERLANDS) B.V. ceased to be effective from 23.05.2019, the date on which the National Bank of Greece SA held a voting share of 32.66% in the Company and disposed the 29.81% in Invel Real BV and the 2.85% in CL Hermes Opportunities L.P.

As a result of the above, the significant shareholdings in the Company within the meaning of articles 9 to 11 of Law 3556/2007 have been formulated as below as of December 31, 2019:

Invel Real BV directly owns 29.81% of the voting rights in the Company and Invel Real Estate (Netherlands) II B.V. holds directly 63.93% of the voting rights in the Company. The ultimate management of all voting rights in the Company held directly by Invel Real Estate (Netherlands) II B.V. and Invel Real BV, as well as voting rights held directly by Anthos Properties Inc., which represent 2.1% of the voting rights in the Company and by CL Hermes Opportunities LP which owns 2.85% of the voting rights in the Company, is performed by CASTLELAKE LP which indirectly holds, in its capacity as manager of investments funds, a total 98.15% of the voting rights in the Company.

As reported in the notification dated 27.05.2019 of significant changes in shareholdinds in Law 3556/2007 submitted to the Company by the legal entities Invel Real Estate B.V. and CASTLELAKE OPPORTUNITIES PARTNERS LLC, although the ultimate management of the abovementioned voting rights in the Company of 98.15% is perfomed by CASTLELAKE L.P. on its own, in its capacity as investement advisor registered on Securities and Exchange Commission of U.S.A.. For the purposes of Law 3556/2007 CASTLELAKE L.P. is considered that is controlled by its general partner, the company CASTLELAKE HOLDINGS LLC, which is controlled for the purposes of Law 3556/2007 by its managing member, the company CASTLELAKE OPPORTUNITIES PARTNERS LLC.

D. Holders of any type of shares conferring special control rights and description of the respective rights.

There are no Company shares that confer special control rights to their holders.

E. Restrictions on voting rights

The Company's Articles of Association do not provide for any restrictions on voting rights.

F. Agreements between shareholders known to the Company which entail limitations on the transfer of shares or limitations on voting rights.

The Shareholders' Agreement dated 30.12.2013 between the shareholders of the National Bank of Greece SA and Invel Real Estate (Netherlands) II B.V. which provided for certain restrictions on the transfer of the Company's shares, ceased to be effective as of 23.05.2019, when National Bank of Greece SA disposed the 32.66% of voting rights, held in the Company, by 29.81% in Invel Real Estate BV and by 2.85% stake in CL Hermes Opportunities L.P., as a result of which it ceases to hold shares in the Company in accordance with the provisions of subsection C) above.

No other shareholder agreements involving restrictions on the transfer of shares or restrictions on the exercise of voting rights have been disclosed to the Company.

G. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

As a result of the expiry of the Shareholders' Agreement dated 30.12.2013, concluded between the shareholders, National Bank of Greece SA and Invel Real Estate (Netherlands) II BV, in accordance with the aforementioned item F) above, the Ordinary General Meeting of the Company's shareholders by its decision dated 18.06.2019 amended the provisions of the Company's Articles of Association which provided for direct rights of appointment of BoD members and increased quorums and majorities for decision-making on certain matters of competence of the Company's General Meeting of Shareholders, as well as the harmonization of the Company's Articles of Association with the provisions of Law 4548/2018.

The rules provided for in the Articles of Association of the Company for the appointment and replacement of the Board of Directors, as well as for the amendment of the Articles of Association of the Company are no longer different from those provided by Law 4548/2018, as amended.

H. Authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares

The Board of Directors does not have any authority to issue new shares or to purchase treasury shares. The General Meeting of shareholders of the Company has not taken any decision to purchase treasury shares of the Company and there is no pending decision to issue new shares.

I. Significant agreement concluded by the Company which enters into force, is amended or terminated in the event of change of control of the Company, following a public tender offer and the results of such agreement.

The Company has not concluded any such agreement.

All amounts expressed in € thousand, unless otherwise stated

J. Any agreement concluded between the Company and members of the Board of Directors or its employees, which provides for the payment of compensation in case of resignation or dismissal without reasonable cause or termination of their term of office or employment as a result of a public tender offer

The Company has no special agreements with members of its Board of Directors or its employees providing for the payment of compensation in case of resignation or dismissal without reasonable cause or termination of their term of office or employment as a result of a public tender offer, except for the following:

a) on August 11, 2014 the Company entered into a fixed-term employment agreement with Mr. Aristotelis Karytinos in relation to the provision of his services as Chief Executive Office to the Company and its Group. This agreement has an expiration date of August 10, 2019 and the Chief Executive Office has the right to extend it for one more year. The abovementioned right was excercised by the Chief Executive Officer and the agreement was extended until August 10, 2020. In case the Company terminates the agreement with the Chief Executive Office prior to its expiry without reasonable cause, the Company is obliged to indemnify the Chief Executive Office to an amount equal to the total of the remaining monthly wages that would be payable up to the expiry of the definite term of the Chief Executive Office agreement.

b) on August 11, 2014 the Company entered into a fixed-term employment agreement with Ms Thiresia Messari in relation the provision of her services to the Company and its Group in her capacity as CFO/COO. This agreement has an expiration date of August 10, 2019 and Ms. Messari has the right to extend it for one more year. The abovementioned right was excercised by Ms. Messari and the agreement was extended until August 10, 2020. In case the Company terminates the CFO/COO agreement prior to its expiry without reasonable cause, the Company is obliged to indemnify Ms. Messari to an amount equal to the total of the remaining monthly wages that would be payable up to the expiry of the definite term of the CFO/COO agreement.

The agreements above have been approved by the Extraordinary General Meeting of the Company's shareholders dated August 11, 2014, in accordance with C.L. 2190/1920.

Athens, February 24, 2020

The Vice-Chairman of the BoD and CEO	The Executive Member of the BoD	The Member of the BoD
Aristotelis Karytinos	Thiresia Messari	Athanasios Karagiannis

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Prodea Real Estate Investment Company Société Anonyme"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Prodea Real Estate Investment Company Société Anonyme" (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2019, the separate and consolidated statement of income, total comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

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

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

The non-audit services that we have provided to the Company and its subsidiaries, for the year ended 31 December 2019, are disclosed in the Note 35 to the separate and consolidated financial statements.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Valuation of Investment Property *(Notes 2.6, 4.1. and 6 in the separate and consolidated financial statements)* The Company and Group measures investment property at fair value in accordance with International Accounting Standard 40. As stated in Note 6 of the financial statements, the fair value of the Company's and Group's investment property as at 31 December 2019 amounts to €1,437.3 million and €2,090.0 million respectively, representing 71% and 86% of their respective total assets. The gain from the revaluation of the aforementioned investment property for the year ended 31 December 2019 amounted to €137.2 million for the Company and €179.8 million for the Group. Determining the fair value of investment property is subjective, mainly because it depends on factors such as, inter alia, the particular nature and specific location of the real estate as well as the expected future market rents. The valuation of all the Company's and Group's investment property was carried out by certified external valuers who performed their valuations in accordance with International Valuation Standards. In order to determine the fair value of investment property, certified external valuers take into account factors directly associated with the property concerned, such as existing leases, rentals, and any restrictions on the use of the property. They then use assumptions, based on available information in the real estate market, at the date of preparation of the financial statements, relating to expected future market rentals, discount rates and exit yields in order to determine appropriate valuations.	We have conducted the following procedures regarding the assessment of the valuation of Investment Property as at 31 December 2019: • We obtained an understanding of the processes followed by management for the valuation of investment properties. • We obtained management's valuation reports, that were prepared by certified external valuers, and compared the fair value of investment property to the book values in the Company's and the Group's accounting records. • We have assessed and confirmed the independence and objectivity of the certified external valuers of the Company and the Group. • We compared the fair values as at 31 December 2019 with those as at 31 December 2018 in order to assess whether the change was in line with market trends. For the most significant deviations, we evaluated justifications provided by the Company's and Group's Management. • For the investment properties with the highest fair value, new acquisitions and for those whose fair value fluctuations were not within the acceptable range of fluctuations based on market data, with the assistance of our independent external real estate valuation experts, we have assessed the appropriateness of the methodologies used and the underlying assumptions adopted in the valuations, such as discount rates, market rentals and exit yields of individual lease agreements. • We together with our external valuation experts, attended meetings with management's external certified valuers to discuss and understand methodology and key assumptions underlying the property. • We examined, on a sample basis, the accuracy and relevance of the data used by Management's certified external valuers to determine the fair value of the Company's and the Group's property investments. This data mainly

Key audit matter	*How our audit addressed the key audit matter*
We focused on this matter because of the: • Relative size of the investment property to the total assets of the Company and the Group • Significant assumptions and estimates made by Management in the investment property valuation process • Sensitivity of valuations to key input assumptions, specifically discount rates and future rental income following the expiry of existing lease contracts.	comprised information relating to property leases and future rentals. Our audit procedures concluded that the valuations carried out were based on reasonable assumptions and appropriate data that are consistent with the prevailing market conditions. We also found that the disclosures in Note 6 of the separate and consolidate financial statements are adequate and consistent with the requirements of International Accounting Standard 40.
Acquisition accounting for business combinations *(Notes 2.4 and 9 in the separate and consolidated financial statements)* During the first semester of year 2019, the Group finalized three significant acquisitions in Cyprus for a total consideration of €203 million. These acquisitions comprise the Alternative Investment Fund "CYREIT Variable Investment Company PLC" and the companies "The Cyprus Tourism Development Public Company Limited" and "Aphrodite Hills Resort Ltd.". As stated in Note 9 of the financial statements, these acquisitions have been accounted for as business combinations and the purchase price for each transaction has been allocated to the identifiable assets acquired and liabilities assumed based on their respective fair values in accordance with the requirement IFRS 3. We focused on this matter because of the: • The significant magnitude of the acquisitions to the financial statements of the Group • The inherent complexity in accounting for business combinations and the significant assumptions and estimates made by management for its assessment of the fair value of underlying assets acquired, mainly investment properties and hotel land and building, and liabilities assumed.	We have conducted the following procedures with regards to the acquisitions accounted for as business combinations: • We assessed management's process for the recognition and determination of the fair values of the underlying assets acquired and liabilities assumed. • We reviewed the sale and purchase agreements in order to determine the key terms and confirmed our understanding of the transactions with management. • We evaluated management's assessment of the findings of the available due diligence. • We confirmed the professional competence, independence and objectivity of the management's certified external valuers. • With the assistance of our internal and external valuation experts, we evaluated the methodologies and underlying assumptions used by management in estimating the fair values of the underlying assets acquired and liabilities assumed. • We evaluated the adequacy of the relevant disclosures made in the financial statements. Our audit procedures concluded that the approach followed by management in order to determine the

Key audit matter	*How our audit addressed the key audit matter*
	fair value of the underlying assets acquired and liabilities assumed is based on reasonable assumptions and appropriate data. We also found that the disclosures in Note 9 of the separate and consolidated financial statements are adequate and consistent with the requirements of International Financial Reporting Standard 3.

Other Information

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

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

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

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

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

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

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

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

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 9 May 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 3 years.

Athens, 24 February 2020

The Certified Auditor

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

Marios Psaltis
SOEL Reg. No. 38081

PRODEA INVESTMENTS

All amounts expressed in € thousand, unless otherwise stated

	Note	Group		Company	
		31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
ASSETS					
Non-current assets					
Investment property	6	2,090,040	1,779,481	1,437,264	1,359,579
Investment in subsidiaries	10	-	-	428,316	226,228
Equity method investments	11	421	-	-	-
Investment in joint venture	11	10,585	-	10,416	-
Property and equipment	7	110,035	2,149	2,633	2,147
Goodwill, Software and other Intangible assets	8	14,473	101	72	101
Other long-term assets	12	13,917	10,821	39,430	19,181
		2,239,471	**1,792,552**	**1,918,131**	**1,607,236**
Current assets					
Trade and other assets	13	83,536	47,525	78,810	45,605
Inventories	14	33,380		-	
Cash and cash equivalents	15	71,174	45,788	31,825	33,216
		188,090	**93,313**	**110,635**	**78,821**
Total assets		**2,427,561**	**1,885,865**	**2,028,766**	**1,686,057**
SHAREHOLDERS' EQUITY					
Share capital	16	766,484	766,484	766,484	766,484
Share premium	16	15,890	15,890	15,970	15,970
Reserves	17	347,531	342,176	345,845	341,748
Other equity	22	(8,869)	-	-	-
Retained Earnings		297,408	162,132	217,029	143,331
Equity attributable to equity holders of the parent		**1,418,444**	**1,286,682**	**1,345,328**	**1,267,533**
Non-controlling interests		42,465	-	-	-
Total equity		**1,460,909**	**1,286,682**	**1,345,328**	**1,267,533**
LIABILITIES					
Long-term liabilities					
Borrowings	18	840,244	111,859	646,433	55,862
Retirement benefit obligations	19	276	218	276	218
Deferred tax liability	21	28,592	4,586	-	-
Other long-term liabilities	22	15,959	3,955	3,726	3,426
		885,071	**120,618**	**650,435**	**59,506**
Short-term liabilities					
Trade and other payables	20	44,327	24,118	18,570	15,139
Borrowings	18	36,036	448,280	13,460	337,897
Derivative financial instruments		4	148	-	-
Current tax liabilities		1,214	6,019	973	5,982
		81,581	**478,565**	**33,003**	**359,018**
Total liabilities		**966,652**	**599,183**	**683,438**	**418,524**
Total equity and liabilities		**2,427,561**	**1,885,865**	**2,028,766**	**1,686,057**

Athens, February 24, 2020

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Note	Group From 01.01. to 31.12.2019	Group From 01.01. to 31.12.2018	Company From 01.01. to 31.12.2019	Company From 01.01. to 31.12.2018
Revenue	24	175,056	121,366	107,909	105,922
		175,056	**121,366**	**107,909**	**105,922**
Net gain from the fair value adjustment of investment property	6	179,819	46,326	137,173	20,050
Gain from disposal of investment property	6	19,120	-	19,120	-
Direct property related expenses	25	(6,547)	(4,467)	(4,511)	(3,674)
Property taxes-levies	26	(9,657)	(9,378)	(7,784)	(7,700)
Personnel expenses – Investment Property	27	(5,596)	(3,215)	(5,494)	(3,213)
Personnel expenses – Hospitality and ancillary services	27	(11,871)	-	-	-
Consumables used		(3,920)	-	-	-
Net change in real estate inventories		(5,340)	-	-	-
Depreciation of property and equipment and amortisation of intangible assets	7,8	(3,553)	(53)	(136)	(53)
Net change in fair value of financial instruments at fair value through profit or loss		61	158	-	-
Net impairment loss on financial assets	13	(2,029)	(192)	(1,842)	(156)
Net impairment loss on non-financial assets	7,10,14	(6,291)	-	(18,842)	-
Other income	28	19,521	2,072	31,264	7,298
Other expenses – Investment Property	29	(4,745)	(5,173)	(3,528)	(4,466)
Other expenses – Hospitality and ancillary services	29	(11,802)	-	-	-
Corporate Responsibility		(317)	(314)	(317)	(314)
Operating Profit		**321,909**	**147,130**	**253,012**	**113,694**
Share of profit of associates and joint ventures	11	331	-	-	-
Negative goodwill from acquisition of subsidiaries	9	13,572	2,093	-	-
Interest income		23	57	1,646	446
Finance costs	30	(22,490)	(21,944)	(14,892)	(17,532)
Profit before tax		**313,345**	**127,336**	**239,766**	**96,608**
Taxes	31	(14,443)	(12,232)	(7,620)	(11,751)
Profit for the period		**298,902**	**115,104**	**232,146**	**84,857**
Attributable to:					
Non-controlling interests		5,006	-	-	-
Company's equity shareholders		**293,896**	**115,104**	**232,146**	**84,857**
Earnings per share (expressed in € per share) - Basic and diluted	32	1.15	0.45	0.91	0.33

Athens, February 24, 2020

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Profit for the period	**298,902**	**115,104**	**232,146**	**84,857**
Other comprehensive income / (expense):				
Items that may not be reclassified subsequently to profit or loss:				
Remeasurement of the net defined benefit liability/asset, net of tax	(33)	(2)	(33)	(2)
Revaluation reserve	1,462	-	-	-
Other	23			
Total of items that may not be reclassified subsequently to profit or loss	**1,452**	**(2)**	**(33)**	**(2)**
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	131	4	-	-
Cash flow hedges	83	166	-	-
Total of items that may be reclassified subsequently to profit or loss	**214**	**170**	**-**	**-**
Other comprehensive income/(expense) for the period	**1,666**	**168**	**(33)**	**(2)**
Total comprehensive income for the period	**300,568**	**115,272**	**232,113**	**84,855**
Attributable to:				
Non-controlling interests	5,594	-	-	-
Company's equity shareholders	**294,974**	**115,272**	**232,113**	**84,855**

Athens, February 24, 2020

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

PRODEA INVESTMENTS

All amounts expressed in € thousand, unless otherwise stated

		Attributable to Company's shareholders							
	Note	**Share capital**	**Share premium**	**Reserves**	**Other equity**	**Retained Earnings / (Losses)**	**Total**	**Non-controlling interests**	**Total**
Balance January 1, 2018		**766,484**	**15,890**	**339,152**	**-**	**106,327**	**1,227,853**	**-**	**1,227,853**
Adjustment due to adoption of IFRS 9		**-**	**-**	**-**	-	(234)	**(234)**	**-**	**(234)**
Balance January 1, 2018 as adjusted		**766,484**	**15,890**	**339,152**	**-**	**106,093**	**1,227,619**	**-**	**1,227,619**
Other comprehensive income for the period		-	-	168	-	-	**168**	**-**	**168**
Profit for the period		-	-	-	-	115,104	**115,104**	**-**	**115,104**
Total comprehensive income after tax		**-**	**-**	**168**	**-**	**115,104**	**115,272**	**-**	**115,272**
Transfer to reserves		**-**		2,856	-	(2,856)	**-**		**-**
Dividend distribution 2017	23	**-**		**-**	-	(56,209)	**(56,209)**		**(56,209)**
Balance December 31, 2018		**766,484**	**15,890**	**342,176**	**-**	**162,132**	**1,286,682**	**-**	**1,286,682**
						-			
Balance January 1, 2019		**766,484**	**15,890**	**342,176**	**-**	**162,132**	**1,286,682**	**-**	**1,286,682**
Other comprehensive income for the period		-	-	1,078	-	-	**1,078**	**588**	**1,666**
Profit for the period		-	-	-	-	293,896	**293,896**	5,006	**298,902**
Total comprehensive income after tax		**-**	**-**	**1,078**	**-**	**293,896**	**294,974**	**5,594**	**300,568**
Transfer to reserves		-	-	4,277		(4,277)	**-**	-	**-**
Dividend distribution 2018	23	-	-	-	-	(73,071)	**(73,071)**	(607)	**(73,678)**
Interim Dividend 2019	23					(81,247)	**(81,247)**	-	**(81,247)**
Put option held by non-controlling interests	22	-	-	-	(8,869)	-	**(8,869)**	-	**(8,869)**
Acquisition of subsidiaries		-	-	-	-	-	**-**	38,513	**38,513**
Acquisition of Non-controlling interests	9	-	-	-	-	(25)	**(25)**	(1,035)	**(1,060)**
Balance December 31, 2019		**766,484**	**15,890**	**347,531**	**(8,869)**	**297,408**	**1,418,444**	**42,465**	**1,460,909**

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
Balance January 1, 2018		**766,484**	**15,970**	**338,894**	**117,788**	**1,239,136**
Adjustment due to adoption of IFRS 9		-	-	-	(249)	**(249)**
Balance January 1, 2018 as adjusted		**766,484**	**15,970**	**338,894**	**117,539**	**1,238,887**
Other comprehensive income for the period				(2)	-	**(2)**
Profit for the period		-	-	-	84,857	**84,857**
Total comprehensive income after tax		**-**	**-**	**(2)**	**84,857**	**84,855**
Transfer to reserves		-		2,856	(2,856)	-
Dividend distribution 2017	23	-		-	(56,209)	**(56,209)**
Balance December 31, 2018		**766,484**	**15,970**	**341,748**	**143,331**	**1.267.533**
Balance January 1, 2019		**766,484**	**15,970**	**341,748**	**143,331**	**1,267,533**
Other comprehensive income for the period				(33)	-	**(33)**
Profit for the period		-	-	-	232,146	**232,146**
Total comprehensive income after tax		**-**	**-**	**(33)**	**232,146**	**232,113**
Transfer to reserves		-	-	4,130	(4,130)	-
Dividend distribution 2018	23	-	-	-	(73,071)	**(73,071)**
Interim Dividend 2019	23				(81,247)	**(81,247)**
Balance December 31, 2019		**766,484**	**15,970**	**345,845**	**217,029**	**1,345,328**

All amounts expressed in € thousand, unless otherwise stated

	Note	From 01.01. to 31.12.2019	31.12.2018
Cash flows from operating activities			
Profit before tax		313,345	127,336
Adjustments for:			
- Provisions for employee benefits		25	19
- Other provisions		2	12
- Depreciation of property and equipment & Amortization of intangible assets	7, 8	3,553	53
- Net gain from the fair value adjustment of investment property	6	(179,819)	(46,326)
- Interest income		(23)	(57)
- Finance costs	30	22,490	21,944
- Net change in fair value of financial instruments at fair value through profit or loss		(61)	(158)
- Net impairment loss on financial assets	13	2,029	192
- Net impairment loss on non-financial assets	7, 14	6,291	-
- Gain from disposal of investment property	6	(19,120)	-
- Negative goodwill from acquisition of subsidiaries	9	(13,752)	(2,093)
- Other		(153)	(1,694)
Changes in working capital:			
- (Increase) / Decrease in receivables		4,439	2,218
- (Increase) / Decrease of inventories		759	-
- Increase / (Decrease) in payables		(4,466)	1,994
Cash flows from operating activities		135,719	103,440
Interest paid		(29,418)	(19,540)
Tax paid		(13,415)	(11,507)
Net cash flows from operating activities		**92,886**	**72,393**
Cash flows from investing activities			
Acquisition of investment property	6	(7,587)	(33,693)
Subsequent capital expenditure on investment property	6	(9,250)	(961)
Proceeds from disposal of investment property	6	32,550	-
Purchases of property and equipment	7	(2,226)	(1)
Prepayments and expenses related to future acquisition of investment property		(1,452)	(3,932)
Acquisitions of subsidiaries (net of cash acquired)	8	(193,308)	(49,860)
Acquisition of investment in joint ventures	10	(10,158)	-
Participation in share capital increase of investment in joint ventures		(258)	-
Dividends received from equity method investments		80	-
Interest received		23	60
Net cash flows used in investing activities		**(191,586)**	**(88,387)**
Cash flows from financing activities			
Proceeds from share capital increase of subdiaries		5,735	-
Proceeds from the issuance of bond loans and other borrowed funds	18	659,532	126,405
Expenses related to the issuance of bond loans and other borrowed funds		(6,817)	(1,465)
Repayment of borrowings		(403,020)	(56,283)
Dividends paid	23	(131,324)	(56,209)
Net cash flows used in financing activities		**124,106**	**12,448**
Net decrease in cash and cash equivalents		**25,406**	**(3,546)**
Cash and cash equivalents at the beginning of the period		45,788	49,335
Effect of foreign exchange currency differences on cash and cash equivalents		(20)	(1)
Cash and cash equivalents at the end of the period		**71,174**	**45,788**

All amounts expressed in € thousand, unless otherwise stated

	Note	From 01.01. to 31.12.2019	31.12.2018
Cash flows from operating activities			
Profit before tax		239,766	96,608
Adjustments for:			
- Provisions for employee benefits		25	19
- Other provisions		-	12
- Depreciation of property and equipment & Amortization of intangible assets	7, 8	136	53
- Net gain from the fair value adjustment of investment property	6	(137,173)	(20,050)
- Interest income		(1,646)	(446)
- Finance costs	30	14,892	17,532
- Net impairment loss on financial assets	13	1,842	156
- Impairment on investment in subsidiaries	10	18,842	-
- Gain from disposal of investment property	6	(19,120)	-
- Other		187	(1,397)
Changes in working capital:			
- (Increase) / Decrease in receivables		(2,575)	4,201
- Increase / (Decrease) in payables		713	2,122
Cash flows from operating activities		115,889	98,810
Interest paid		(23,200)	(15,749)
Tax paid		(12,629)	(11,413)
Net cash flows from operating activities		**80,060**	**71,648**
Cash flows from investing activities			
Acquisition of investment property	6	(7,587)	(28,813)
Subsequent capital expenditure on investment property	6	(6,805)	(901)
Proceeds from disposal of investment property	6	32,550	-
Prepayments and expenses related to future acquisition of investment property		(652)	(3,932)
Purchases of property and equipment	7	(346)	(1)
Acquisition of subsidiaries	9, 10	(152,302)	(51,542)
Acquisition of investment in joint ventures	11	(10,158)	-
Participation in subsidiaries' capital increase and Investment in joint ventures	11	(62,497)	(360)
Proceeds from subsidiaries' capital decrease		-	14,300
Incorporation of subsidiaries		(8)	(4,470)
Loans granted to foreign subsidiaries		(17,080)	-
Interest received		11	55
Net cash flows used in investing activities		**(224,874)**	**(75,664)**
Cash flows from financing activities			
Proceeds from the issuance of bond loans and other borrowed funds	18	646,550	105,000
Expenses related to the issuance of bond loans and other borrowed funds		(6,507)	(1,054)
Repayment of borrowings		(365,296)	(46,813)
Dividends paid	23	(131,324)	(56,206)
Net cash flows used in financing activities		**143,423**	**924**
Net increase / (decrease) in cash and cash equivalents		**(1,391)**	**(3,092)**
Cash and cash equivalents at the beginning of the period		33,216	36,308
Cash and cash equivalents at the end of the period		**31,825**	**33,216**

All amounts expressed in € thousand, unless otherwise stated

NOTE 1: General Information

"Prodea Real Estate Investment Company Société Anonyme" (hereinafter "Company") (former "NBG Pangaea Real Estate Investment Company") operates in the real estate investment market under the provisions of Article 22 of L. 2778/1999, as in force. As a Real Estate Investment Company (REIC), the Company is supervised by the Hellenic Capital Market Commission. It is also noted that the Company is licensed as an internally mangaged alternative investment fund according to Law 4209/2013.

The headquarters are located at 6, Karageorgi Servias street, Athens, Greece. The Company is registered with the No. 3546201000 in the General Commercial Companies Registry (G.E.MI.) and its duration expires on December 31, 2110.

The Company together with its subsidiaries (hereinafter the "Group") operates in real estate investments both in Greece and abroad, such as Cyprus, Italy, Bulgaria and Romania.

The Extraordinary General Meeting of the shareholders of the Company which took place on September 11, 2019 resolved upon the amendment of the Company's corporate name to "Prodea Real Estate Investment Company Société Anonyme", with distinctive title "Prodea Investments". The amendment was approved by the Ministry of Development and Investments with its decision No. 1695248/01.10.2019 which was registered in the General Commercial Registry of the abovementioned Ministry on October 1, 2019.

As of December 31, 2019, the Group's and the Company's number of employees was 689 and 34, respectively (December 31, 2018: 30 employees for the Group and the Company).

The current Board of Directors has a term of three years which expires on June 18, 2022 with an extension until the first Annual General Meeting of Shareholders, which will take place after the end of the term. The Board of Directors was elected by the Annual General Meeting of Shareholders held on June 18, 2019 and was constituted as a body in its same day meeting. The Board of Directors has the following composition:

The current Board of Directors has the following composition:

Christophoros N. Papachristophorou	Chairman, Businessman	Executive Member
Aristotelis D. Karytinos	Vice-Chairman, CEO	Executive Member
Thiresia G. Messari	CFO / COO	Executive Member
Nikolaos M. Iatrou	Business Executive	Non Executive Member
Athanasios D. Karagiannis	Investment Advisor	Non Executive Member
Ioannis P. Kyriakopoulos	General Manager of NBG Group	Non Executive Member
Georgios E. Kountouris	Economist	Non Executive Member
Prodromos G. Vlamis	Assistant Professor at University of Piraeus & Associate at the University of Cambridge	Independent - Non Executive Member
Spyridon G. Makridakis	Professor at University of Nicosia & Emeritus Professor at INSEAD Business School	Independent - Non Executive Member

These consolidated and separate Financial Statements have been approved for issue by the Company's Board of Directors on February 24, 2020, are available, along with the independent auditor's report and the Board of Directors' Annual Report on the website address http://www.prodea.gr and are subject to approval by the Annual General Meeting of Shareholders.

NOTE 2: Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of Preparation

The financial statements of the Group and the Company for the year ended December 31, 2019 (hereinafter the "Financial Statements") have been prepared in accordance with the International Financial Reporting Standards (hereinafter "IFRSs") as adopted by European Union (hereinafter "EU").

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below (Note 2.2.1). In addition the Group adopted new accounting policies for the property and equipment (Note 2.7), for the intangible assets (Note 2.8), for the inventories (Note 2.9) and for the revenue recognision from hotel and related services and from the sale of development properties (Note 2.23).

The amounts are stated in Euro, rounded to the nearest thousand (unless otherwise stated) for ease of presentation.

It is mentioned that where necessary, comparative figures have been adjusted to conform to changes in the current period's presentation. Management believes that such adjustments do not have a material impact in the presentation of financial information (Note 12, 15, 27 & 29).

The Financial Statements have been prepared based on the going concern principle, applying the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

The preparation of consolidated and separate Financial Statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: estimation of the fair value of investment property and derivative financial instruments, estimation of retirement benefits obligation, liabilities from and contingencies from litigation and unaudited tax years. Actual results in the future may differ from those reported.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

2.2 Adoption of International Financial Reporting Standards (IFRSs)

2.2.1 New standards, amendments and interpretations to existing standards applied from 1 January 2019:

- **IFRS 16 (new standard) "Leases".** On January 1, 2019, the Group adopted IFRS 16. IFRS 16 supersedes the relevant lease guidance included in IAS 17 leases and sets out the principles for the recognition, measurement, presentation and disclosure of lease agreements, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

  IFRS 16 introduces a single on-balance sheet accounting model for lessees. A lessee recognizes a Right of Use (RoU) Asset, representing its right to use the underlying asset and a lease obligation representing its obligation to make lease payments. The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate (IBR). The RoU is initially measured at the amount of the lease liability.

Subsequently, the RoU is amortized over the lease term and the financial liability is measured at amortized cost. The operating lease expense recognized in accordance with IAS 17 is replaced by a depreciation charge of the RoU and an interest expense arising from the unwinding of the discount on the lease liability. The change in the presentation of operating lease expenses will result in improved cash flows from operating activities and a corresponding reduction in cash flows from financing activities.

Lessor accounting remains the same as in the current standard – i.e. lessors continue to classify the leases as finance or operating leases using similar classification criteria as IAS 17.

Leases in which the Group is lessor
There was no significant impact for the Group's finance leases or for the leases in which the Group is a lessor.

Leases in which the Group is a Lessee
The Group applied the modified retrospective approach, where the right is set equal to the amount of the lease liability upon adoption and did not restate the comparative information. The Group has elected to take the recognition exemption for short-term and low-value leases for which lease payments are recognized as operating expenses on a straight-line basis over the term of the lease.

The most significant estimate used to measure the lease liability relates to the interest rate used to discount the lease at the present value as of the date of initial application and is considered from the date of first application and is considered to be a critical accounting estimate.

The Impact of IFRS Adoption 16 in the Financial Statements of the Group and the Company were not material. IFRS 16 increased the Group's assets and liabilities by €207.

The RoU is included in the item "Property and Equipment" (Note 7) and the lease liabilities are included in the items "Other long-term liabilities" and "Trade and other payables" (Note 20).

- **IAS 19 (Amendment) Plan Amendment, Curtailment or Settlement**. The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendment has no impact on the Financial Statements of the Group and the Company.

- **IFRS 9 (Amendment) Prepayment Features with Negative Compensation**. The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss. The amendment has no impact on the Financial Statements of the Group and the Company.

- **IAS 28 (Amendment) Long-Term Interests in Associates and Joint Ventures**. The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendment has no impact on the Financial Statements of the Group and the Company.

IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods on or after 1 January 2019, as issued by the IASB). The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has no impact on the Financial Statements of the Group and the Company.

- **"Annual Improvements to IFRS Standards 2015–2017 Cycle"**. The amendments impact the following standards:

  - **IFRS 3 "Business Combinations"** - amended to clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11** “Joint Arrangements” - amended to clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- **IAS 12** “Income Taxes”- clarified to state that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23** “Borrowing costs” - clarified to provide that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The amendments had no impact on the Financial Statements of the Group and the Company.

2.2.2. New Standards, amendments and interpretations existing standards effective after 2019

- **Definition of a business - Amendment to IFRS 3** (effective for annual periods beginning on or after 1 January 2020, as issued by the IASB). The IASB issued amendments to the definition concept of business in IFRS 3 “Business Combination” to help entities to determine whether an acquired set of activities and assets is a business combination or not. They clarify the minimum requirements for a Business, remove the assessment of whether market participants are capable of replacing any missing elements or processes and continuing to produce outputs, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments should apply to transactions made on or after the beginning of the first reporting period of 1 January 2020. Therefore, entities do not have to revisit such transactions that occurred in prior periods. The amendments have not been adopted by EU.

- **Definition of materiality - Amendments to IAS 1 and IAS 8** (effective for the Group as of 1 January 2020). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to align the definition of "material" across the standards and to clarify its definitions. The new definition states that 'information is material if, by omitting, misstating or obscuring it, could reasonably be expected to influence decisions that the primary users of general purposes financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of the information or both. An entity will need to assess whether information individually or in combination with other information is material in the context of the Financial Statements. The amendments will be applied in the future. The amendments have not been adopted by EU.

- **IFRS 9, IAS 39 and IFRS. 7 - Amendments to "Restatement of Interest Rates"** (effective for annual periods beginning on or after 1 January 2020). The amendments change certain requirements for hedge accounting to provide facilitation on the potential effects of uncertainty caused by the change in interest rates. In addition, the amendments require companies to provide additional information to investors about their hedging that are directly affected by these uncertainties.

- **Conceptual framework.** In March 2018, the IASB issued a revised version of the Conceptual Framework for Financial Reporting ("the Framework"), which will be effective for annual periods beginning on or after 1 January 2020. The Framework sets out the fundamental financial reporting concepts that guide the IASB in developing of IFRSs. The Framework underpins existing IFRS Standards but does not overrides them. Preparers of the financial statements use the Framework as a point of reference for developing accounting policies in the rare instances where a particular business transaction is not covered by existing IFRSs. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new or amending existing IFRSs and interpretations. The Group is currently evaluating the impact of the amended Framework on its accounting policies.

2.3 Consolidation

2.3.1 Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries (including structured entities), which are entities controlled by the Company. Control is achieved, if and only if, the Company has a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect the amount of the Company's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit for the period and total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

2.3.2 Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/ (expense) is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.3.3 Changes in the Group's ownership interest in subsidiaries that do not result in loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.3.4 Loss of control

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. For assets of the subsidiary carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "*Financial Instruments*" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.3.5 Put options on non-controlling interests

The Group occasionally enters into arrangements either as part or independently of a business combination, whereby the Group is committed to acquire the shares held by the non-controlling interest holder in a subsidiary or whereby a non-controlling interest holder can put its shares to the Group.

In these cases, the Group in the consolidated Financial Statements recognises a financial liability. The liability is measured at present value and is recognised directly in the equity of the Group.

2.3.6 Investments in subsidiaries in separate Financial Statements

In the Company's Financial Statements subsidiaries are measured at cost less impairment.

2.3.7 Impairment assessment of investments in subsidiaries in separate Financial Statements

At each reporting date, the Group and the Company assesses whether there is any indication that an investment in a subsidiary, an associate or a jointly controlled entity may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.4 Business Combinations

2.4.1 Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "*Income Taxes*" and IAS 19 "*Employee Benefits*" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "*Share-based Payment*" at the acquisition date; and
- assets (or disposal groups) classified as held for sale in accordance with IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" are measured in accordance with that Standard.

2.4.2 Goodwill

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

2.4.3 Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a financial asset under IFRS 9 or a non financial asset or a liability is remeasured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in the income statement.

2.4.4 Business combinations achieved in stages

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement where such treatment would be appropriate if that interest were disposed of.

2.4.5 Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.4.6 Asset acquisitions

For acquisition of a subsidiary not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition. Such transactions do not give rise to goodwill.

2.5 Foreign Currency Translation

Items included in the Financial Statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“the functional currency”). The consolidated Financial Statements of the Group are presented in thousand of Euro (€), which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

When preparing the Financial Statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity’s opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income.

When a monetary item forms part of a reporting entity’s net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate Financial Statements of both companies are reclassified to other comprehensive income upon consolidation. When a foreign entity is sold, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Any goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Investment Property

Properties that are held with the intention of earning rentals or / and for capital appreciation are included in investment property.

Investment property comprises land and buildings, owned by the Group (or held through a lease agreement) as well as the properties which are developed for future use as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs.

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

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

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

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

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

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

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

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

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

However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in OCI by increasing the asset revaluation reserve in equity. In case of loss, it is recognised directly in income statement.

Investment property held for sale without redevelopment is classified within non-current assets held for sale under IFRS 5. A property's deemed cost for subsequent accounting is its fair value at the date of change in use.

2.7 Property and Equipment

There are two categories of Property and Equipment:

a) Property and equipment which include land, buildings and equipment held by the Group for use in the supply of services and for administrative purposes.

Property and equipment include land, buildings and equipment held by the Group for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition.

Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property and equipment, are capitalized only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated from the asset, otherwise they are expensed as incurred.

Depreciation of an item of property and equipment begins when it is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an item of property and equipment that is retired from active use does not cease unless it is fully depreciated. Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property and equipment per category is as follows:

Land: No depreciation
Buildings: 40 years
Leasehold improvements: During the lease term
Furniture and other equipment: 3 – 5 years
Motor vehicles: up to 10 years

At each reporting date, the Group assesses whether there is an indication that an item of property and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and the amount of the gains/losses is recognized in the income statement.

b) Property and equipment which include land and buildings relating to hotel and other facilities.

Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition. Subsequent to initial recognition, property and equipment is carried at a revalued amount, being its fair value, which is calculated by independent valuer as at June 30 and December 31 of each year, at the date of revaluation less subsequent depreciation and impairment. Under the revaluation model, revaluations are carried out regularly, so that the carrying amount of property and equipment does not differ materially from its fair value at the balance sheet date. If a revaluation results in an increase in value, it is credited to other comprehensive income and accumulated in equity under the heading “revaluation surplus” unless it represents a reversal of a revaluation decrease previously recognised as an expense, in which case it is recognised in income statement. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property and equipment per category is as follows:

Land: No depreciation
Hotel and other facilities: 50 years

2.8 Goodwill, Software and Intangible Assets

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

Subsequent to initial recognition, goodwill is measured at carrying amount.

Intangible assets acquired through business combinations
Intangible assets acquired through business combinations include management contracts and services directly related to the use, operation and exploitation of the villas and apartments located at Aphrodite Hills Resort (Note 8 and 9). Such Intangible assets are amortized using the straight-line method over their useful lives. The average useful life is estimated at 14 years.

Software
Software acquisition cost includes costs that are directly attributable to specific and identifiable software products owned by the Group and which are expected to generate future benefits for more than one year and which will exceed the related acquisition costs. Costs that improve or extend the operation of software beyond their original specifications are capitalized and added to their initial acquisition value.

Such intangible assets are amortised using the straight-line method over their useful lives, which may not exceed 12 years.

Expenses such as establishment and initial installation costs, personnel training costs, advertising and promotional expenses, and relocation and reorganization costs for a part or for the whole Company are recognized as expenses at the time they are incurred.

Impairment
At each reporting date, the Management of the Company examines the value of intangible assets (intangible assets acquired through business combinations and software) in order to determine whether there is any impairment. If such is the case, the Management of the Company carries out an impairment test to determine whether the book value of those assets can be fully recovered. When the carrying amount of an intangible asset exceeds its recoverable amount, a provision for impairment is performed.

For the purpose of testing of impairment of goodwill, goodwill is allocated to Cash Generating Units ("CGUs"). The allocation is performed to those CGUs, which expect to benefit from the business combination from which the goodwill arises. The Group assesses the carrying value of goodwill on an annual basis or more frequently to determine whether there is a possible impairment of its value. In assessing this, it is estimated whether the carrying value of goodwill remains fully recoverable. The assessment is made by comparing the carrying value of the CGU where the goodwill has been allocated to with its recoverable amount, which is the greater of its fair value less costs to sell and its value in use. Fair value is valued at market value, if available, either determined by an independent valuer or derived from a valuation model. If the recoverable amount is below the carrying amount, an impairment loss is recognized and the goodwill is impaired by the surplus of the carrying value of the CGU over the recoverable amount.

2.9 Inventories

Inventories are initially recorded at cost. Subsequent measurement is at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business of the Group, less the estimated costs necessary to make the sale. When the inventories are considered obsolete or slow moving the Group records a provision for impairment. Write-offs and impairment losses are recognized when incurred and are recorded to the income statement. Cost is determined using the weighted average method.

2.10 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. It requires an assessment of whether: a) fulfilment of an arrangement is dependent on the use of a specific asset or assets and b) the arrangement conveys a right to use the asset.

(a) The Group as the Lessee

Operating Leases: Leases where a significant portion of the risks and rewards of ownership of the asset are retained by the lessor are classified as operating leases. The total payments made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. There were no material operating leases for the periods covered by the Financial Statements.

Finance Leases: The Group currently does not engage, as a lessee, in finance leases.

(b) The Group as the Lessor

Operating Leases: The Group leases out owned properties under operating leases and are included in the statement of financial position as investment property (Note 6). Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. Rental guarantees received at the inception of the lease contract are recognized as liabilities and carried at cost.

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

2.11 Sale and Leaseback Transactions – A Company of the Group is the Lessee

For a sale and leaseback transaction that results in a finance lease, any excess of proceeds over the carrying amount is deferred and amortised over the lease term. There were no sale and leaseback transactions that resulted in a finance lease for the periods covered by the Financial Statements.

For a transaction that results in an operating lease:

- if the transaction is clearly carried out at fair value - the profit or loss is recognised immediately in the income statement,
- if the sale price is below fair value – the profit or loss is recognised immediately, except if a loss is compensated for by future rentals at below market price, the loss is amortised over the lease term,
- if the sale price is above fair value - the excess over fair value is deferred and amortised over the lease term,
- if the fair value at the time of the transaction is less than the carrying amount – a loss equal to the difference is recognised immediately in the income statement.

2.12 Trade and Other Assets

Trade and other assets are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method (if these are payable after one year), unless the effect of discounting is not material, less an allowance for expected credit losses (ECL). ECL represent the difference between contractual cash flows and those that the Group expects to receive.

ECL are recognized on the following basis:

- 12-month ECL are recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 1.

- Lifetime ECL are recognized if a significant increase in credit risk (SICR) is detected subsequent to the instrument's initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 2.

  The Group's receivables (including those arising from operating leases) are short term in nature and in general are due in a period less than 12-months, hence ECL are determined for this shorter period where applicable, irrespective of their classification in stage 1 or 2.

- Lifetime ECL are always recognized for credit-impaired trade and other assets, referred to as instruments in stage 3. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.13 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise balances of accounts "cash in hand" and "demand deposits". Cash equivalents comprise short-term time deposits the original maturity of which is not more than 90 days. Cash and cash equivalents are used by the Group to serve the short-term liabilities and the risk of change in fair value is immaterial.

2.14 Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental external costs directly attributable to the issue of shares and other equity items, other than on a business combination, are deducted from equity net of any related income tax benefit.

2.15 Dividend Distribution

Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Company' Shareholders at the Annual General Meeting. Interim dividends are recognized directly within equity in the period in which they are approved by the Board of Directors effectively from January 1, 2019.

2.16 Trade and Other Payables

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

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement under finance cost in the period in which they are incurred.

2.19 Derivative Financial Instruments

Derivative financial instruments, including interest rate swaps, are initially recognised in the Statement of Financial Position and subsequently are re-measured at their fair value. Derivatives are presented in assets when favourable to the Group or in liabilities when unfavourable to the Group. The transaction costs are included directly in finance costs.

The Group also uses derivative instruments as part of its asset and liability management activities to manage exposures to interest rate. The Group applies cash flow hedge accounting when transactions meet the specified criteria to obtain hedge accounting treatment. The Group's criteria for a derivative instrument to be accounted for as a hedge include:

- At inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;

- The hedge is documented showing that it is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and

- The hedge is highly effective in an ongoing basis.

2.20 Current and Deferred Tax

As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.2778/1999 as in force, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the article 46, par. 2 of L.4389/2016 a floor was set in the REIC tax of 0.375% on the average investments plus cash and cash equivalents, at current prices. The article 53 of Law 4646/2019 abolished the floor. The aforementioned framework also applies to the subsidiaries of the Company domiciled in Greece.

As the tax liability of the Company (and its subsidiaries domiciled in Greece) is calculated on the basis of its investments and cash and cash equivalents rather than on its profits, no temporary differences arise and therefore no deferred tax liabilities and / or assets arise.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income (Note 31). Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.21 Employee Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits. That means that the employer's obligation is limited to the payment of the contributions to the entity. The contributions to defined contribution plans are charged to the income statement in the year to which they relate and are included in "Personnel expenses".

A defined benefit plan is a post-employment benefit plan under that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions. The most significant assumptions include age, years of service or compensation, life expectancy, the discount rate, expected salary increases and pension rates. The difference with defined contribution plans is that the employer is liable for the payment of the agreed benefits to the employee. The only existing defined benefit plan for the Group relates to the payment of a compensation of Greek Law 2112/1920 for its Greek subsidiaries. This program is not self-funded.

For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period using the projected unit credit method. The present value of the defined obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist. Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to the income statement and are included in "Personnel expenses". The defined benefit obligation (net of plan assets) is recorded on the Statement of Financial Position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in Other comprehensive income, with no subsequent recycling to the income statement.

Profit sharing & bonus plans
The group recognises a liability and expense for profit-sharing and bonuses when there is a legal or constructive obligation. A constructive obligation exists where:
(a) there is sufficient past practice that provides clear evidence and a reasonable basis for making a reliable estimate of the amount of the group's constructive obligations; or
(b) the amounts of such benefits to be paid have been determined before the financial statements have been authorized for issuance.

2.22 Provisions

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

2.23 Revenue Recognition

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

Revenue from sale of properties is recognised with the actual sale.

Revenue from hotel and related services is recognized in the accounting period in which the services are provided. Revenue from the sale of development properties is recognized when the material risks and rewards of the property are transferred to the buyer and the collection of the receivable is reasonably assured.

2.24 Interest Income and Finance Costs

Interest income relating to interest on demand deposits and time deposits is recognised in the income statement using the effective interest method.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

Fees and direct costs relating to a loan origination or acquiring a security, financing or restructuring and to loan commitments are deferred and amortised to interest income over the life of the instrument using the effective interest rate method.

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

2.25 Segment Reporting

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

All transactions between business segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

Geographical segments include income from assets that are either located or are managed in the respective geographical areas.

2.26 Related Party Transactions

Related parties include the company's shareholders (Note 34), as well as the entities in which the abovementioned shareholders and the Company have the control or exercise influence in making financial and operating decisions. Additionally, related parties include the members of the Board of Directors, the members of the Management, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating cycles. All transactions with related parties are made on substantially the same terms as those applicable to similar transactions with unrelated parties, including interest rates and collateral, and do not involve a risk greater than normal.

2.27 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

2.28 Earnings per Share

A basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company or held as treasury shares.

A diluted earnings per share ratio is calculated using the same method as the basic EPS, but the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

NOTE 3: Financial Risk Management

3.1 Financial Risk Management

The Group is exposed to a variety of financial risks such as market risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other assets, cash and cash equivalents, trade and other payables and borrowings. The risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

a) Market risk

i) Foreign exchange risk

Foreign exchange risk arises from foreign currency transactions. The Group has international activities but the Group is not significantly exposed to foreign currency risk. The assets and liabilities of the Group are initially recorded in €, which is its functional currency. The Group's exposure to foreign currency risk at December 31, 2019 and December 31, 2018 is not significant.

ii) Price risk

The Group and the Company are not exposed to price risks as they do not hold equity instruments.

The Group is exposed to risk from price changes in non-financial instruments, such as in property values and rents which can originate from:

a) the trends in the real estate market in which the Group operates,
b) the characteristics of properties owned by the Group and
c) events concerning existing tenants of the Group.

The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents. The Group has no significant exposure to price risk relating to financial instruments as it does not hold any equity securities or commodities.

The Group is governed by an institutional framework, and more specifically the l. 2778/1999, under which:
a) periodic valuation of properties by an independent professional valuer is required,
b) a valuation of properties prior to an acquisition or a sale by an independent professional valuer is required,
c) development or repair of properties is permitted if the cost of works does not exceed 40.0% of the final commercial value after the completion of works and
d) the value of each property must not exceed 25.0% of the value of the property portfolio.

This framework contributes significantly to prevent or/and timely manage related risks.

iii) Cash flow and fair value interest rate risk

The Group has interest bearing assets comprising demand deposits and short-term deposits (Note 15). Additionally, the Group has borrowings (Note 18).

The Group is exposed to fluctuations in interest rates prevailing in the market and on its financial position and cash flows. Borrowing costs may increase as a result of such changes or create losses or borrowing costs may be reduced by the occurrence of unexpected events. To reduce the Group's exposure to fluctuations in interest rates of long-term borrowings, the repricing dates are limited by contract to a maximum period of three months. If the reference rate changed by +/-1.00% the effect on the Group's results is estimated to be a decrease by €5,161 and an increase by €1,529, respectively.

b) Credit risk

Credit risk relates to cases of default of counterparties to meet their transactional obligations. The Group has concentration of credit risk with respect to cash and cash equivalents and lease receivables from operating leases.

No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. The Group's maximum exposure results from related party transactions, since the majority of the Group's property portfolio is leased to NBG (2019: 49.2%, 2018: 54.9% of total rental income).

The Group applies IFRS 9 Financial Instruments in relation to the impairment of the Group's financial assets, including lease receivables as well as receivables from customers in the context of hotel operations (city hotel, tourist resort).

The impact of IFRS 9 in the Financial Statements was not material and is disclosed in Note 13.

All amounts expressed in € thousand, unless otherwise stated

c) Inflation Risk

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future. The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

d) Liquidity risk

The current or prospective risk to earnings and capital arising from the Group's inability to collect overdue outstanding financial obligations without incurring unacceptable losses. The Group ensures it has the required liquidity timely in order to timely meet the obligations, through regular monitoring of liquidity needs and collection of amounts due from tenants, the preservation of bridge loans with financial institutions as well as prudent cash management.

The liquidity of the Group is monitored by the Management on a regular basis. The maturity analysis of financial liabilities for the Group and the Company as at December 31, 2019 and 2018 is as follows:

Group:

December 31, 2019	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	14,141	6,935	41,954	133,137	570,875	244,060	**1,011,102**
Other long-term liabilities	-	-	-	681	11,789	3,489	**15,959**
Derivative financial liabilities	-	-	-	4	-	-	**4**
Trade and other payables	1,047	4,852	21,208	-	-	-	**27,107**
Total	**15,188**	**11,787**	**63,162**	**133,822**	**582,664**	**247,549**	**1,054,172**

December 31, 2018	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	3,492	57,439	398,112	9,363	74,398	43,088	**585,892**
Other long-term liabilities	-	-	-	186	424	3,345	**3,955**
Derivative financial liabilities	-	-	164	-	-	-	**164**
Trade and other payables	2,119	5,947	4,271	-	-	-	**12,337**
Total	**5,611**	**63,386**	**402,547**	**9,549**	**74,822**	**46,433**	**602,348**

Company:

December 31, 2019	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	12,700	4,892	17,656	23,482	527,949	183,865	**770,544**
Derivative financial liabilities	-	-	-	178	367	3,181	**3,726**
Trade and other payables	29	3,674	7,396	-	-	-	**11,099**
Total	**12,729**	**8,566**	**25,052**	**23,660**	**528.316**	**187,046**	**785,369**

All amounts expressed in € thousand, unless otherwise stated

December 31, 2018	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	2,756	56,997	288,905	4,353	58,088	-	**411,099**
Other long-term liabilities	-	-	-	59	157	3,210	**3,426**
Derivative financial liabilities	-	-	-	-	-	-	**-**
Trade and other payables	1,004	3,367	3,747	-	-	-	**8,118**
Total	**3,760**	**60,364**	**292,652**	**4,412**	**58,245**	**3,210**	**422,643**

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relate to bond loans of variable and not fixed interest rates, the amount presented is determined by reference to the conditions existing at reporting date – that is, the actual spot interest rates effective as of December 31, 2019 and 2018 respectively, are used for determining the related undiscounted cash flows.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. Consistent with others in the Greek industry, the Group monitors capital on the basis of the gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as shown in the statement of financial position.

The regulatory regime governing REICs in Greece permits to Greek REICs to borrow up to 75.0% of the value of their total assets. The goal of the Group's Management is to optimise the Group's capital structure through the effective use of debt financing.

The table below presents the gearing ratio as at December 31, 2019 and 2018.

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Borrowings	876,280	560,139	659,893	393,759
Total assets	2,427,561	1,885,865	2,028,766	1,686,057
Gearing ratio	**36.1%**	**29.7%**	**32.5%**	**23.4%**

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the years 2019 and 2018 the Group has complied with this obligation.

3.3 Fair Value Estimation of Financial Assets and Liabilities

The Group measures the fair value of financial instruments based on a framework for measuring fair value that categorises financial instruments based on three-level hierarchy in accordance with the hierarchy of the inputs used to the valuation technique, as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. More specifically, the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data. More specifically if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All amounts expressed in € thousand, unless otherwise stated

- *Financial instruments carried at fair value*

The table below analyses financial assets and liabilities of the Group carried at fair value, by valuation method, as at December 31, 2019 and 2018, respectively.

December 31, 2019	**Valuation hierarchy**			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	4	-	**4**

December 31, 2018	**Valuation hierarchy**			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	148	-	**148**

The derivative financial instruments presented above relate to interest rate caps. The fair value of interest rate swaps is calculated, using Bloomberg, as the present value of the estimated future cash flows based on observable yield curves. As a result, the derivative financial instruments are included in Level 2.

There were no transfers between Levels 1 and 2, nor any transfers in and out of Level 3 during the period.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused that transfer.

- *Financial instruments not carried at fair value*

The tables below analyse financial assets and liabilities of the Group not carried at fair value as at December 31, 2019 and 2018, respectively:

December 31, 2019	**Valuation hierarchy**			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	876,280	**876,280**

December 31, 2018	**Valuation hierarchy**			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	560,139	**560,139**

The liabilities included in the tables above are carried at amortized cost and their carrying value approximates their fair value.

As at December 31, 2019 and 2018, the carrying value of cash and cash equivalents, trade and other assets as well as trade and other payables approximates their fair value.

NOTE 4: Critical Accounting Estimates and Judgments

The preparation of consolidated and separate financial statements in accordance with IFRSs requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense in the Group's Financial Statements. The Group's Management believes that the judgments, estimates and assumptions used in the preparation of the consolidated and separate Financial Statements are appropriate given the factual circumstances as of December 31, 2019 and were similar to those used in the preparation of consolidated and separate financial statements for the year ended December 31, 2018.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may, under current circumstances, be undertaken.

4.1. Critical Accounting Estimates and Judgments

The Group makes estimates and assumptions concerning the outcome of future events. Estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Estimate of fair value of the Group's investment property and of the Group's property and equipment which include land and buildings relating to hotel and other facilities acquired through business combinations:

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the amounts are determined within a range of reasonable fair value estimates. Under current legislation REIC, estimates of investment property should be supported by appraisals performed by independent professional valuers on June 30 and December 31 each year. The same applies for the property and equipment which include land and buildings relating to hotel and other facilities. In making its judgment, the independent professional valuer considers information from various sources, including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contacts, and (where possible) from external evidence such as current market rents for similar properties and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Regarding the note (iii) above, for the application of discounted cash flows valuation techniques, assumptions are used which are mainly based on market conditions existing at the date of Financial Statements' preparation.

The principal assumptions underlying the estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; vacant periods; maintenance requirements; appropriate discount rates and capitalization rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market. The future rental rates are estimated on the basis of current rents for similar properties. Further details of the assumptions made are included in Note 6.

NOTE 5: Segment Reporting

During 2019, the way in which the business segments are presented in the internal reports used for taking business decision has changed and as result the presentation of business segments has also changed in the Financial Statements. Due to the acquisitions of Aphrodite Hills Resort Limited and CTDC, which were made by the Group in 2019, the business segment "Hotel" and the geographical segment "Cyprus" were recognized as separate operational segments.

The Group has recognized the following operational segments:

Business Segments:
- Retail big boxes & high street retail,
- Bank Branches
- Offices
- Hotels
- Other (include student housing, storage space, archives, petrol stations and parking spaces)[1],

Geographical Segments:
- Greece
- Italy
- Cyprus
- Other countries[2]

[1] As of 31 December 2018 and 2017, the Segment "Other" also includes Hotels.

[2] In the Other Countries, as of 31 December 2019 are included Romania and Bulgaria whereas as of 31 December 2018 and 2017 are included Romania, Bulgaria and Cyprus.

All amounts expressed in € thousand, unless otherwise stated

A) Business Segments of Group

Year Ended 31 December 2019	**Retail big boxes & high street retail**	**Bank Branches**	**Offices**	**Hotel**	**Other**	**Total**
Rental Income	19,921	41,470	69,274	2,263	2,683	135,611
Revenue from Hospitality & ancillary services	-	-	-	24,070	9,022	33,092
Sale of development properties	-	-	-	-	6,273	6,273
Other	-	-	80	-	-	80
Total Segment Revenue	**19,921**	**41,470**	**69,354**	**26,333**	**17,978**	**175,056**
Gain on disposal of investment property	-	6,284	12,836	-	-	**19,120**
Net gain from the fair value adjustment of investment property	38,892	31,773	82,054	5,567	21,533	**179,819**
Consumables used & Net change in real estate inventories	-	-	-	(3,920)	(5,340)	**(9,260)**
Direct property related expenses & Property taxes-levies	(3,059)	(2,490)	(8,226)	(1,265)	(1,164)	**(16,204)**
Depreciation of property and equipment	-	-	-	(2,616)	(768)	**(3,384)**
Net impairment loss on financial assets	(2,039)	(6)	(70)	(18)	104	**(2,029)**
Net impairment loss on non-financial assets	-	-	-	(3,188)	(3,103)	**(6,291)**
Total Segment Operating profit/(loss)	**53,715**	**77,031**	**155,948**	**20,893**	**29,240**	**336,827**
Unallocated operating income						**19,582**
Unallocated operating expenses						**(34,500)**
Operating Profit						**321,909**
Unallocated interest income						**23**
Unallocated finance costs						**(17,463)**
Allocated finance costs	(763)	-	(1,844)	(1,806)	(614)	**(5,027)**
Unallocated income						**13,903**
Profit before tax						**313,345**
Deferred taxes	(713)	(5)	(769)	(1,612)	(2,963)	**(6,062)**
Unallocated taxes						**(8,381)**
Profit for the period						**298,902**
Segment Assets as at 31 December 2019						
Assets	405,144	503,053	1,036,792	178,579	204,138	**2,327,706**
Unallocated Assets						**99,855**
Total Assets						**2,427,561**
Segment Liabilities as at 31 December 2019						
Liabilities	42,386	1,633	80,173	90,938	55,781	**270,911**
Unallocated Liabilities						**695,741**
Total Liabilities						**966,652**
Non-current assets additions as at 31 December 2019	72,013	7	52,363	29,365	50,872	**204,620**

All amounts expressed in € thousand, unless otherwise stated

Year ended 31 December 2018	Retail big boxes & high street retail	Bank Branches	Offices	Other	Total
Rental Income	17,017	41,372	61,171	1,803	**121,363**
Other	3	-	-	-	**3**
Total Segment Revenue	**17,020**	**41,372**	**61,171**	**1,803**	**121,366**
Net gain from the fair value adjustment of investment property	7,914	570	20,422	17,420	**46,326**
Direct property related expenses & Property taxes-levies	(2,383)	(2,421)	(7,763)	(1,278)	**(13,845)**
Net impairment loss on financial assets	17	0	(216)	(5)	**(204)**
Total Segment Operating profit/(loss)	**22,568**	**39,521**	**73,614**	**17,940**	**153,643**
Unallocated operating income					**2,230**
Unallocated operating expenses					**(8,743)**
Operating Profit					**147,130**
Unallocated interest income					**57**
Unallocated finance costs					**(21,427)**
Allocated finance costs	-	-	(517)	-	**(517)**
Unallocated income					**2,093**
Profit before tax					**127,336**
Unallocated taxes					**(12,232)**
Profit for the period					**115,104**
Segment Assets as at 31 December 2018					
Assets	298,294	487,925	904,142	111,612	**1,801,973**
Unallocated Assets					**83,892**
Total Assets					**1,885,865**
Segment Liabilities as at 31 December 2018					
Liabilities	1,274	1,799	49,788	9,118	**61,979**
Unallocated Liabilities					**537,204**
Total liabilities					**599,183**
Non-current assets additions as at 31 December 2018	30,829	-	90,192	31,581	**152,602**

All amounts expressed in € thousand, unless otherwise stated

Year ended 31 December 2017	Retail big boxes & high street retail	Bank Branches	Offices	Other	Total
Rental Income	13,946	41,220	61,303	1,480	**117,949**
Total Segment Revenue	**13,946**	**41,220**	**61,303**	**1,480**	**117,949**
Net gain / (loss) from the fair value adjustment of investment property	21,430	(4,547)	12,089	(11,806)	**17,166**
Direct property related expenses & Property taxes-levies	(1,860)	(2,356)	(7,819)	(795)	**(12,830)**
Total Segment Operating profit/(loss)	**33,516**	**34,317**	**65,573**	**(11,121)**	**122,285**
Unallocated operating income					**527**
Unallocated operating expenses					**(5,663)**
Operating Profit					**117,149**
Unallocated interest income					**41**
Unallocated finance costs					**(18,405)**
Allocated finance costs	-	-	(3,826)	-	**(3,826)**
Profit before tax					**94,959**
Unallocated taxes					**(11,261)**
Profit for the period					**83,698**
Segment Assets as at 31 December 2017					
Assets	262,619	487,271	794,335	60,098	**1,604,323**
Unallocated Assets					**94,921**
Total Assets					**1,699,244**
Segment Liabilities as at 31 December 2017					
Liabilities	1,442	1,716	57,604	2,446	**63,208**
Unallocated Liabilities					**408,183**
Total liabilities					**471,391**
Non-current assets additions as at 31 December 2017	71,407	-	1,977	-	**73,384**

All amounts expressed in € thousand, unless otherwise stated

B) Geographical Segments of Group

Year Ended 31 December 2019	Greece	Italy	Cyprus	Other Countries	Total
Rental Income	109,495	12,672	6,315	7,129	**135,611**
Revenue from Hospitality & ancillary services	-	-	33,092	-	**33,092**
Sale of development properties	-	-	6,273	-	**6,273**
Other	-	80	-	-	**80**
Total Segment Revenue	**109,495**	**12,752**	**45,680**	**7,129**	175,056
Gain on disposal of investment property	19,120	-	-	-	**19,120**
Net gain / (loss) from the fair value adjustment of investment property	141,014	5,755	30,317	2,733	**179,819**
Consumables used & Net change in real estate inventories	-	-	(9,260)	-	**(9,260)**
Direct property related expenses & Property taxes-levies	(12,428)	(2,582)	(1,058)	(136)	**(16,204)**
Depreciation of property and equipment	-	-	(3,384)	-	**(3,384)**
Net impairment loss on financial assets	(1,810)	(73)	(146)	-	**(2,029)**
Net impairment loss on non-financial assets	-	-	(6,291)	-	**(6,291)**
Total Segment Operating profit/(loss)	**255,391**	**15,852**	**55,858**	**9,726**	**336,827**
Unallocated operating income					**19,582**
Unallocated operating expenses					**(34,500)**
Operating Profit					**321,909**
Unallocated interest income					**23**
Unallocated finance costs					**(17,463)**
Allocated finance costs	(2,773)	-	(908)	(1,346)	**(5,027)**
Unallocated income					**13,903**
Profit before tax					**313,345**
Deferred taxes	**-**	**-**	(5,599)	(463)	**(6,062)**
Unallocated taxes					**(8,381)**
Profit for the period					**298,902**
Segment Assets as at 31 December 2019					
Assets	1,542,662	268,725	412,087	104,232	**2,327,706**
Unallocated Assets					**99,855**
Total Assets					**2,427,561**
Segment Liabilities as at 31 December 2019					
Liabilities	139,092	5,433	84,549	41,837	**270,911**
Unallocated Liabilities					**695,741**
Total Liabilities					**966,652**
Non-current assets additions as at 31 December 2019	17,622	800	186,194	4	**204,620**

All amounts expressed in € thousand, unless otherwise stated

Year ended 31 December 2018	**Greece**	**Italy**	**Other Countries**	**Total**
Rental Income	106,299	12,846	2,218	**121,363**
Other	3	-	-	**3**
Total Segment Revenue	**106,302**	**12,846**	**2,218**	**121,366**
Net gain / (loss) from the fair value adjustment of investment property	20,789	23,427	2,110	**46,326**
Direct property related expenses & Property taxes-levies	(11,414)	(2,274)	(157)	**(13,845)**
Net impairment loss on financial assets	(172)	(32)	-	**(204)**
Total Segment Operating profit/(loss)	**115,505**	**33,967**	**4,171**	**153,643**
Unallocated operating income				**2,230**
Unallocated operating expenses				**(8,743)**
Operating Profit				**147,130**
Unallocated interest income				**57**
Unallocated finance costs				**(21,427)**
Allocated finance costs	(506)	-	(11)	**(517)**
Unallocated income				**2,093**
Profit before tax				**127,336**
Unallocated taxes				**(12,232)**
Profit for the period				**115,104**
Segment Assets as at 31 December 2018				
Assets	1,401,239	262,226	138,508	**1,801,973**
Unallocated Assets				**83,892**
Total Assets				**1,885,865**
Segment Liabilities as at 31 December 2018				
Liabilities	17,856	5,074	39,049	**61,979**
Unallocated Liabilities				**537,204**
Total liabilities				**599,183**
Non-current assets additions as at 31 December 2018	47,214	60	105,328	**152,602**

All amounts expressed in € thousand, unless otherwise stated

Year ended 31 December 2017	**Greece**	**Italy**	**Other Countries**	**Total**
Rental Income	103,602	12,600	1,747	**117,949**
Total Segment Revenue	**103,602**	**12,600**	**1,747**	**117,949**
Net gain / (loss) from the fair value adjustment of investment property	25,894	(8,122)	(606)	**17,166**
Direct property related expenses & Property taxes-levies	(10,289)	(2,421)	(120)	**(12,830)**
Total Segment Operating profit/(loss)	**119,207**	**2,057**	**1,021**	**122,285**
Unallocated operating income				**527**
Unallocated operating expenses				**(5,663)**
Operating Profit				**117,149**
Unallocated interest income				**41**
Unallocated finance costs				**(18,405))**
Allocated finance costs	(3,826)	-	-	**(3,826)**
Profit before tax				**94,959**
Unallocated taxes				**(11,261)**
Profit for the period				**83,698**
Segment Assets as at 31 December 2017				
Assets	1,334,759	238,579	30,985	**1,604,323**
Unallocated Assets				**94,921**
Total Assets				**1,699,244**
Segment Liabilities as at 31 December 2017				
Liabilities	58,420	4,735	53	**63,208**
Unallocated Liabilities				**408,183**
Total liabilities				**471,391**
Non-current assets additions as at 31 December 2017	48,380	-	25,004	**73,384**

All amounts expressed in € thousand, unless otherwise stated

In relation to the above segment analysis we state that:
(a) There are no transactions between business segments.
(b) Segment assets include investment property, inventories, property and equipment, other intangible assets (customer contracts) and trade & other assets.
(c) Unallocated assets include property and equipment, Goodwill, software, equity method investments, investment in joint ventures, cash and cash equivalents, other long-term and current assets.
(d) Unallocated liabilities as of 31 December 2019 and 31 December 2018 mainly include borrowings amounted to €675,801 and €521,504 respectively.

Concentration of customers

NBG, lessee of the Group, represent more than 10% of Group's rental income. Rental income from NBG for the year ended December 31, 2019 amounted to €66,674, i.e. 49.2% (31 December 2018: €66,688, i.e. 54.9%).

NOTE 6: Investment Property

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance at the beginning of the period	**1,779,481**	**1,580,698**	**1,359,579**	**1,309,775**
Additions:				
- Direct acquisition of investment property	7,587	42,784	7,587	28,840
- Acquisitions through business combinations (Note 8)	176,921	84,600	-	-
- Acquisitions of subsidiaries other than through business combinations (Note 8)	10,865	24,257	-	-
- Subsequent capital expenditure on investment property	9,247	961	6,805	901
- Transfer from property and equipment	-	13	-	13
- Transfer to property and equipment	-	(158)	-	-
- Disposal of investment property	(73,880)	-	(73,880)	-
Net gain from the fair value adjustment of investment property	179,819	46,326	137,173	20,050
Balance at the end of the period	**2,090,040**	**1,779,481**	**1,437,264**	**1,359,579**

On December 13, 2019, the Company concluded the acquisition of a commercial property, located at 12 Olympou Street and 19 Gladstonos street, in Thessaloniki, for a total consideration of €1,260 (not including acquisition costs of €71). The fair value of the property at the acquisition date, according to the valuation performed by the independent statutory valuers, amounted to €1,325. The total area of the property is c. 4.9 thousand sq.m.. The aim of the Company is the renovation of the property and the development in student houses and apartments of short-term lease. The total cost of the renovation will amount to c. €2,687.

On November 15, 2019, the Company concluded the acquisition of 100% of the shares of the company "ILDIM Monoprosopi Private Capital Company" ("ILDIM M.IKE") based in Greece (Note 9) for which a preliminary agreement had been signed on May 13, 2019. The company owns a building of commercial warehouses with modern specifications, with a total area of approximately 5.1 thousand sq.m., which is already leased to a creditworthy tenant. The acquisition value of the property amounted to €2,757 and its fair value, according to the valuation performed by the independent statutory valuers, amounted to €2,899.

On November 14, 2019 the Company concluded the acquisition of a commercial property located at 44 Syggrou Aveenue, Donta strret and Falirou street, in Athens, of a total area of 5.5 thousand sq.m.. The final consideration for the acquisition amounted to €5,882 (not including acquisition costs of €374) and its fair value, according to the valuation performed by the independent statutory valuers, amounted to €5,960.

On November 7, 2019, the Company together with the company Cante Holdings Ltd, interests of Dimand S.A. and EBRD, were pronounced, according to the decision with No 382/2019 of the Financial Committee of the Municipality of Piraeus, as the successful bidders and thus as temporary contractors for the long-term lease, i.e. 99 years, of the Naval and Commercial Centre of Piraeus ("Piraeus Tower") with a total area of approximately 32 thousand sq.m. The development of the property includes mixed uses which will comprise of, among others, underground parking spaces, ground floor retail spaces and offices on the upper floors, taking into account the prime area in which the property is located.

On October 31, 2019, the Company proceeded with the signing of notarial preliminary agreements for the acquisition of a commercial property located in Athens, for a total consideration of €2,300. The acquisition of the property was concluded on January 28, 2020, see "Events after the Date of the Interim Financial Statements" below.

On June 25, 2019, the Company concluded the acquisition of the 100% of the management shares and 88.23% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus (Note 9). CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). CYREIT is supervised by the Cyprus Securities and Exchange Commission and its investment shares are listed on the Cyprus Stock Exchange (in the Market of Non-Trading Investment Plans). The acquisition cost of the properties at the acquisition date amounted to €147,635 and its fair value amounted to €163,021, according to the valuation performed by the independent statutory valuers.

On April 18, 2019, the company Vibrana Holdings Ltd., in which the Company participates by 90% (Note 10), concluded the acquisition of thethe 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Company Limited" ("CTDC"). The fair value of the investment property, excluding the Hotel & Other facilities (Note 7), amounted to €10,200 at the acquisition date.

On March 28, 2019, the Company proceeded with the acquisition of a majority stake (60%) of the company Aphrodite Springs Public Limited in Paphos, Cyprus (Note 9). Aphrodite Springs spreads over 150 hectares of land, adjacent to Aphrodite Hills Resort, and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses. The acquisition value of the land plot amounted to €8,108 and the fair value at the date of the acquisition amounted to €25,500. At the same date, the Company proceeded with the acquisition of a majority stake (60%) of the company Aphrodite Hills Resort Limited in Paphos, Cyprus (Note 9). The fair value of the investment property at the date of the acquisition, not including the hotel and the other relating to the hotel facilities (Note 7), amounted to €3,700.

Management always evaluates the optimal management of the Group's portfolio property, including a possible sale if market conditions are appropriate. In this context, on December 19, 2019, the Company concluded the disposal of four investment properties in Athens. The total sale price amounted to €93,000 while their book value at the date of disposal was €73,880. The gain from the disposal of the investment property amounted to €19,120. From the total consideration, the Company received an amount of €32,550 until the December 31, 2019 whereas an amount of €60,450 was recognized in trade & other assets (Note 13). In addition, Management examines the possibility of the disposal of the investment in Picasso Fund.

The Group's borrowings which are secured on investment property are stated in Note 18.

The Group's investment property is measured at fair value. The table below presents the Group's investment property per business segment and geographical area as at 31 December 2019 and 2018. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period, there were no transfers into and out of Level 3.

All amounts expressed in € thousand, unless otherwise stated

	Greece				Italy			Romania		Cyprus				Bulgaria		31.12.2019
Segment	**Retail**	**Offices**	**Hotels**	**Other[1]**	**Retail**	**Offices**	**Other[2]**	**Retail**	**Offices**	**Retail**	**Offices**	**Hotels**	**Other[3]**	**Retail**	**Offices**	**Total**
Level	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**725,300**	**615,941**	**14,013**	**26,689**	**14,321**	**189,344**	**55,590**	**1,226**	**5,344**	**23,688**	**2,115**	**11,200**	**-**	**10,110**	**84,600**	**1,779,481**
Additions:																
Direct Acquisition	-	-	6,257	1,330	-	-	-	-	-	-	-	-	-	-	-	**7,587**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	71,391	46,174	22,002	37,354	-	-	**176,921**
Acquisitions other than through business combinations	-	-	-	2,757	-	-	-	-	-	-	-	-	8,108	-	**-**	**10,865**
Subsequent capital expenditure on investment property	571	6,185	522	-	-	-	800	-	-	58	-	584	523	-	4	**9,247**
Disposal of Investment Property	(24,514)	(49,366)	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**(73,880)**
Transfers among segments	(11,248)	2,773	8,475	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Net gain / (loss) from the fair value adjustment of investment property	66,046	69,575	3,482	1,911	(345)	9,600	(3,500)	(22)	82	4,695	415	2,085	23,122	291	2,382	**179,819**
Fair value at the end of the period	**756,155**	**645,108**	**32,749**	**32,687**	**13,976**	**198,944**	**52,890**	**1,204**	**5,426**	**99,832**	**48,704**	**35,871**	**69,107**	**10,401**	**86,986**	**2,090,040**

[1] The segment "Other" in Greece includes student housing, commercial warehouses, storage spaces, archives, petrol stations and parking spaces.
[2] The segment "Other" in Italy relates to land plot and storage space.
[3] The segment "Other" in Cyprus relates to land plot, storage spaces and other properties with special use.

All amounts expressed in € thousand, unless otherwise stated

The segment “Retail” is further analysed as below:

Country	**Greece**		**Italy**		**Romania**	**Cyprus**	**Bulgaria**	
Segment	**Retail big boxes & high street retail**	**Bank Branches**	**Retail big boxes & high street retail**	**Bank Branches**	**Bank Branches**	**Retail big boxes & high street retail**	**Retail big boxes & high street retail**	**Total 31.12.2019**
Level	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**242,403**	**482,897**	**10,651**	**3,670**	**1,226**	**23,688**	**10,110**	**774,645**
Additions:								
Acquisitions through business combinations	-	-	-	-	-	71,391	-	**71,391**
Subsequent capital expenditure on investment property	564	7	-	-	-	58	-	**629**
Disposal of Investment Property	-	(24,514)	-	-	-	-	-	**(24,514)**
Transfers among segments	(5,294)	(5,954)	-	-	-	-	-	**(11,248)**
Net gain / (loss) from the fair value adjustment of investment property	34,161	31,885	(255)	(90)	(22)	4,695	291	**70,665**
Fair value at the end of the period	**271,834**	**484,321**	**10,396**	**3,580**	**1,204**	**99,832**	**10,401**	**881,568**

All amounts expressed in € thousand, unless otherwise stated

	Greece			Italy			Romania		Cyprus			Bulgaria		31.12.2018
Segment	**Retail**	**Offices**	**Other[1]**	**Retail**	**Offices**	**Other[2]**	**Retail**	**Offices**	**Retail**	**Offices**	**Other[3]**	**Retail**	**Offices**	**Total**
Level	3	3	3	3	3	3	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**697,233**	**600,129**	**16,723**	**14,210**	**179,790**	**41,768**	**1,230**	**5,218**	**22,646**	**1,751**	**-**	**-**	**-**	**1,580,698**
Additions:														
Direct Acquisition of investment property	20,829	5,175	7,252	-	-	-	-	-	-	-	-	9,528	-	42,784
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	84,600	84,600
Acquisitions other than through business combinations	-	-	13,057	-	-	-	-	-	-	-	11,200	-	-	24,257
Subsequent capital expenditure on investment property	472	417	12	-	-	60	-	-	-	-	-	-	-	961
Transfers from property & equipment	13	-	-	-	-	-	-	-	-	-	-	-	-	13
Transfers to property & equipment		(158)	-	-	-	-	-	-	-	-	-	-	-	**(158)**
Net gain / (loss) from the fair value adjustment of investment property	6,753	10,378	3,658	111	9,554	13,762	(4)	126	1,042	364	-	582	-	**46,326**
Fair value at the end of the period	**725,300**	**615,941**	**40,702**	**14,321**	**189,344**	**55,590**	**1,226**	**5,344**	**23,688**	**2,115**	**11,200**	**10,110**	**84,600**	**1,779,481**

[1] The segment “Other” in Greece includes student housing, commercial warehouses, storage spaces, archives, petrol stations and parking spaces.
[2] The segment “Other” in Italy relates to land plot and storage space.
[3] The segment “Other” in Cyprus relates to a city hotel.

All amounts expressed in € thousand, unless otherwise stated

The segment “Retail” is further analysed as below:

Country	**Greece**		**Italy**		**Romania**	**Cyprus**	**Bulgaria**	
Segment	**Retail big boxes & high street retail**	**Bank Branches**	**Retail big boxes & high street retail**	**Bank Branches**	**Bank Branches**	**Retail big boxes & high street retail**	**Retail big boxes & high street retail**	**Total 31.12.2018**
Level	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**214,840**	**482,393**	**10,610**	**3,600**	**1,230**	**22,646**	**-**	**735,319**
Additions:								
Direct Acquisition of investment property	20,829	-	-	-	-	-	9,528	**30,357**
Subsequent capital expenditure on investment property	472	-	-	-	-	-	-	**472**
Transfers from property & equipment	13	-	-	-	-	-	-	**13**
Net gain / (loss) from the fair value adjustment of investment property	6,249	504	41	70	(4)	1,042	582	**8,484**
Fair value at the end of the period	**242,403**	**482,897**	**10,651**	**3,670**	**1,226**	**23,688**	**10,110**	**774,645**

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area for 31.12.2019:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail big boxes & high street retail	271,834	15%-20% market approach and 80%-85% discounted cash flows (DCF)	1,527	6.23% - 10.35%	5.45% - 9.50%
Greece	Bank Branches	484,321	15%-20% market approach and 80%-85% DCF	2,183	7.02% - 9.96%	5.75% - 8.50%
Greece	Offices	645,108	15%-20% market approach and 80%-85% DCF	3,547	7.22% - 10.25%	6.00% - 9.00%
Greece	Hotels	32,749	0%-15%-20% market approach and 80%-85%-100% DCF	-	8.10% - 10.05%	7.25% - 8.25%
Greece	Other[1]	32,687	0%-15%-20% market approach and 80%-85%-100% DCF	200	9.39% - 10.75%	8.00% - 9.00%
Italy	Retail big boxes & high street retail	10,396	0% market approach and 100% DCF	55	6.70% - 7.10%	4.60% - 5.40%
Italy	Bank Branches	3,580	0% market approach and 100% DCF	16	6.55%	4.80%
Italy	Offices	198,944	0% market approach and 100% DCF	1,102	6.74% - 7.60%	4.60% - 6.00%
Italy	Other[2]	52,500	0% market approach and 100% residual method	-	-	-
Italy	Other[3]	390	0% market approach and 100% DCF	2	6.55%	5.70%
Romania	Bank Branches	1,204	15% market approach and 85% DCF	11	9.06% - 10.81%	7.75% - 9.50%
Romania	Offices	5,426	15% market approach and 85% DCF	31	9.06% - 10.81%	7.75%
Cyprus	Retail big boxes & high street retail	99,832	0%-15%-20% market approach and 80%-85%-100% DCF	465	6.90% - 9.45%	5.00% - 8.00%
Cyprus	Offices	48,704	15%-20% market approach and 80%-85% DCF	250	6.79% - 7.87%	5.00% - 6.09%
Cyprus	Hotels	35,871	0% market approach and 100% DCF	-	9.60% - 10.00%	8.25%-8.50%
Cyprus	Other[4]	69,107	0%-20% market approach and 80%-100% DCF	132	6.79% - 15.70%	5.00% - 9.00%
Bulgaria	Retail big boxes & high street retail	10,401	0% market approach and 100% DCF	178	10.97%	8.75%
Bulgaria	Offices	86,986	20% market approach and 80% DCF	547	8.96%	7.51%
		2,090,040				

[1] The segment "Other" in Greece includes student housing, storage spaces, archives, petrol stations and parking spaces.
[2] The segment "Other" in Italy relates to land plot.
[3] The segment "Other" in Italy relates to storage space.
[4] The segment "Other" in Cyprus relates to land plot, storage spaces and other properties with special use.

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area for 31.12.2018:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail big boxes & high street retail	242,403	15%-20% market approach and 80%-85% discounted cash flows (DCF)	1,395	7.25% - 10.49%	6.25% - 9.25%
Greece	Bank Branches	482,897	15%-20% market approach and 80%-85% DCF	2,273	7.19% - 10.39%	6.00% - 9.00%
Greece	Offices	615,941	15%-20% market approach and 80%-85% DCF	3,302	8.17% - 10.73%	7.00% - 9.50%
Greece	Hotels	14,013	0%-15%-20% market approach and 80%-85%-100% DCF	-	9.41% - 11.21%	7.75% - 9.00%
Greece	Other[1]	26,689	0%-15%-20% market approach and 80%-85%-100% DCF	166	10.64%- 12.20%	8.50% - 11.75%
Italy	Retail big boxes & high street retail	10,651	0% market approach and 100% DCF	58	5.43% - 6.90%	5.10% - 6.35%
Italy	Bank Branches	3,670	0% market approach and 100% DCF	19	6.14%	5.00%
Italy	Offices	189,344	0% market approach and 100% DCF	1,027	5.85% - 8.19%	5.10% - 6.90%
Italy	Other[2]	55,100	0% market approach and 100% residual method	-	-	-
Italy	Other[3]	490	0% market approach and 100% residual method	2	-	4.50%
Romania	Bank Branches	1,226	20% market approach and 80% DCF	10	9.55% - 10.80%	7.75% - 9.00%
Romania	Offices	5,344	20% market approach and 80% DCF	35	9.55%	7.75%
Cyprus	Retail big boxes & high street retail	23,688	20% market approach and 80% DCF	88	7.60%	6.25%
Cyprus	Offices	2,115	20% market approach and 80% DCF	8	7.60%	6.25%
Cyprus	Hotels	11,200	20% market approach and 80% DCF	-	9.97%	7.50%
Bulgaria	Retail big boxes & high street retail	10,110	0% depreciated replacement cost and 100% DCF	131	10.26%	8.10%
Bulgaria	Office	84,600	20% market approach and 80% DCF	549	9.31%	7.50%
		1,779,481				

[1] The segment “Other” in Greece includes student housing, storage spaces, archives, petrol stations and parking spaces.
[2] The segment “Other” in Italy relates to land plot.
[3] The segment “Other” in Italy relates to storage space.

The Group's investment property is measured at fair value. The table below presents the Group's investment property per business segment and geographical area for December 31, 2019. The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period, there were no transfers into and out of Level 3.

The last valuation of the Group's properties was performed at December 31, 2019 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force. For the Group's portfolio the market approach and the discounted cash flow (DCF) method were used, for the majority of the valuations. For the valuation of the Group's properties, except for one property, the discounted cash flow (DCF) method was assessed by the independent valuers to be the most appropriate.

For the valuation of Group's properties in Greece, Cyprus and Romania, the method of discounted cash flow (DCF) was used in all properties and in the most properties the market approach. For the weighing of the two methods (DCF and market approach), the rates 80%, 85% or 100% for the DCF method and 20%, 15% or 0%, respectively, for the market approach have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, such as the properties of our portfolio, transact in the market.

For the retail property in Bulgaria, two methods were used, the method of discounted cash flow (DCF) and the market approach. For the weighing of the two methods the rates 100% for the DCF method and 0% for the depreciated replacement cost method have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised one, transact in the market, while the property is under development thus the other methods are considered as less appropriate.

For the office property in Bulgaria, two methods were used, the discounted cash flow (DCF) method and the market approach. For the weighing of the two methods (DCF and market approach), the rates 80% for the DCF method and 20% for the market approach, respectively have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised one, transact in the market.

For the properties in Italy, which constitute commercial properties (offices, retail and storage spaces), the independent valuers used two methods, the discounted cash flow (DCF) method and the market approach, as shown in the table above. For the weighing of the two methods the rates 100% for the DCF method and 0% for the market approach have been applied. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised ones, transact in the market and represents the common appraisal practice, while the value derived by using the market approaches is very close to the one derived by using the DCF method.

Specifically, for the property in Torvaianica area, in the municipality of Pomezia, Rome, which is a land plot with development potential, two methods were used, the residual method and the market approach according to the the data depicted in the above table. For the weighing of the two methods the rates 100% for the residual method and 0% for the market approach have been applied. The increased weighting for the residual method is due to the fact that the valuers take into consideration the current development plan, which is difficult to be considered by using another method, and and that the value derived by using the market approach is very close to the one derived by using the residual method.

The abovementioned valuation had as a result a net gain from fair value adjustment of investment property amounting to €179,819 for the Group and €137,173 for the Company (31 December 2018: net gain of €46,326 for the Group and €20,050 for the Company).

Were the discount rate as at December 31, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €116,524 or higher by €130,952, respectively.

Were the capitalization rate as at December 31, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €54,121 or higher by €66,511, respectively.

Were the sale price per square meter future residency development used in the estimates to determine the fair value of the land plot of Aphrodite Springs Public Limited and of the the Hotel “The Landmark Nicosia” as at December 31, 2019, different by +/- 10% from Management's estimates, the carrying amount of investment property would be estimated to be €24,500 higher or €24,200 lower, respectively.

Were the cost per square meter of future housing development used in the estimates to determine the fair value of the land plot of Aphrodite Springs Public Limited and of the the Hotel “The Landmark Nicosia” as at December 31, 2019, different by +/- 10% from Management's estimates, the carrying amount of investment property would be estimated to be €15,000 higher or €15,200 lower, respectively.

Were the sales price/rental value of the development as at December 31, 2019, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €66,696 higher or €66,622 lower, respectively.

Were the construction cost of the development as at December 31, 2019, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €54,389 lower or €54,463 higher, respectively.

All amounts expressed in € thousand, unless otherwise stated

NOTE 7: Property and Equipment

Group	Land and buildings (Administrative Use)	Land and buildings (Hotel & Other Facilities)	Motor vehicles	Fixtures and equipment	Leasehold improvements	Assets under construction & Advances	Right-of-use Asset	Total
Cost or Fair value								
Balance at January 1, 2018	**2,153**	**-**	**2**	**20**	**-**	**47**	**-**	**2,222**
Additions	-	-	-	2	-	-	-	**2**
Transfer to investment property	-	-	-	-	-	(13)	-	**(13)**
Other transfers	282	-	7	291	-	(33)	-	**547**
Balance at December 31, 2018	**2,435**	**-**	**9**	**313**	**-**	**1**	**-**	**2,758**
Accumulated depreciation								
Balance at January 1, 2018	**(149)**	**-**	**(2)**	**(13)**	**-**	**-**	**-**	**(164)**
Depreciation charge	(21)	-	-	(3)	-	-	-	**(24)**
Other transfers	(123)	-	(7)	(291)	-	-	-	**(421)**
Balance at December 31, 2018	**(293)**	**-**	**(9)**	**(307)**	**-**	**-**	**-**	**(609)**
Net book value at December 31, 2018	**2,142**	**-**	**-**	**6**	**-**	**1**	**-**	**2,149**
Cost or Fair value								
Balance at January 1, 2019	**2,435**	**-**	**9**	**313**	**-**	**1**	**-**	**2,758**
Impact of IFRS 16	-	-	-	-	-	-	207	**207**
Balance at January 1, 2019 adjusted for impact of IFRS 16	**2,435**	**-**	**9**	**313**	**-**	**1**	**207**	**2,965**
Additions	-	1,133	-	898	66	-	271	**2,368**
Additions through acquisition of subsidiary (Note 8)	-	101,519	-	7,093	-	-	1,158	**109,770**
Revaluation	-	1,462	-	-	-	-	-	**1,462**
Other	-	-	-	3	-	-	(5)	**(2)**
Balance at December 31, 2019	**2,435**	**104,114**	**9**	**8,307**	**66**	**1**	**1,631**	**116,563**
Accumulated depreciation								
Balance at January 1, 2019	**(293)**	**-**	**(9)**	**(307)**	**-**	**-**	**-**	**(609)**
Depreciation charge	(21)	(978)	-	(1,260)	(4)	-	(468)	**(2,731)**
Impairment	-	(3,188)	-	-	-	-	-	**(3,188)**
Balance at December 31, 2019	**(314)**	**(4,166)**	**(9)**	**(1,567)**	**(4)**	**-**	**(468)**	**(6,528)**
Net book value at December 31, 2019	**2,121**	**99,948**	**-**	**6,740**	**62**	**1**	**1,163**	**110,035**

All amounts expressed in € thousand, unless otherwise stated

The category “Land and buildings - Hotel & Other Facilities” of the Group comprises of the properties of Aphrodite Hills Resort Limited in which the Company acquired a majority stake (60%) on March 28, 2019 (Note 9) and the properties of the “The Cyprus Tourism Development Company Limited” which the Company acquired, through its subsidiary Vibrana Holdings Ltd., on April 18, 2019 (Note 9). Aphrodite Hills Resort has the only certified PGA National Cyprus golf course in Paphos, as well as hotel facilities and other properties related to the use, operation and exploitation of the resort. CTDC is the owner of the 5* hotel “The Landmark Nicosia” in Nicosia, Cyprus.

Information about fair value measurement of the category “Land and buildings - Hotel & Other Facilities” as of December 31, 2019 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Cyprus	Hotels	99,948	100% DCF	-	8.74% - 14.12%	7.50%-9.00%

Were the discount rate as at December 31, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €7,710 or higher by €8,740, respectively.

Were the capitalization rate as at December 31, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €6,000 or higher by €6,825, respectively.

Company	Land and buildings (Administrative use)	Motor vehicles	Fixtures and equipment	Assets under construction & Advances	Right-of-use Asset	Total
Cost						
At January 1, 2018	**2,435**	**9**	**310**	**46**	**-**	**2,800**
Additions	-	-	1	-	-	**1**
Transfer to investment property	-	-	-	(13)	-	**(13)**
Other transfers	-	-	-	(33)	-	**(33)**
At December 31, 2018	**2,435**	**9**	**311**	**-**	**-**	**2,755**
Accumulated depreciation						
At January 1, 2018	**(272)**	**(9)**	**(303)**	**-**	**-**	**(584)**
Depreciation charge	(21)	-	(3)	-	-	**(24)**
At December 31, 2018	**(293)**	**(9)**	**(306)**	**-**	**-**	**(608)**
Net book value December 31, 2018	**2,142**	**-**	**5**	**-**	**-**	**2,147**
Cost						
Balance at January 1, 2019	**2,435**	**9**	**311**	**-**	**-**	**2,755**
Impact of IFRS 16	-	-	-	-	95	**95**
Balance at January 1, 2019 adjusted for impact of IFRS 16	**2,435**	**9**	**311**	**-**	**95**	**2.850**
Additions	-	-	346	-	152	**498**
Balance at December 31, 2019	**2,435**	**9**	**657**	**-**	**247**	**3,348**
Accumulated depreciation						
Balance at January 1, 2019	**(293)**	**(9)**	**(306)**	**-**	**-**	**(608)**
Depreciation charge	(21)	-	(19)	-	(67)	**(107)**
Balance at December 31, 2019	**(314)**	**(9)**	**(325)**	**-**	**(67)**	**(715)**
Net book value at December 31, 2019	**2,121**	**-**	**332**	**-**	**180**	**2,633**

Land and buildings comprise the owner-occupied property of the Company located at 6, Karageorgi Servias Street, Athens, used for administration purposes.

All amounts expressed in € thousand, unless otherwise stated

During the year ended December 31, 2019 an impairment loss of Group's and Company's property and equipment was recognised amounted to €3,188 and Nil for the Group and the Company respectively. (December 31, 2018: Nil for Group and Company). Impairment loss is included in the item "Net impairment loss on non-financial assets" in the Income Statement for the year ended as of December 31, 2019.

The borrowings of Group and Company are secured on land and buildings of the Company and the Group (Note 18).

Note 8: Goodwill, Software and Other Intangible Assets

Group	Software	Other (Customer Contracts)	Goodwill	Total
Cost				
Balance at January 1, 2018	**428**	-	-	**428**
Balance at December 31, 2018	**428**	**-**	**-**	**428**
Accumulated amortisation				
Balance at January 1, 2018	**(298)**	**-**	**-**	**(298)**
Amortisation charge	(29)	-	-	**(29)**
Balance at December 31, 2018	**(327)**	**-**	**-**	**(327)**
Net book value at December 31, 2018	**101**	**-**	**-**	**101**
Cost				
Balance at January 1, 2019	**428**	**-**	**-**	**428**
Acquisition of subsidiary (Note 8)	33	13,200	1,832	**15,064**
Additions	129	-	**-**	**129**
Balance at December 31, 2019	**590**	**13,200**	**1,832**	**15,622**
Accumulated amortisation				
Balance at January 1, 2019	**(327)**	**-**	**-**	**(327)**
Amortisation charge	(54)	(768)	-	**(822)**
Balance at December 31, 2019	**(381)**	**(768)**	**-**	**(1,149)**
Net book value at December 31, 2019	**209**	**12,432**	**1,832**	**14,473**

Other intangible assets of €12,432 as of December 31, 2019 relate to management and service contracts directly related and relevant with the use, operation and exploitation of the holiday villas and apartments which are located in Aphrodite Hills Resort.

On April 18, 2019 the Group, through the indirect acquisition of the company "The Cyprus Tourism Development Company Limited" ("CTDC"), recognized a goodwill amounting to €1,832 (Note 9).

All amounts expressed in € thousand, unless otherwise stated

NOTE 9: Acquisition of Subsidiaries (business combinations and asset acquisitions)

a) Business Combinations

The Company proceeded with the acquisitions of CYREIT Variable Investment Company PLC, The Cyprus Tourism Development Company Limited and Aphrodite Hills Resort Limited (hereinafter "Acquisitions") during the year ended December 31, 2019 as part of its investment policy:

- On June 25, 2019 the Company concluded the acquisition of 100% of the management shares and 88.23% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus. CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). CYREIT is supervised by the Cyprus Securities and Exchange Commission and its investment shares are listed on the Cyprus Stock Exchange (in the Market of Non-Trading Investment Plans).

  The acquisition was accounted for as a business combination. Therefore, all transferred assets and liabilities of CYREIT were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

  The following table summarizes the provisional fair values of assets and liabilities of CYREIT as of the date of acquisition, which is June 25, 2019:

	25.06.2019
ASSETS	
Investment property	163,021
Cash and cash equivalents	10,582
Other assets	2,273
Total assets	**175,876**
LIABILITIES	
Deferred tax (Note 19)	(3,077)
Other liabilities	(1,269)
Total liabilities	**(4,346)**
Fair value of acquired interest in net assets	**171,530**
Fair value of acquired interest in net assets attributable to non-controlling interests	(20,189)
Negative Goodwill	(10,904)
Total purchase consideration	**140,437**

Source: Unaudited financial information

The consideration for the acquisition of CYREIT amounted to €140,437, out of which amount of €2,836 will be paid out gradually subject to conditions that have been agreed to between the parties. The consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) amounted to €10,904 was recognized directly in the Income Statement for the year ended 31 December 2019 in "Negative goodwill from acquisition of subsidiaries". The expenses for the acquisition of CYREIT up to December 31, 2019 amounted to €465, out of which an amount of €139 was recognized in "Other Direct property related expenses" in the Income Statement for the year ended December 31, 2019 and an amount of €326 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

All amounts expressed in € thousand, unless otherwise stated

- On April 18, 2019 the company Vibrana Holdings Ltd., in which the Company owns 90% of its share capital (Note 9), concluded on the acquisition of 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Company Limited" ("CTDC"). The consideration for the acquisition of 97.93% of CTDC shares from Vibrana amounted to €55,625, through the public offer submitted on February 26, 2019 for the acquisition of at least 90% and up to 100% of the shares of CTDC. The consideration that corresponds to the indirect percentage of the Company (90% of the 97.93%) amounted to €50,063. CTDC is the owner of the 5* hotel "The Landmark Nicosia" in Nicosia, Cyprus.

  The acquisition was accounted for as a business combination. Therefore, all transferred assets and liabilities of CTDC were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

  The following table summarizes the provisional fair values of assets and liabilities of CTDC as of the date of acquisition, which is April 18, 2019:

	18.04.2019
ASSETS	
Investment Property (Note 6)	10,200
Property and Equipment (Note 7)	53,400
Intangible Assets (Note 8)	33
Inventories	176
Cash and cash equivalents	1,780
Other assets	475
Total assets	**66,064**
LIABILITIES	
Borrowings	(1,476)
Deferred tax (Note 18)	(7,841)
Other liabilities	(2,022)
Total liabilities	**(11,339)**
Fair value of acquired interest in net assets	**54,725**
Fair value of acquired interest in net assets attributable to non-controlling interests	(6,494)
Goodwill (Note 8)	1,832
Total purchase consideration	**50,063**

  Source: Unaudited financial information

  The consideration for the acquisition of CTDC was set at €50,063. The consideration was higher than the fair value of the net assets acquired by €1,832 (Goodwill). The expenses for the acquisition of CTDC up to December 31, 2019 amounted to €389, out of which an amount of €339 was recognized in "Other Direct property related expenses" in the Income Statement for the year period ended December 31, 2019 and an amount of €50 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

  On August 13, 2019, Vibrana Holdings Ltd. exercised its right to acquire 100% of CTDC shares for an additional consideration of €1,178, so as of December 31, 2019, Vibrana holds 100% of CTDC's shares. This transaction resulted in the reduction of non-controlling interests by €1,035 and the recognition of a loss on the Group's equity of €25.

- On March 28, 2019, the Company proceeded with the acquisition of a majority stake (60% of the share capital) of the company Aphrodite Hills Resort Limited in Paphos, Cyprus (Note 6, 7 and 8). The aforementioned acquisition was accounted for as a business combination. Therefore, all transferred assets and liabilities of Aphrodite Hills Resort Limited were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

All amounts expressed in € thousand, unless otherwise stated

The following table summarizes the provisional fair values of assets and liabilities of Aphrodite Hills Resort Limited as of the date of acquisition, which is March 28, 2019:

	28.03.2019
ASSETS	
Investment property (Note 6)	3,700
Property and equipment (Note 7)	56,371
Intangible assets (Note 8)	13,200
Equity method investments	340
Inventories	37,066
Cash and cash equivalents	3,408
Other assets	8,391
Total assets	**122,476**
LIABILITIES	
Borrowings	(70,311)
Deferred tax (Note 21)	(7,014)
Other liabilities	(20,219)
Total liabilities	**(97,544)**
Fair value of acquired interest in net assets	**24,932**
Fair value of acquired interest in net assets attributable to non-controlling interests	(9,973)
Negative Goodwill	(2,668)
Total purchase consideration	**12,291**

Source: Unaudited financial information

Inventories include residences and land plot for the development of residences for their subsequent sale. The Company and its partners aim to continue to expand the resort as there is a significant residual building factor for the development of additional housing.

The consideration for the acquisition of Aphrodite Hills Resort Limited amounted to €12,291, while the Company also paid to Aphrodite Hills Resort Limited an amount of €17,080 for repayment (in proportion to its participation) of the company's existing financing obligations. The amount of €17,080 is included in the Statement of Financial Position of the Company as of December 31, 2019 in the item "Other long-term assets". The consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) amounted to €2,668 was recognized directly in the Income Statement for the year ended December 31, 2019 in "Negative goodwill from acquisition of subsidiaries". The expenses for the acquisition of Aphrodite Hills Resort Limited up to December 31, 2019 amounted to €365, out of which an amount of €362 was recognized in "Other direct property related expenses" in the Income Statement for the year ended December 31, 2019 and an amount of €3 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

Contribution in Group's figures

For the better understanding of the impact of the acquisitions on the Group's Income Statement for the year ended December 31, 2019, the following is a summary of the results of the acquiree companies incorporated in the results of the Group, as well as the results of the Group as the acquisition had not took place.

All amounts expressed in € thousand, unless otherwise stated

	Group without the Acquisitions From 01.01. to 31.12.2019	Aphrodite Hills Resort Limited from 29.03. to 31.12.2019	CTDC from 19.04. to 31.12.2019	CYREIT from 26.06. to 31.12.2019	Group with the Acquisitions from 01.01. to 31.12.2019
Revenue	130,953	31,886	7,616	4,601	175,056
	130,953	**31,886**	**7,616**	**4,601**	**175,056**
Net gain from the fair value adjustment of investment property	169,230	41	4,700	5,848	179,819
Gain on disposal of investment property	19,120	-	-	-	19,120
Direct property related expenses	(5,677)	(30)	-	(840)	(6,547)
Property taxes-levies	(9,536)	(5)	-	(116)	(9,657)
Personnel expenses – Investment Property	(5,576)	-	-	(20)	(5,596)
Personnel expenses – Hospitality and ancillary services	-	(9,078)	(2,793)		(11,871)
Consumables used	-	(3,361)	(559)	-	(3,920)
Net change in real estate inventories	-	(5,340)	-	-	(5,340)
Depreciation of property and equipment and amortisation of intangible assets	(142)	(2,758)	(653)	-	(3,553)
Net change in fair value of financial instruments at fair value through profit or loss	61	-	-	-	61
Net impairment loss on financial assets	(1,878)	93	10	(254)	(2,029)
Net impairment loss on non-financial assets	-	(3,103)	(3,188)	-	(6,291)
Other income	19,466	-	10	45	19,521
Other expenses – Investment Property	(4,624)	-	-	(121)	(4,745)
Other expenses – Hospitality and ancillary services	-	(9,549)	(2,253)	-	(11,802)
Corporate Responsibility	(317)	-	-	-	(317)
Operating Profit/(Loss)	**311,080**	**(1,204)**	**2,890**	**9,143**	**321,909**
Share of profit of associates and joint ventures	169	162	-	-	331
Negative goodwill from acquisition of subsidiaries	13,572	-	-	-	13,572
Interest income	20	3	-	-	23
Finance costs	(21,138)	(1,240)	(108)	(4)	(22,490)
Profit/(Loss) before tax	**303,703**	**(2,279)**	**2,782**	**9,139**	**313,345**
Taxes	(12,766)	36	(444)	(1,269)	(14,443)
Profit/(Loss) for the period	**290,937**	**(2,243)**	**2,338**	**7,870**	**298,902**

All amounts expressed in € thousand, unless otherwise stated

If the acquisitions had been carried out on 01.01.2019, the Group results would be as follows:

	Group from 01.01. to 31.12.2019	Aphrodite Hills Resort Limited from 01.01. to 28.03.2019	CTDC from 01.01. to 19.04.2019	CYREIT from 01.01. to 25.06.2019	Group with the Acquisitions from 01.01. to 31.12.2019
Revenue	175,056	7,029	3,284	4,329	189,698
	175,056	**7,029**	**3,284**	**4,329**	**189,698**
Net gain from the fair value adjustment of investment property	179,819	-	-	-	179,819
Gain on disposal of investment property	19,120	-	-	-	19,120
Direct property related expenses	(6,547)	(24)	-	(925)	(7,496)
Property taxes-levies	(9,657)	(1)	-	(90)	(9,748)
Personnel expenses – Investment Property	(5,596)	-	-	(23)	(5,619)
Personnel expenses – Hospitality and ancillary services	(11,871)	(2,113)	(1,187)		(15,171)
Consumables used	(3,920)	(496)	(218)	-	(4,634)
Net change in real estate inventories	(5,340)	(3,088)	-	-	(8,428)
Depreciation of property and equipment and amortisation of intangible assets	(3,553)	(541)	(276)	-	(4,370)
Net change in fair value of financial instruments at fair value through profit or loss	61	-	-	-	61
Net impairment loss on financial assets	(2,029)	(38)	-	-	(2,067)
Net impairment loss on non-financial assets	(6,291)	-	-	-	(6,291)
Other income	19,521	-	-	1,214	20,735
Other expenses – Investment Property	(4,745)	-	-	(191)	(4,936)
Other expenses – Hospitality and ancillary services	(11,802)	(2,663)	(998)	-	(15,463)
Corporate Responsibility	(317)	-	-	-	(317)
Operating Profit/(Loss)	**321,909**	**(1,935)**	**605**	**4,314**	**324,893**
Share of profit of associates and joint ventures	331	(2)	-	-	329
Negative goodwill from acquisition of subsidiaries	13,572	-	-	-	13,572
Interest income	23	-	-	-	23
Finance costs	(22,490)	(874)	(522)	(2,152)	(26,038)
Profit/(Loss) before tax	**313,345**	**(2,811)**	**83**	**2,162**	**312,779**
Taxes	(14,443)	61	(74)	(38)	(14,494)
Profit/(Loss) for the period	**298,902**	**(2,750)**	**9**	**2,124**	**298,285**

All amounts expressed in € thousand, unless otherwise stated

The above representations constitute a hypothetical situation and have been presented for illustrative purposes only and are not necessarily indicative of what the Group's financial position or financial performance actually would have been had the Acquisitions been completed as of 1 January 2019 and do not purport to project the operating results of the Group, nor are they meant to be indicative of any anticipated financial position or future results of operations that we will experience going forward. In particular they include i) fair value adjustments based on the provisional fair values of the assets and the liabilities acquired; ii) incremental finance costs for the period prior to the acquisition based on the contractual terms of the respective debt agreements and iii) the respective incremental tax effects on these adjustments, They do not reflect any expected cost savings, synergies, restructuring actions, non-recurring items or one-time transaction related costs that we expect to incur or generate. Moreover, they should not be confused with the actual financial performance of the Group for the year ended on 31 December 2019, which is shown in the income statement for the year ended 31 December, 2019.

b) Asset Acquisitions

- On November 15, 2019, the Company concluded the acquisition of 100% of the shares of the company ILDIM M. IKE (hereinafter "ILDIM") located in Greece (Note 6). The consideration for the acquisition of ILDIM amounted to €1,012. The acquisition was accounted for as an assets acquisition.

  The assets and liabilities recognized in the Statement of Financial Position on the date of the acquisition were:

	15.11.2019
ASSETS	
Investment property (Note 6)	2,757
Cash and cash equivalents	28
Other assets	315
Total assets	**3,100**
LIABILITIES	
Other liabilities	(2,088)
Total liabilities	**(2,088)**
Fair value of acquired interest in net assets	**1,012**
Total purchase consideration	**1,012**

Source: Unaudited financial information

- On March 28, 2019, the Company proceeded with the acquisition of 60% of the share capital of the company Aphrodite Springs Public Limited in Paphos, Cyprus (Note 6). The consideration for the acquisition of Aphrodite Springs Public Limited amounted to €2,400. The acquisition was accounted for as an assets acquisition.

  The assets and liabilities recognized in the Statement of Financial Position on the date of the acquisition were:

	28.03.2019
ASSETS	
Investment property (Note 5)	8,108
Cash and cash equivalents	83
Other assets	182
Total assets	**8,373**
LIABILITIES	
Other liabilities	(4,373)
Total liabilities	**(4,373)**
Fair value of acquired interest in net assets	**4,000**
Fair value of acquired interest in net assets attributable to non-controlling interests	(1,600)
Total purchase consideration	**2,400**

Source: Unaudited financial information

All amounts expressed in € thousand, unless otherwise stated

NOTE 10: Investment in Subsidiaries

Subsidiaries	Country of incorporation	Unaudited tax years	Group 31.12.2019	Group 31.12.2018	Company 31.12.2019	Company 31.12.2018
Nash S.r.L.	Italy	2015-2019	100.00%	100.00%	100.00%	100.00%
Picasso Fund	Italy	2015-2019	100.00%	100.00%	100.00%	100.00%
Egnatia Properties S.A.	Romania	2014-2019	99.96%	99.96%	99.96%	99.96%
Quadratix Ltd.	Cyprus	2016-2019	100.00%	100.00%	100.00%	100.00%
Karolou Touristiki S.A.	Greece	2014-2019	100.00%	100.00%	100.00%	100.00%
PNG Properties EAD	Bulgaria	2017-2019	100.00%	100.00%	100.00%	100.00%
Pangaea UK Finco Plc	United Kingdom	-	100.00%	100.00%	-	100.00%
Lasmane Properties Ltd.	Cyprus	2016-2019	100.00%	100.00%	100.00%	100.00%
Anaptixi Fragokklisia Real Estate S.A.	Greece	2018-2019	100.00%	100.00%	100.00%	100.00%
Irina Ktimatiki S.A.	Greece	2017-2019	100.00%	100.00%	100.00%	100.00%
I&B Real Estate EAD	Bulgaria	2016-2019	100.00%	100.00%	100.00%	100.00%
Aphrodite Hills Resort Limited	Cyprus	2016-2019	60.00%	-	60.00%	-
Aphrodite Hotels Limited	Cyprus	2016-2019	60.00%	-	-	-
Aphrodite Hills Property Management Limited	Cyprus	2016-2019	60.00%	-	-	-
The Aphrodite Tennis and Spa Limited	Cyprus	2016-2019	60.00%	-	-	-
Aphrodite Hills Services Limited	Cyprus	2016-2010	60.00%	-	-	-
Aphrodite Springs Public Limited	Cyprus	2014-2019	60.00%	-	60.00%	-
Vibrana Holdings Ltd.	Cyprus	2018-2019	90.00%	-	90.00%	-
The Cyprus Tourism Development Company Limited	Cyprus	2014-2019	90.00%	-	-	-
CYREIT Variable Investment Company Plc	Cyprus	2018-2019	88.23%	-	88.23%	-
Letimo Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Elizano Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Artozaco Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Consoly Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Smooland Properties Ltd.	Cyprus	2014-2019	88.23%	-	-	-
Threefield Properties Ltd.	Cyprus	2014-2019	88.23%	-	-	-
Bascot Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Nuca Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Vanemar Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Alomnia Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Kuvena Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Azemo Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Ravenica Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Wiceco Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Lancast Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Rouena Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Allodica Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Vameron Properties Ltd.	Cyprus	2014-2019	88.23%	-	-	-
Orleania Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
Primaco Properties Ltd.	Cyprus	2016-2019	88.23%	-	-	-
Arleta Properties Ltd.	Cyprus	2017-2019	88.23%	-	-	-
ILDIM M. IKE	Greece	2018-2019	100%	-	-	-
Prodea Immobiliare SrL	Italy	-	80%	-	-	-

The subsidiaries are consolidated with the full consolidation method.

All amounts expressed in € thousand, unless otherwise stated

The financial year 2014 of Karolou Touristiki S.A. has not been audited for tax purposes from the Greek tax authorities and consequently the tax obligations for this year are not considered as final. The years 2015 up to 2018 have been audited by the elected under L. 4548/2018 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualification. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore, the tax authorities may come back and conduct their own tax audit. However, the Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company. Until the date of approval of the Financial Statements, the tax audit by the statutory auditor for the year 2019 has not been completed.

The financial year 2018 for the companies Irina Ktimatiki S.A. and Anaptixi Fragokklisia Real Estate S.A. has been audited by the elected under L. 4548/2018 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualification. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore, the tax authorities may come back and conduct their own tax audit. However, the Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company. Until the date of approval of the Financial Statements, the tax audit by the statutory auditor for the year 2019 has not been completed.

Cost of Investment	**31.12.2019**	**31.12.2018**
Nash S.r.L.	51,620	69,428
Picasso Fund	80,752	80,752
Egnatia Properties S.A.	20	20
Quadratix Ltd.	10,802	10,802
Karolou Touristiki S.A.	4,007	4,007
PNG Properties EAD	26	26
Pangaea UK Finco Plc	-	57
Lasmane Properties Ltd.	13,210	11,410
Anaptixi Fragokklisia Real Estate S.A.	6,000	6,000
Irina Ktimatiki S.A.	11,174	3,574
I & B Real Estate EAD	40,142	40,152
Aphrodite Hills Resort Limited	12,291	-
Aphrodite Springs Public Limited	2,400	-
Vibrana Holdings Ltd.	51,615	-
CYREIT Variable Investment Company Plc	140,437	-
ILDIM M. IKE	3,012	-
Prodea Immobiliare SrL	808	-
Total	**428,316**	**226,228**

During 2019, the Company contributed an amout of €1,035 as capital contribution in the subsidiary Nash SrL. On December 19, 2019 an impairment loss of the cost of investment in subsidiaries for Nash SrL amounted to €18,824, as the carrying value was greater than the estimated recoverable amount.

On December 6, 2019, the consideration for the acquisition of I&B, which was acquired on December 28 2018, was finalized. The final consideration amounted to €40,142.

On November 20, 2019, the subsidiary Prodea Immobiliare S.r.L. in Italy, in which the Company holds 80% of its share capital (total capital €10) was establised. On November 29, 2019 Prodea Immobiliare S.r.L. signed a preliminary agreement for the acquisition of a property in Italy for which an advance of €1,000 was paid by the shareholders of Prodea Immobiliare S.r.L in proportion to their participation in the company as a capital contribution.

All amounts expressed in € thousand, unless otherwise stated

On November 15, 2019, the Company acquired 100% of the shares of ILDIM M. IKE. located in Greece for a consideration of €1.012 (Note 9). On the same day, the ILDIM M. IKE's management decided to increase its share capital by €2,000 by issuing 20,000 shares.

On November 11, 2019, the Extraordinary General Meeting of the shareholders of Lasmane Properties Ltd. Resolved on its share capital increase by €1,800 by issuing 1,800,000 new ordinary shares of a par value of €1 each.

On June 25, 2019 the Company concluded with the acquisition of 100% of the management shares and 88.3% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus (Note 9).

On March 28, 2019 the Company proceeded with the acquisition of 60% of the share capital of the companies Aphrodite Hills Resort Limited και Aphrodite Springs Public Limited in Cyprus (Note 8).

On March 26, 2019 the Extraordinary General Meeting of of the shareholders of Irina Ktimatiki S.A. resolved on its share capital increase by the amount of €7,600 with the issuance of 760,000 new ordinary common shares with a par value of €10 each.

On February 22, 2019 the Company proceeded with the acquisition of 90% of share capital of the company Vibrana Holdings Ltd. in Cyprus. On April 18, 2019 the Board of Directors of Vibrana Holdings Ltd. resolved on its share capital increase by the amount of €57,350 with the issuance of 100 new ordinary common shares with a par value of €1 each, out of which an amount of €57,349.9 represents the share premium. In the context of the abovementioned share capital increase, the Company paid on the same day an amount of €51,615 (in proportion to its participation in Vibrana), which was financed by loans.

On January 8, 2019 the liquidation of the company Pangaea UK Finco Plc. was completed.

It is noted that the financial statements of the consolidated non-listed subsidiaries of the Group are available on the Company's website address (http://www.prodea.gr).

Note 11: Equity method investments and Investments in joint ventures

			Group 31.12.2019		Company 31.12.2019	
Investments in joint ventures	**Country**	**Unaudited tax years**	**Percentage**	**Cost of Investments**	**Percentage**	**Cost of Investments**
EP Chanion S.A.	Greece	2014-2019	40%	3,594	40%	3,632
Panterra S.A.	Greece	2019	49%	5,949	49%	5,733
RINASCITA S.A.	Greece	2018-2019	35%	1,042	35%	1,051
Total				**10,585**		**10,416**
Equity method investments						
Aphrodite Hills Pantopoleion Ltd.	Cyprus	2016-2019	27%	421	-	-
Total Equity method investments and Investments in joint ventures				**11,006**		**10,416**

On December 23, 2019, the Company acquired 35% of the share capital of the company RINASCITA S.A. for a consideration of €1,051. The company has a long-term lease agreement for a multistorey building on Stadiou str. 65 and Omonoia Square, in Athens of total surface 10.4 thousand sqm which will be renovated and operate as a hotel.

On May 31, 2019 the Company acquired 40.0% of the shares of the company "AEP Chanion S.A." for a consideration of €3,472. The company owns two land plots in Chania of a total area of 11.4 thousand sq.m. The aim of the Company and its partners is the development and exploitation of these land plots taking into account the prime area in which they are located.

All amounts expressed in € thousand, unless otherwise stated

On April 25, 2019, the company Panterra S.A. was established in Maroussi Attica. The share capital of the company amounts to €11,500 and divided to 1,150,000 common ordinary shares with a par value of €10 each. The Company owns 49% of the share capital of Panterra S.A. On September 10, 2019, Panterra S.A. concluded the acquisition of two adjacent commercial properties in Athens (one of which is located on Syggrou Avenue and Lagoumtzi Avenue with a total surface of c. 6.9 thousand sq.m. and the second is located on Evridamantos and Lagoumtzi Street with a total surface of c. 2 thousand sq.m), for a total consideration of €10,000. The plan provides for the demolition of the buildings and the construction of one or more modern buildings in accordance with the principles of sustainable development, with an estimated total area of over 24 thousand sq.m. (above - ground area of over 14 thousand sq.m. and underground auxiliary areas and parking spaces of 10 thousand sq.m.).

Aphrodite Hills Resort Limited, in which the Company owns 60% of its shares, owns the 45% of the company Aphrodite Hills Pantopoleion Ltd..

As of December 31, 2019, the Group's share of profit of associates and joint ventures amounted to €331:
- Profit of €216 from Panterra S.A. (joint venture).
- Loss of €38 from EP Chanion S.A. (joint venture).
- Loss of €9 from Rinascita S.A. (joint venture).
- Profit of €162 from Aphrodite Hills Pantopoleion Ltd. (equity method investment).

NOTE 12: Other Long-Term Assets

The increase of the Company's "Other long Term-assets" on 31 December 2019 compared to 31 December 2018 is mainly due to the amount of €17,080 paid by the Company to Aphrodite Hills Resort Limited at the date of its acquisition for the repayment of its borrowings (Note 9), to accrued interest income of €1,635 (31 December 2018: €395) as well as advances and expenses related to future acquisition of property of €659 (31 December 2018: €324).

In addition, as at 31 December 2019, the Group's and the Company's other long-term assets include deposits of €1,990 and €564, respectively, which are pledged based loan agreements until their maturity (31 December 2018: €1,088 for the Group and Nil for Company). It is noted that the amount of €1,088 for the Group was transferred from cash and cash equivalents to other long-term assets in the statement of financial position as of 31 December 2018, in order to be comparable to the statement of financial position at 31 December 2019 (Note 15).

Finally, other long-term assets include €10,333 and €9,318 for the Group and the Company, respectively (31 December 2018: €9,374 and €8,652, for the Group and the Company, respectively) relating to lease incentives under certain lease agreements. The accounting treatment of these incentives, in accordance with the relevant accounting standards, provides for their partial amortization over the life of each lease.

NOTE 13: Trade and Other Assets

	Group		**Company**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables	68,522	6,839	62,151	3,775
Trade receivables from related parties (Note 34)	1	2	1	2
Receivables from Greek State	8,285	9,522	8,011	8,248
Prepaid expenses	2,164	763	1,089	709
Preliminary dividend paid (Note 23)	-	22,995	-	22,995
Other receivables	4,564	6,401	3,014	6,278
Other receivables from related parties (Note 34)	-	1,003	4,544	3,598
Total	**83,536**	**47,525**	**78,810**	**45,605**

As of 31 December 2019, the Trade receivables of the Group and the Company includes amount of €60,450 which refers to the remaining consideration from the sale of the four buildings which was collected subsequent of the December 31 (Note 6).

All amounts expressed in € thousand, unless otherwise stated

The classification of the item "Trade and Other Assets" of the Group and the Company to financial and non-financial assets and the ECL allowance for financial assets as of December 31, 2019 and December 31, 2018 is presented below:

Group				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2019	65,837	718	5,512	**72,067**
ECL allowance	(3)	(1)	(3,130)	**(3,134)**
Net carrying amount 31.12.2019	**65,834**	**717**	**2,382**	**68,933**
Non-financial assets 31.12.2019				14,603
Total Trade and other assets 31.12.2019				**83,536**

Company				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2019	61,756	158	2,535	**64,449**
ECL allowance	(1)	(1)	(2,201)	**(2,203)**
Net carrying amount 31.12.2019	**61,755**	**157**	**334**	**62,246**
Non-financial assets 31.12.2019				16,564
Total Trade and other assets 31.12.2019				**78,810**

Group				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2018	11,033	477	697	**12,207**
ECL allowance	(20)	(1)	(406)	**(427)**
Net carrying amount 31.12.2018	**11,013**	**476**	**291**	**11,780**
Non-financial assets 31.12.2018				35,745
Total Trade and other assets 31.12.2018				**47,525**

Company				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2018	10,840	185	669	**11,694**
ECL allowance	(26)	(1)	(373)	**(400)**
Net carrying amount 31.12.2018	**10,814**	**184**	**296**	**11,294**
Non-financial assets 31.12.2018				34,311
Total Trade and other assets 31.12.2018				**45,605**

The Group's and the Company's trade receivables as of December 31, 2019 include €339 and €153, respectively, (December 31, 2018: €103 for the Group and the Company) relating to lease incentives under certain lease agreements. The accounting treatment of these incentives, according to the relevant accounting standards, provides for their partial amortization over the life of each lease.

Company's receivables from Greek State of an amount of €8,011 (December 31, 2018: €8,248) mainly relate to capital accumulation tax paid by the Company at April 14, 2010, September 16, 2014 and September 17, 2014. Upon payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount as a result of paragraph 1, article 31 of L.2778/1999, which states that "the shares issued by a REIC and the transfer of properties to a REIC are exempt of any tax, fee, stamp duty, levies, duties or any other charge in favour of the State, public entities and third parties in general". Regarding the payment of the aforementioned tax, because of the lack of response of the relevant authority after a three months period, the Company filed an appeal. According to the decision of the Council of State No. 90/2019, which was published on January 16, 2019 and according to the decision No. 4828/19 of the Athens Administrative Court of Appeal, the application for an appeal amounting to €5,900, in respect of the capital accumulationtax paid on 14 April 2010, was accepted. The Management of the Company, based on the opinion of its legal counsels and the above decisions of the competent bodies, considers that the reimbursement of the amount related to capital accumulation tax, of a total amount of €7,652, is virtual certain.

All amounts expressed in € thousand, unless otherwise stated

The analysis of other receivables is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Pledged deposits	184	3,009	72	3,009
Other	4,380	3,392	2,942	3,269
Total	**4,564**	**6,401**	**3,014**	**6,278**

The decrease of other receivables of the Group and the Company as of December 31, 2019, in comparison to December 31, 2018 is due to the impairment of the Company's receivable from Stirling Bulgaria EOOD of €1,824. Specifically, on September 30, 2015, the Company entered into a preliminary agreement with Stirling Properties Bulgaria EOOD and other entities related to it, for the purchase of the companies "Plaza West AD" and "Plaza West 2 AD", which owned an area of approximately 23 thousand sq.m of the shopping mall West Plaza in Sofia, Bulgaria, for a consideration of €33,000, out of which the Company has paid in advance an amount of €6,600. The signing of the final agreement was conditional, among others, on the successful and time demanding completion of construction and commencement of the shopping mall's operation. However, the Company proceeded with the unwinding of the transaction, as certain terms of the agreement were not met by the seller, Stirling Properties Bulgaria EOOD. On March 22, 2018 the Company received part of the abovementioned receivable of €4,776. It is noted that the Company has received a corporate guarantee (joint liability) from Marinopoulos Holding Sarl, located in Luxembourg. It is finally noted that the Company continues its actions for the recovery of the remaining amount of €1,824. The impairment of the receivable is included in the item "Net impairment loss on non-financial assets" in the Income Statement for the year ended December 31, 2019.

As of December 31, 2018, pledged deposits mainly relate to deposits pledged in accordance with the terms of the bond loan agreement dated August 11, 2014 as amended on August 20, 2014, which was repaid on July 10, 2019 (Note 18).

Note 14: Inventories

	Group
	31.12.2019
Residences for sale	9,706
Land and residences under development	25,957
Impairment of inventories	(3,103)
Consumables	820
Total	**33,380**

The impairment of inventories amounting to €3,103 is included in the item "Net impairment loss on non-financial assets" in the Income Statement for the year ended as of December 31, 2019.

The Group's borrowings are secured with Residences for sale, land plots and residences under development (Note 18).

NOTE 15: Cash and Cash Equivalents

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash in hand	26	2	2	1
Sight and time deposits	71,148	45,786	31,823	33,215
Total	**71,174**	**45,788**	**31,825**	**33,216**

All amounts expressed in € thousand, unless otherwise stated

The fair value of the Group's cash and cash equivalents is estimate to approximate their carrying value.

As of December 31, 2019, sight and time deposits of the Group and the Company include pledged deposits amounted to €5,439 and €2,795, respectively (December 31, 2018: €2,344 and €537 respectively), in accordance with the provisions of the loan agreements. It is noted that an amount of €1,088 for the Group was transferred from cash and cash equivalents to other long-term assets in the statement of financial position as of 31 December 2018, in order to be comparable to the statement of financial position as of 31 December 2019 (Note 12).

NOTE 16: Share Capital & Share Premium

			Group	Company
	No. of shares	Share Capital	Share Premium	
Balance at December 31, 2019 & 2018	**255,494,534**	**766,484**	**15,890**	**15,970**

The total paid up share capital of the Company as of December 31, 2019 and 2018, amounted to €766,484 divided into 255,494,534 common shares with voting rights with a par value of €3.0 per share.

The Company does not hold own shares.

On September 11, 2019 the Extraordinary General Meeting of the Company's Shareholders resolved upon the granting of an authorization to the Company's Board of Directors so that the latter proceeds with a share capital increase through the issuance of new dematerialized common registered voting shares to be paid in cash under the terms that the Company's Board of Directors will determine in the future. Such authorization must be exercised by the Board of Directors within 10 months from the date of the General Meeting of the Company's Shareholders granting the authorization for the share capital increase to the Company's Board of Directors.

NOTE 17: Reserves

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Statutory reserve	22,272	17,995	21,846	17,716
Special reserve	323,987	323,987	323,987	323,987
Other reserves	1,272	194	12	45
Total	**347,531**	**342,176**	**345,845**	**341,748**

According to article 44 of C.L.2190/1920, as in force, the Company is required to withhold from its net profit a percentage of 5% per year as statutory reserve until the total statutory reserve amounts to the 1/3 of the paid share capital. The statutory reserve cannot be distributed throughout the entire life of the Company.

Special reserve amounting to €323,987 thousand relates to the decision of the Extraordinary General Meeting of the Company's Shareholders held on August 3, 2010 to record the difference between the fair value and the tax value of the contributed properties at September 30, 2009 by NBG, established upon the incorporation of the Company.

NOTE 18: Borrowings

All borrowings have variable interest rates. The Group is exposed to fluctuations in interest rates prevailing in the market and which affect its financial position, its income statement and its cash flows. Cost of debt may increase or decrease as a result of such fluctuations.

It is noted that in accordance with the terms of loans the Group has entered into interest rate swaps for hedging the Group's exposure to variations in variable rate (interest rate caps).

On December 18, 2019 the Company entered into an agreement for a revolving facility up to the amount of €50,000 with Alpha Bank S.A., bearing interest of 3-month Euribor plus a margin of 2.75%. The outstanding balance of the revolving facility as of December 31, 2019 amounts to €12,000.

On December 17, 2019, the subsidiary Irinna Ktimatiki S.A. renewed its agreement of a revolving facility up to the amount of €4,068 with Alpha Bank S.A., with interest of 3-month Euribor plus a margin of 2.75%. The outstanding balance of the revolving facility as of 31 December 2019 amounts to 3,295.

On June 26, 2019 the Company proceeded with the signing of a bond loan agreement for an amount of up to €300,000 with NBG and the European Bank for Reconstruction and Development (“EBRD”). The bond loan has a five years maturity. The purpose of the loan is a) the refinancing of existing borrowings amounting to €237,500 and b) the realization of investments and the overall development of the Company’s operations amounting to €62,500. On July 10, 2019 an amount of €237,500 was disbursed and used for the refinancing of existing short-term borrowings. On November 8, 2019 an additional amount of €21,050 was disbursed and was used for new investments.

On May 6, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €200,000 with Alpha Bank S.A.. The bond loan has a seven years maturity. Up to September 30, 2019, an amount of €90,000 was disbursed, out of which an amount of €50,000 was used for the refinancing of existing short-term borrowings and the remaining amount of €40,000 was used for new investments.

On April 18, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €32,000 with Bank of Cyprus Ltd.. The bond loan has a three years maturity bearing interest of 3-month Euribor plus a margin of 3.5%. The total amount of the loan was disbursed on the same day and was exclusively used for the share capital increase of the subsidiary Vibrana Holdings Ltd. (Note 9).

On April 12, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €90,000 with Bank of Cyprus Ltd.. The bond loan has a ten years maturity bearing interest of 6-month Euribor plus a margin of 3.35%. The loan was used for the financing of part of the consideration for the acquisition of 100% of the management shares and 88.23% of the investment shares of CYREIT (Note 9). On December 24, 2019, the Company entered into a five-year bond issue of up to €19,700 with Piraeus Bank SA. The bonds bear a 3-month Euribor plus a margin of 2.75%. The purpose of the loan is the full and complete repayment of the above loan agreement with Piraeus Bank SA.

On December 13, 2018, the Company signed a bond loan agreement for an amount of up to €120,000 with Piraeus Bank S.A. with a five years duration. On March 29, 2019 the total amount of the loan was disbursed, out of which an amount of €55,000 was used for the refinancing of existing short-term liabilities and more specifically for the refinancing of the revolving facility with Piraeus Bank S.A. signed by the Company on November 2, 2018. From the total amount of €55,000 an amount of €10,000 was disbursed on March 2019, while the remaining amount of €45,000 had been disbursed during the year 2018.

During the December 2019, the Company amended its bond loan agreement of up to €300,000 with NBG and EBRD of 26 June 2019, its bond loan agreement of €60,000 with Piraeus Bank SA dated February 20, 2018, its bond loan agreement dated 6 May 2019 up to €200,000 with Alpha Bank SA and its bond loan agreement dated December 13, 2018 up to €120,000 with Piraeus Bank SA. The amendments related to the reduction of the margin to 2.75% per annum and to the reduction of the amortization rate of these loans. The above bonds have 3-month Euribor plus 2.75% interest rate. These amendments resulted in a net profit of €8,380 (Note 30).

Under the terms of the majority of the borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the years 2019 and 2018 the Group has complied with this obligation.

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Long term				
Bond loans	627,107	55,862	627,107	55,862
Other borrowed funds	213,137	55,997	19,326	-
Long term borrowings	**840,244**	**111,859**	**646,433**	**55,862**
Short term				
Bond loans	1,412	242,248	1,412	242,248
Other borrowed funds	34,624	206,032	12,048	95,649
Short term borrowings	**36,036**	**448,280**	**13,460**	**337,897**
Total	**876,280**	**560,139**	**659,893**	**393,759**

As of December 31, 2019, short-term borrowings of the Group and the Company include an amount of €823 which relates to accrued interest expense on the bond loans (December 31, 2018: €2,196 for the Group and the Company) and an amount of €733 for the Group and €37 for the Company, which relates to accrued interest expense on other borrowed funds (December 31, 2018: €943 and €649, respectively).

The maturity of the Group's borrowings is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2017**
Up to 1 year	36,036	448,280	13,460	337,897
From 1 to 5 years	616,762	70,606	476,853	55,862
More than 5 years	223,482	41,253	169,580	-
Total	**876,280**	**560,139**	**659,893**	**393,759**

The contractual re-pricing dates are limited to a maximum period up to 6 months.

The average effective interest rate of borrowings (incl. interest rate swaps) amounts to 3.70% (2018 4.03%), whereas if interest rate swaps are excluded, the average effective interest rate amounts to 3.68% (2018: 3.98%).

The Group is not exposed to foreign exchange risk in relation to the borrowings, as all borrowings are denominated in the functional currency, except for the loan of I&B Real Estate EAD located in Bulgaria, which is in foreign currency (BGN), the rate of which is fixed according to European Central Bank.

The securities over the Group's loans, including the collaterals on properties, are listed below:

- On 74 properties of the Company (included the owner-occupied property located at 6, Karageorgi Servias str., Athens) a prenotation of mortgage was established in favour of National Bank of Greece S.A. (as bondholder agent) for an amount of €360,000. The outstanding balance of the bond loan as of December 31, 2019 amounted to €256,472 and the fair value of the properties to €568,732. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On one property of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €78,000. The outstanding balance of the bond loan as of December 31, 2019 amounted to €56,400 and the fair value of the property to €128,665. In addition, all rights of the Company, arising from the lease with Cosmote, have been assigned in favour of the bondholders.

- On 35 properties of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. for an amount of €144,000. The outstanding balance of the bond loan as of December 30, 2019 amounted to €118,052 and the fair value of the properties to €220,746. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On 3 properties of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. for an amount of €24,000. The outstanding balance of the loan as of December 31, 2019 amounted to €19,700 and the fair value of the properties to €35,335. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On 33 properties of the Company a prenotation of of mortgage was established in favour of Alpha Bank S.A. for an amount of €240,000. The outstanding balance of the loan as of December 31, 2019 amounted to €90,000 and the fair value of the properties to €254,066. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- The entire share capital of Vibrana Holdings Ltd. is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the bond loan agreement of up to €32,000 signed on April 18, 2019. The outstanding balance of the loan as of December 31, 2019 amounted to €31,200. Moreover, the entire share capital of CTDC owned by the company Vibrana Holdings Ltd. is collateral in favour of Bank of Cyprus Ltd.

- The entire share capital of CYREIT is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the bond loan agreement of up to €90,000 signed on April 12, 2019. The outstanding balance of the loan as of December 31, 2019 amounted to €90,000.

- Four properties owned by the subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000. The outstanding balance of the loan as of December 31, 2019 amounted to €92,820 and the fair value of the properties to €191,900. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- Nine properties owned by the subsidiary Picasso Fund are burdened with first class mortgage in favour of Intesa SanPaolo S.p.A. for an amount of €19,700. The outstanding balance of the loan as of December 31, 2019 amounted to €9,250 and the fair value of the properties to €21,410. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- One property owned by the subsidiary Quadratix Ltd. is burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €16,500. The outstanding balance of the loan as of December 31, 2019 amounted to €13,562 and the fair value of the property to €26,775. In addition, the entire share capital of Quadratix Ltd. is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the loan agreement, all rights of Quadratix Ltd. arising from the lease agreement with Sklavenitis Cyprus Limited have been assigned in favour of the lender and the assets of the subsidiary are burdened with floating charge in favour of Bank of Cyprus Ltd. It is noted that the Company has given corporate guarantee up to the amount of €5,000 for liabilities of Quadratix Ltd. under the abovementioned loan agreement.

- Two properties owned by the subsidiary Egnatia Properties S.A. are burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €6,405. The outstanding balance of the loan as of December 31, 2019 amounted to €6,266 and the fair value of the properties to €6,630. Finally, all rights of Egnatia Properties arising from the lease agreements for the abovementioned properties have been assigned in favour of the lender.

- On one property owned by the subsidiary Irina Ktimatiki S.A. a prenotation of mortgage was established in favour of Alpha Bank S.A. for an amount of €4,800. Moreover, the entire share capital of Irinna Ktimatiki S.A. is collateral in favour of Alpha Bank S.A, for all amounts due under the loan agreement. The outstanding balance of the loan as of December 31, 2019 amounted to €3,295 and the fair value of the property to €15,218.

All amounts expressed in € thousand, unless otherwise stated

- The property owned by the subsidiary I&B Real Estate EAD is burdened with mortgage in favour of Eurobank Bulgaria AD for an amount of €36,855. The outstanding balance of the loan as of December 31, 2019 amounted to €36,855 and the fair value of the property to €86,986. Moreover, the entire share capital of I&B Real Estate EAD is collateral in favour of Eurobank Bulgaria AD for all amounts due under the loan agreement. Finally, all rights of I&B Real Estate arising from the lease agreements have been assigned in favour of the lender.

- The property and equipment, the investment property and the inventories of the subsidiary Aphrodite Hills Resort Limited and the land plot of the company Aphrodite Springs Public Limited are burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €143,591. The outstanding balance of the loans as of December 31, 2019 amounted to €39,883 and the fair value of the properties to €114,501. Moreover, the entire share capital of Aphrodite Hills Resort Limited, the share capital of its subsidiaries and the share capital of Aphrodite Springs Public Limited are collateral in favour of Bank of Cyprus Ltd. Finally, the assets of the subsidiary Aphrodite Hills Resort Limited are burdened with floating charge in favour of Bank of Cyprus Ltd.

- The properties of the subsidiary "The Cyprus Tourism Development Company Limited" are burdened with mortgage in favour of Bank of Cyprus Ltd. and Astrobank Ltd. for a total amount of €6,209. In addition, the assets of the subsidiary are burdened with floating charge in favour of Bank of Cyprus Ltd. and Astrobank Ltd. for a total amount of €11,334. The outstanding balance of the loan as of December 31, 2019 amounted to €1,132 and the fair value of the properties to €62,716.

The movement in liabilities from financing activities is as follows for the financial year 2019:

Group

	Borrowings	Dividends payable
Liabilities from financing activities 01.01.2019:	**560,139**	**10**
Cash outflows	(411,159)	(131,321)
Additions	659,530	131,324
Other non-cash movements	67,770	-
Liabilities from financing activities 31.12.2019:	**876,280**	**13**

Company

	Borrowings	Dividends payable
Liabilities from financing activities 01.01.2019:	**393.759**	**10**
Cash outflows	(374.654)	(131,321)
Additions	646.550	131,324
Other non-cash movements	(5.762)	-
Liabilities from financing activities 31.12.2019:	**659.893**	**13**

Other non-cash movements in the Group include amounts €1,476 and € 70,311 related to balances of loans of CTDC and Aphrodite Hills Resort Limited respectively at the date of acquisition by the Group (Note 9).

The movement in liabilities from financing activities is as follows for the financial year 2018:

Group

	Borrowings	Dividends payable
Liabilities from financing activities 01.01.2018:	**446,880**	**8**
Cash outflows	(60,364)	(56,210)
Additions	126,405	56,209
Other non-cash movements	47,418	3
Liabilities from financing activities 31.12.2018:	**560,139**	**10**

All amounts expressed in € thousand, unless otherwise stated

Company

	Borrowings	Dividends payable
Liabilities from financing activities 01.01.2018:	**334,616**	**8**
Cash outflows	(50,469)	(56,210)
Additions	105,000	56,209
Other non-cash movements	4,612	3
Liabilities from financing activities 31.12.2018:	**393,759**	**10**

NOTE 19: Retirement Benefit Obligations

The retirement benefit obligations were determined by an actuarial study based on IAS 19.

Net liability in Statement of Financial Position

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Present value of obligations	276	218	276	218
Total	**276**	**218**	**276**	**218**

Movement in net liability

	Group		Company	
	2019	**2018**	**2019**	**2018**
Net liability at the beginning January 1,	**218**	**197**	**218**	**197**
Total expense recognised in the income statement	25	19	25	19
Total expense recognised in the statement of comprehensive income	33	2	33	2
Net liability at December 31,	**276**	**218**	**276**	**218**

Pension costs – defined benefit plans

	Group		Company	
	2019	**2018**	**2019**	**2018**
Service cost	21	16	21	16
Net interest expense on the net defined benefit liability	4	3	4	3
Total amount recognised in Income Statement	**25**	**19**	**25**	**19**

Re-measurements on the net liability

	Group		Company	
	2019	**2018**	**2019**	**2018**
Liability gain / (loss) due to change in assumptions	29	(7)	29	(7)
Liability experience gain / (loss) arising during the year	4	9	4	9
Total amount recognised in OCI	**33**	**2**	**33**	**2**

All amounts expressed in € thousand, unless otherwise stated

Movement of defined benefit obligation

	Group		Company	
	2019	**2018**	**2019**	**2018**
Balance at January 1,	**218**	**197**	**218**	**197**
Service cost	21	16	21	16
Interest cost	4	3	4	3
Re-measurements (gains) / losses:				
Actuarial (gain)/loss - financial assumptions	29	(7)	29	(7)
Actuarial (gain)/loss – experience	4	9	4	9
Balance at December 31,	**276**	**218**	**276**	**218**

Weighted average assumptions at the end of the reporting period

	Group		Company	
	2019	**2018**	**2019**	**2018**
Discount rate	1.10%	1.75%	1.10%	1.75%
Price inflation	1.50%	1.50%	1.50%	1.50%
Rate of compensation change	1.50%	1.50%	1.50%	1.50%

The following table presents the sensitivity analysis for the material actuarial assumptions, i.e. discount rate and rate of compensation increase, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the date of the statement of financial position.

Sensitivity analysis on actuarial assumptions – Group and Company

Actuarial assumption	**Change in assumptions**	**31.12.2019 Increase / (decrease) in defined benefit obligation**
Discount rate	Increase by 50 basis points	(8.2%)
	Decrease by 50 basis points	9.2%
Price inflation	Increase by 50 basis points	2.4%
	Decrease by 50 basis points	(2.3%)
Rate of compensation change	Increase by 50 basis points	6.6%
	Decrease by 50 basis points	(6.0%)

NOTE 20: Trade and Other Payables

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade payables	11,566	9,910	6,289	4,758
Amounts due to related parties (Note 34)	-	155	-	142
Taxes – Levies	7,701	7,128	4,275	4,620
Deferred revenues	9,519	5,243	3,196	2,976
Lease liabilities	803	-	62	-
Other payables and accrued expenses	13,465	1,020	3,482	395
Other payables and accrued expenses due to related parties (Note 34)	1,273	662	1,266	2,248
Total	**44,327**	**24,118**	**18,570**	**15,139**

Trade and other payables are short term and do not bare interest.

The Group's deferred revenues relate to deferred income for the period following to December 31, 2019, according to the relevant lease agreements of €5,345, received amount of €3,376 relating to the sale of properties of Aphrodite Hills Resort Limited which have not been delivered to the buyers up to December 31, 2019, as well as deferred income of €798 relating to the operation of the companies of Aphrodite Hills Resort Limited and CTDC.

All amounts expressed in € thousand, unless otherwise stated

The increase of "Other payables and accrued expenses" of the Company as of December 31, 2019, in comparison to December 31, 2018, is mainly due to the Company's liability of €2,836 for the acquisition of the company CYREIT (Note 9). In addition, the increase of "Other payables and accrued expenses" of the Group as of December 31, 2019, in comparison to December 31, 2018, mainly derives from the companies which were acquired by the Group during 2019 (Note 9) and relates to liabilities in the context of their operations.

The analysis of Taxes – Levies is as follows:

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Stamp duty on leases	2,545	2,520	2,545	2,520
Unified Property Tax (ENFIA)	20	1,021	-	1,015
Foreign real estate tax	2,858	2,523	-	-
Other	2,278	1,064	1,730	1,085
Total	**7,701**	**7,128**	**4,275**	**4,620**

NOTE 21: Deferred tax assets and liabilities

	Group	
Deferred tax liabilities	**31.12.2019**	**31.12.2018**
Investment property	16,782	4,586
Property and equipment	7,542	-
Inventories	2,714	-
Intangible Assets	1,554	-
Total	**28,592**	**4,586**

	Group	
Deferred tax (income) / expense	**31.12.2019**	**31.12.2018**
Tax Losses	36	(46)
Investment property	6,751	439
Property & equipment	121	-
Inventories	(715)	-
Intangible assets	(96)	-
Total	**6,097**	**393**

Movement of deferred tax assets:

	Group
	Tax Losses
Balance January 1, 2018	**4**
Credited to the Income Statement	46
Offset with deferred tax liabilities	(50)
Balance December 31, 2018	**-**
Credited to the Income Statement	(1)
Offset with deferred tax liabilities	1
Balance December 31, 2019	**-**

All amounts expressed in € thousand, unless otherwise stated

Movement of deferred tax liabilities:

	Group		
	Investment Property	**Other**	**Total**
Balance January 1, 2018	**223**	**-**	**223**
Deferred tax liabilities recognised following business combinations	3,974	-	3,974
Charged to the Income Statement	439	-	439
Offset with deferred tax assets	(50)	-	(50)
Balance December 31, 2018	**4,586**	**-**	**4,586**
Deferred tax liabilities recognised following business combinations (Note 9)	5,408	12,524	**17,932**
Charge to the Income Statement	6,513	(416)	6,097
Charge to Other Comprehensive income	-	(23)	(23)
Balance December 31, 2019	**16,507**	**12,085**	**28,592**

The tax liability of the Company (and its subsidiaries in Greece) is calculated on the basis of its investments and cash and cash equivalents rather than on its profits, therefore no temporary differences arise and accordingly no deferred tax liabilities and / or assets are recognised. The same applies to the Company's subsidiary, Picasso Fund, in Italy, which is not subject to income tax.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A., Quadratix Ltd., Lasmane Properties, PNG Properties EAD and I&B Real Estate EAD, Aphrodite Hills Resort Limited, Aphrodite Springs Public Limited and Vibrana Holdings are taxed based on their income (Note 31), therefore temporary differences may arise and accordingly deferred tax liabilities and / or assets may be recognised.

The Group have offset the deferred tax assets and deferred tax liabilities on an entity by entity basis based on the legally enforceable right to set off the recognized amounts i.e. offset current income tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

NOTE 22: Other long-term liabilities

The fluctuation of "Other long-term liabilities" of the Group as of December 31, 2019, in comparison to December 31, 2018, is mainly attributable to the recognition of a liability of €8,869 arising from a put option non-controlling interests to sell to the Company 36.22% of the shares of the companies Aphrodite Hills Resort Limited and Aphrodite Springs Public Limited. The Company also has the right to acquire the shares above (call option). The liability was recognized directly in equity of the Group in "Other Equity". In addition, the increase in the Group's other long-term liabilities at 31 December 2019 compared to 31 December 2018 is also due to the companies acquired by the Group in 2019 (Note 9) that relate to liabilities in the context of their activities.

NOTE 23: Dividends per Share

On December 16, 2019 the Company's Board of Directors resolved on the distribution of a total amount of €81,247 (i.e. €0.318 per share – amount in €), as interim dividend to its shareholders for the year 2019. As of December 31, 2019, the amount of interim dividend has been charged against and reduced equity.

On June 18, 2019 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €73,071 (i.e. 0.286 per share – amount in €) as dividend to its shareholders for the year 2018. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 18, 2018, the remaining dividend that was distributed amounted to €50,076 (i.e. €0.196 per share – amount in €). The amount of the interim dividend is included in the line trade & other assets as of December 31, 2018.

All amounts expressed in € thousand, unless otherwise stated

On April 23, 2018 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €56,209 (i.e. 0.22 per share – amount in €) as dividend to its shareholders for the year 2017. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 12, 2017, the remaining dividend that was distributed amounted to €33,214 (i.e. €0.13 per share – amount in €).

NOTE 24: Revenue

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Rental income	135,611	121,363	107,909	105,919
Revenue from Hospitality & ancillary services	33,092	-	-	-
Sale of development properties	6,273	-	-	-
Other	80	3	-	3
Total	**175,056**	**121,366**	**107,909**	**105,922**

Other income refers to compensation from an early termination of leases.

Rental income is not subject to seasonality. Revenues from hospitality and ancillary services are subject to seasonality depending on the type of the hotel (city hotel or resort).

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
No later than 1 year	128,612	115,734	99,716	101,549
Later than 1 year and no later than 5 years	446,925	416,956	373,079	392,767
Later than 5 years	1,126,972	1,270,233	1,097,549	1,249,659
Total	**1,702,509**	**1,802,923**	**1,570,344**	**1,743,975**

NOTE 25: Direct Property Related Expenses

Direct property related expenses include the following:

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Valuation expenses	668	662	628	626
Fees and expenses of lawyers, notaries, land registrars, technical and other advisors	1,634	988	1,292	687
Advisory services in relation to real estate portfolio	2,234	1,629	1,850	1,627
Insurance expenses	802	663	511	508
Office utilities and other service charges	351	127	63	45
Repair and maintenance expenses	652	283	87	138
Brokerage expenses	112	32	79	32
Other expenses	94	83	1	11
Total	**6,547**	**4,467**	**4,511**	**3,674**

All amounts expressed in € thousand, unless otherwise stated

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

	Group From 01.01. to		Company From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Leased properties	4,945	3,365	3,012	2,625
Vacant properties	1,602	1,102	1,499	1,049
Total	**6,547**	**4,467**	**4,511**	**3,674**

NOTE 26: Property taxes-levies

As of December 31, 2019, property taxes - levies amounted to €9,657 and €7,784 for the Group and the Company, respectively (December 31, 2018: €9,378 and €7,700, respectively) and includes ENFIA of €7,690 and €7,588 for the Group and the Company respectively (December 31, 2018: €7,449 and €7,418 respectively). The increase of ENFIA is due to the properties acquired by the Company during 2018, given that ENFIA is calculated for the properties owned by a legal entity as of January 1st of each year.

NOTE 27: Personnel Expenses

Personnel Expenses – Investment Property:

	Group From 01.01. to		Company From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Salaries	3,091	2,579	2,993	2,577
Social security costs	581	443	577	443
Profit distribution to personnel - BoD	1,774	-	1,774	-
Other expenses	150	193	150	193
Total	**5,596**	**3,215**	**5,494**	**3,213**

It is noted that the amount of €609 for the Group and the amount of €607 for the Company were transferred from other expenses to Personnel Expenses - investment property in the Income Statement of the Group and the Company for the year ended 31 December 2018, in order to be comparable to the Income Statements of the Group and the Company for the year ended 31 December 2019 (Note 29).

Personnel Expenses – Hospitality & ancillary services:

	Group From 01.01 to 31.12.2019
Salaries	9,635
Social security costs	1,528
Other expenses	708
Total	**11,871**

The number of the Group and Company's employess at December 31, 2019 was 689 and 34, respectively (December 31, 2018: 30 for the Group and Company). The Group's personnel as of December 31, 2019, includes 654 emloyees of Aphrodite Hills Resort and CTDC which were acquired by the Group during 2019.

On June 18, 2019, the Annual General Meeting of the Company's shareholders approved the distribution of a total amount of € 1,774 to the personnel and members of the BoD out of the profits of the year 2018.

NOTE 28: Other income

During the year ended December 31, 2019, the Company recognized income froms dividend from the below subsidiaries:

All amounts expressed in € thousand, unless otherwise stated

	31.12.2019	31.12.2018
Picasso Fund	5,613	5,874
Quadratix Ltd	1,000	-
I & B Real Estate EAD	993	-
CYREIT	4,544	-
Total	**12,150**	**5,874**

In the context of a share capital increase in 2013, the Company entered on December 23, 2013 into an agreement with Invel Real Estate (Netherlands) II BV (hereinafter “Invel II”), and Invel II transferred to the Company 100% of the quatas of the company under the name "Nash SrL", owner of land plot of 1,856 thousand sqm in the Torvaianica district of Pomezia (Rome) in Italy. In accordance with the said agreement, Invel II provided specific statements and warranties to the Company in relation to Nash and its real estate property. The amount of €19,097 relates to the income of the Company in relation to the aforementioned agreement and is included in other income of the Group and the Company as of December 31, 2019.

NOTE 29: Other Expenses

	Group		Company	
Other Expenses – Investment Property:	From 01.01. to		From 01.01. to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Third party fees	2,383	3,321	1,300	2,634
Expenses relating to advertising, publication, etc.	789	419	789	419
Taxies – levies	879	1,071	816	1,056
Other	694	362	623	357
Total	**4,745**	**5,173**	**3,528**	**4,466**

It is noted that an amount of €609 for the Group and €607 for the Company were transferred from other expenses to Personnel Expenses - investment property in the Income Statement of the Group and the Company for the year ended 31 December 2018, in order to be comparable to the Income Statements of the Group and the Company for the year ended 31 December 2019 (Note 27).

	Group
Other Expenses – Hospitality & ancillary services:	
	From 01.01. to 31.12.2019
Third party fees	2,679
Expenses relating to advertising, publication, etc.	1,285
Taxies – levies	220
Other	7,618
Total	**11,802**

Other Expenses – Hospitality and ancillary services as at December 31, 2019 relate to expenses incurred in the context of the activities of Aphrodite Hills Resort Limited and CTDC acquired by the Group in 2019 (Note 9).

NOTE 30: Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Interest Expense	27,446	19,160	20,708	15,409
Finance and Bank Charges (incl. amortization of discount)	3,268	2,774	2,564	2,120
Foreign Exchange Differences	156	10	-	3
Net Gain from modification of terms of loan agreements (Note 18)	(8,380)	-	(8,380)	-
Total	**22,490**	**21,944**	**14,892**	**17,532**

NOTE 31: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
REICs' tax	7,728	11,800	7,620	11,751
Other taxes	618	39	-	-
Deferred tax	6,097	393	-	-
Total	**14,443**	**12,232**	**7,620**	**11,751**

As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.2778/1999 as in force, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the article 46, par. 2 of L.4389/2016 a floor was set in the REIC tax of 0.375% on the average investments plus cash and cash equivalents, at current prices. Article 53 of Law 4646/2019 abolished the floor. It is noted, that the subsidiaries of the Company in Greece, Karolou Touristiki S.A., Irina Ktimatiki S.A., Anaptixi Fragokklisia S.A. and lldim M. IKE have the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L. and Prodea Immobiliare S.r.L. in Italy, Egnatia Properties S.A. in Romania, Quadratix Ltd., Lasmane Properties Ltd., Aphrodite Hills Resort Limited, Aphrodite Springs Public Company, CYREIT Variable Investment Company Plc and Vibrana Holdings in Cyprus and PNG Properties EAD and I&B Real Estate EAD in Bulgaria are taxed on their income, based on a tax rate equal to 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the financial year 2019.

The unaudited tax years of the subsidiaries and the joint ventures of the Group are described in Notes 10 and 11 above.

NOTE 32: Earnings per Share

Basic Earnings per share ratio is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
Period ended 31 December	**2019**	**2018**	**2019**	**2018**
Profit attributable to equity shareholders	293,896	115,104	232,146	84,857
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495	255,495	255,495
Earnings per share (expressed in € per share) - basic and diluted	**1.15**	**0.45**	**0.91**	**0.33**

The dilutive Earnings per share are the same as the basic Earnings per share for the year ended December 31, 2018 and 2018, as there were no dilutive potential ordinary shares.

NOTE 33: Contingent Liabilities and Commitments

Tax Liabilities

Group companies have not been audited yet for tax purposes for certain financial years and consequently their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits; however, the amount cannot be determined. As at December 31, 2019 and 2018 the Group has not accounted for provisions for unaudited tax years. It is estimated that additional taxes and penalties that may be imposed will not have a material effect on the statement of financial position of the Group and the Company.

The tax authorities have not audited the books and records of NBG Pangaea REIC, which was absorbed by the Company, for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected, under C.L. 2190/1920, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications. Especially for the year 2012, it is noted that within 2018 the tax audit was completed by the competent tax authorities with no findings and therefore no additional taxes were imposed.

The years 2013 – 2018 of the Company have been audited by the elected, under C.L. 2190/1920, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications.

The tax authorities have not audited the books and records of KARELA S.A., which was absorbed by the Company, for the financial year 2013 and consequently the tax obligations for this year is not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the company. The financial years 2014 and 2015 have been audited by the elected, under C.L. 2190/1920, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications.

It is noted that according to POL. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore, the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

Up until December 31, 2018, the tax authorities have not notified for any audit order for the Company and for KARELA S.A., which was absorbed by the Company, for the fiscal year 2010, 2011 and 2012. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, per company, reported uses pursuant to a) par. 1 of article 84 of l. 2238/1995 (unaudited income tax cases); b) par. 1 of article 57 of l. 2859/2000 (non-audited cases of VAT) and c) of par. 5 of article 9 of l. 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

Until the date of approval of the Annual Financial Statements, the tax audit for the year 2019 has not been completed by the statutory auditor of the Company.

All amounts expressed in € thousand, unless otherwise stated

Capital Commitements
As of December 31, 2019, Group's capital expenditure relating to improvements on investment property amounted to €17,185 (excluding VAT).

In addition, Group's capital expenditure relating to the development of residential projects in Paphos, Cyprus amounted to €6,510 (excluding VAT) as of December 31, 2019. Finally, Group's capital expenditure relating to the development of land plot of Aphrodite Springs Public Limited amounted to €4,330 (excluding VAT) as of December 31, 2019.

Legal Cases
There are no pending lawsuits against the Group nor other contingent liabilities resulting from commitments at December 31, 2019, which would affect the Group's financial position.

NOTE 34: Related Party Transactions

National Bank of Greece S.A. (NBG) controlled the Company up to May 23, 2019, based on an shareholders' agreement. More specifically, according to the shareholders' agreement, NBG appointed the majority of the members of the Board of Directors and the Investment Committee and guarantees were provided to NBG for certain other contractual rights.

On May 23, 2019 Invel Real Estate B.V. directly acquired 76,156,116 shares with voting rights in the Company, i.e. it acquired on a solo basis a percentage of 29.81% of the total number of voting rights of the Company. On the same date, May 23, 2019, CL Hermes Opportunities L.P. directly acquired, 7,281,997 shares with voting rights in the Company, i.e. 2.85% of the total number of voting rights in the Company. The above-mentioned percentage of 32.66% of voting shares was transferred to Invel Real Estate B.V. and CL Hermes Opportunities L.P. by National Bank of Greece S.A. Following those two acquisitions, NBG does not own any shares or voting rights in the Company.

Consequently, from the above mentioned date (May 23, 2019) onwards, NBG no longer controls the Company by virtue of the Shareholders Agreement dated 30.12.2013 between NBG and Invel Real Estate (Netherlands) II B.V., and consequently the control rights over the Company that, according to the law and the Company's articles of association, are conferred to Invel Real Estate (Netherlands) II B.V., in its capacity as majority shareholder of the Company with a percentage of 63.39% fully exercised by the latter.

In accordance with the TR1 notification of Law 3556/2007 dated 23.05.2019 submitted to the Company, the company Castlelake Opportunities Partners LLC is the ultimate shareholder of the Company owning 98.15%. Castlelake Opportunities Partners LLC is not controlled by any natural or legal person.

There is no natural person that holds more than 10% of the Company's share capital.

The Company's shareholding structure as of December 31, 2019 is presented below:

	% participation
• Invel Real Estate (Netherlands) II B.V.:	63.39%
• Invel Real Estate BV	29.81%
• CL Hermes Opportunities L.P.	2.85%
• Anthos Properties S.A. (a subsidiary of Invel Real Estate (Netherlands) II B.V.)	2.10%
• Other shareholders:	1.85%

It should be noted that the above percentages arise in accordance with the disclosures received by the above persons under existing legislation.

All transactions with related parties have been carried out on the basis of the "arm's length" principle, i.e. under normal market conditions for similar transactions with third parties. The transactions with related parties are presented below:

All amounts expressed in € thousand, unless otherwise stated

i. Balances arising from transactions with related parties

	Group		Company	
Trade receivables from related parties	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Anthos Properties S.A.	1	1	1	1
Companies related to other shareholders	-	1	-	1
Total	**1**	**2**	**1**	**2**

	Group		Company	
Other receivables from related parties	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Invel Real Estate (Netherlands) II B.V.	-	1,003	-	990
Irina Ktimatiki SA, Company's Subsidiary	-	-	-	2,605
Pangaea UK Finco Plc, Company's subsidiary	-	-	-	2
CYREIT, Company's subsidiary	-	-	4,544	-
PNG Properties EAD, Company's subsidiary	-	-	-	1
Total	**-**	**1,003**	**4,544**	**3,598**

	Group		Company	
Preliminary dividends	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece	-	7,509	-	7,509
Invel Real Estate (Netherlands) II B.V.	-	14,577	-	14,577
Anthos Properties S.A.	-	483	-	483
Total	**-**	**22,569**	**-**	**22,569**

	Group		Company	
Prepaid expenses	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group	-	428	-	403
Total	**-**	**428**	**-**	**403**

	Group		Company	
Cash and cash equivalents	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece	-	5,603	-	5,531
NBG Cyprus, company of NBG Group	-	1,056	-	-
Total	**-**	**6,659**	**-**	**5,531**

	Group		Company	
Other long-term assets	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
PNG Properties EAD, Company's subsidiary	-	-	10,571	10,179
Aphrodite Hills Resort Limited, Company's Subsidiary	**-**	**-**	18,281	**-**
Total	**-**	**-**	**28,852**	**10,179**

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
Trade payables to related parties	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece	-	80	-	80
Hellenic National Insurance Company, company of NBG Group	-	69	-	56
Ethniki Leasing, company of NBG Group	-	6	-	6
Total	**-**	**155**	**-**	**142**

	Group		Company	
Other Liabilities	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece	-	1	-	1
Hellenic National Insurance Company, company of NBG Group	-	1	-	-
Pangaea UK Finco, Company's subsidiary	-	-	-	57
Anaptixi Fragokklisia S.A., Company's subsidiary	-	-	-	1,530
Companies related to other shareholders	670	653	670	653
Aphrodite Hills Pantopoleion Ltd. (Equity method investment)	7	-	-	
Total	**677**	**655**	**670**	**2,241**

	Group		Company	
Borrowings	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Companies related to other shareholders	1,153	-	-	-
Total	**1,153**	**-**	**-**	**-**

ii. Rental income

	Group From 01.01. to		Company From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece S.A.[1]	26,352	66,688	26,352	66,688
Anaptixi Fragokklisia S.A., Company's subsidiary	-	-	1	-
Irinna Ktimatiki S.A., Company's subsidiary	-	-	1	-
Anthos Properties S.A.	3	3	3	3
Companies related to other shareholders	2	2	2	2
Total	**26,359**	**66,693**	**26,359**	**66,693**

[1] National Bank of Greece and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

All amounts expressed in € thousand, unless otherwise stated

iv. Depreciation of Right of Use

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group[1]	20	-	20	-
Total	**20**	**-**	**20**	**-**

v. Direct property related expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group[1]	225	541	202	508
Companies related to other shareholders	1,614	1,559	1,614	1,559
Total	**1,839**	**2,100**	**1.816**	**2,067**

vi. Personnel expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group[1]	15	34	15	34
Total	**15**	**34**	**15**	**34**

vii. Other income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group[1]		2	-	2
Invel Real Estate (Netherlands) II B.V.	19,097	-	19,097	-
CYREIT, Company's subsidiary		-	4,544	-
I&B Real Estate EAD, Company's subsidiary	-	-	994	-
Quadratix Ltd., Company's subsidiary	-	-	1,000	-
Picasso Fund, Company's subsidiary	-	-	5,612	5,874
Total	**19,097**	**2**	**31,247**	**5,876**

[1] National Bank of Greece and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

All amounts expressed in € thousand, unless otherwise stated

viii. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece S.A. [1]	48	122	48	122
Ethniki Leasing, company of NBG Group[1]	-	52	-	52
CTDC, Company's subsidiary	-	-	3	-
Companies related to other shareholders	263	-	-	-
Total	**311**	**174**	**51**	**174**

ix. Interest income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece S.A.[1]	2	25	1	25
NBG Cyprus, company of NBG Group[1]	-	1	-	-
PNG Properties EAD, Company's subsidiary	-	-	395	395
Aphrodite Hills Resort Limited, Company's Subsidiary	-	-	1,240	-
Total	**2**	**26**	**1,636**	**420**

x. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
National Bank of Greece S.A.[1]	10	16	9	15
Companies related to other shareholders	78	-	-	-
Total	**88**	**16**	**9**	**15**

xi. Due to key management

	Group		Company	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Payables to the members of the BoD and the Investment committee	55	-	29	-
Other liabilities to members of the BoD, its committees and Senior Management	664	7	664	7
Retirement benefit obligations	23	16	23	16
Total	**742**	**23**	**716**	**23**

[1] National Bank of Greece and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

All amounts expressed in € thousand, unless otherwise stated

xii. Key management compensation

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
BoD, its committees and Senior Management compensation	3,794	1,559	3,234	1,557
Total	**3,794**	**1,559**	**3,234**	**1,557**

xiii. Commitment and contingent liabilities

In the context of the new loan agreement signed by the subsidiary Quadratix Ltd. with the Bank of Cyprus Ltd. on January 31, 2018 (Note 17), the Company has given a corporate guarantee up to the amount of €5,000 thousand for liabilities of Quadratix Ltd. under the abovementioned loan agreement. Management does not expect to incur any financial losses by the subsidiary's loan.

xiv. Dividends from Equity method investments

During financial year 2019, the company Aphrodite Hills Resort Limited received an amount of €80 as dividend from the company Aphrodite Hills Pantopoleion Ltd. in which participates with 45%.

NOTE 35: Independent Auditor's fees

PricewaterhouseCoopers S.A. has served as our principal independent public accountant auditor for the years ended December 31, 2019 and 2018.

The following table presents the aggregate fees for professional audit services and other services rendered to the Group by the PricewaterhouseCoopers network for the years 2018 and 2017 respectively.

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Fees for auditing services	332	268	90	168
Audit fees for the Annual Tax Certificate	33	29	15	15
Other non-audit services	74	328	24	315
Total	**439**	**625**	**129**	**498**

NOTE 36: Events after the Date of Financial Statements

On February 13, 2020, the company "PIRAEUS TOWER SOCIETE ANONYME MANAGEMENT DEVELOPMENT AND EXPLOITATION OF THE COMMERCIAL SHIPPING CENTER PIRAEUS" with the distinctive title "Piraeus Tower S.A.", was established, with its registered seat being in Maroussi, Attica. The share capital of the company amounts to €2,900 divided to 290.000 common ordinary shares with a par value of €10 each. The Company holds the 30% of the shares of Piraeus Tower. The aim of the company is the completion, renovation, maintenance, operation, exploitation and management for a certain period, in particular 99 years, of Piraeus Tower.

On January 28, 2020, the Company concluded the acquisition of a commercial property located in 19-20 Filikis Etaireias Square street in Athens, with an area of c. 496.5 sqm. The total consideration for the acquisition amounted to €2,300, out of which an amount of €629 had been paid as an advance payment.

On January 27, 2020, the Company concluded with the acquisition of a commercial property located in 7 Aggelou Metaxa Avenue in Glyfada, Attica, with a total area of 415 sqm. The total consideration for the acquisition amounted to €2,100.

There are no other significant events subsequent to the date of the Financial Statements relating to the Group or the Company for which disclosure is required by the IFRSs as endorsed by the EU.