# Prodea Real Estate Investment Company Société Anonyme

Group and Company

ANNUAL FINANCIAL REPORT
for the year from January 1 to December 31, 2020
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.

April 2021

## 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, 2020 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, April 29, 2021

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| 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 2020

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 2020 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 2020, 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 2020" below). The new acquisitions were financed by loans.

As of December 31, 2020, the Group's real estate portfolio consisted of 359 commercial properties, mainly retail and offices, (December 31, 2019: 372 commercial properties) of a total leasable area of 1,236 thousand sq.m. Three hundred and fifteen (315) 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, 2020 the fair value of the Group's investment property, including the hotels and other facilities which are presented in property and equipment and the residential properties and land plots for the development of residential properties for sale (hereinafter "Inventories"), amounted to €2,123,968 (including the Company's owner-occupied property with a fair value of €9,232) (December 31, 2019: €2,224,821, including the Company's owner-occupied property with a fair value of €2,263) 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 "Axies S.A." for the properties outside Italy and Bulgaria, the company "DRP Consult LTD" for the properties in Bulgaria and the company "Jones Lang LaSalle S.p.A." for the properties in Italy.

As of December 31, 2020, the subsidiaries Aphrodite Hills Resort Limited, MHV Mediterranean Hospitality Venture Limited (formerly Vibrana Holdings Ltd) and its 100% subsidiary The Cyprus Tourism Development Company Limited have been classified as held for sale since all the criteria of IFRS 5 are met. As of December 31, 2020 the fair value of the properties owned by the aforementioned companies (investment property, property and equipment and inventories) amounted to €146,811 (December 31, 2019: €151,218).

Excluding the properties of the aforementioned companies, as of December 31, 2020 the Group's real estate portfolio consisted of 357 commercial properties, mainly retail and offices, of a total leasable area of 1,161 thousand sq.m. (three hundred and fifteen (315) properties in Greece, twenty-four (24) properties in Cyprus, fourteen (14) properties in Italy, two (2) properties in Bulgaria and two (2) properties in Romania). The fair value of the properties as of December 31, 2020 amounted to €1,977,157 (including the Company's owner-occupied property with a fair value of €9,232).

In addition, the Company participates in the following companies which are presented in the line "Investment in joint ventures" in the Statement of Financial Position as of December 31, 2020:

- 40% in 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, 2020 amounted to €8,400.
- 49% in 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, 2020 amounted to €28,663.

- 35% in the company RINASCITA S.A., which has a long-term lease agreement for a multistorey building in Athens. The fair value of the property, according to the valuation performed by the independent statutory valuer, as of December 31, 2020 amounted to €13,300.
- 30% in the company PIRAEUS TOWER S.A. The PIRAEUS TOWER has signed a concession for the redevelopment and exploitation of Piraeus Tower with the Municipality of Piraeus. The fair value of the property, according to the valuation performed by the independent statutory valuer, as of December 31, 2020 amounted to €18,379.

The total fair value of the properties of the abovementioned companies as of December 31, 2020 amounted to €68,742.

Management always evaluates the optimization of the performance of the Group's real estate portfolio, including a possible sale if the market conditions are appropriate. During 2020 the Company concluded on the disposal of nineteen properties (see "OTHER EVENTS" and "EVENTS AFTER THE DATE OF THE FINANCIAL STATEMNTS" below).

## SIGNIFICANT EVENTS DURING 2020

### A. CORPORATE EVENTS

1. On March 3, 2020, the Company's headquarters transferred to 9 Chrisospiliotissis street, Athens. The new offices are certified according to the environmental LEED ("Leadership in Energy and Environmental Design") sustainability standard at Gold level. The building is the first listed office building in Greece to receive this certification. Except of the LEED certification, this property is in the process of receiving an international certification according to Well Building Standard, which is the first building standard that focuses on the health and well-being of people in buildings.

2. On April 13, 2020, the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €156,618 (i.e. 0.613 per share – amount in €) as dividend to its shareholders for the year 2019. Due to the distribution of interim dividend of a total amount of €81,247 (i.e. €0.318 per share – amount in €), following the relevant decision of the Board of Directors dated December 16, 2019, the remaining dividend to be distributed amounts to €75,371 (i.e. €0.295 per share – amount in €).

3. Following 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, on May 27, 2020 the Company received the amount of €5,900 in respect of the capital accumulation tax paid on April 14, 2010.

4. On November 30, 2020 the Company's Board of Directors resolved on the distribution of a total amount of €35,769 (i.e. €0.14 per share – amount in €), as interim dividend to its shareholders for the year 2020.

### B. INVESTMENTS

1. During 2020 the Group proceeded with the below investments which contributed to the dispersion of the Group's real estate portfolio:

   - On January 27, 2020, the Company concluded the acquisition of a commercial property located in 7 Aggelou Metaxa Avenue in Glyfada, Attica, of a total area of approximately 415 sq.m. for a total consideration of €2,100 (not including acquisition costs of €89). The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €2,307.

   - On January 28, 2020, the Company concluded the acquisition of a commercial property located at 19-20 Filikis Etaireias Square street in Athens, of a total area of approximately 496.5 sq.m. for a total consideration of €2,300 (not including acquisition costs of €132) out of which an amount of €629 had been paid as an advance payment. The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €2,334.

- 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 into 290,000 common ordinary shares with a par value of €10 each. The Company holds 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 July 6, 2020 the 99 years concession for the redevelopment and exploitation of Piraeus Tower was signed between the company Piraeus Tower S.A. and the Municipality of Piraeus.

- On July 17, 2020 the Company concluded the acquisition of an office complex with a total area of approximately 7.1 thousand sq.m. located at 72, Ethnikis Antistaseos and Agamemnonos str., in Chalandri and a mixed use building, consisting of offices and retail units, with a total area of approximately 1.9 thousand sq.m. located at 44-46, Amphiaraou str. near the center of Athens, for a total consideration of €15,400 and €1,500 respectively (not including acquisition costs of €433 and €49 respectively). The fair value of the properties at the date of the acquisition, according to the valuation performed by the independent statutory valuer, amounted to €15,407 and €1,600 respectively.

- On September 18, 2020 the Company concluded the acquisition of a property located at Markopoulo, Attica, of a total area of 12.4 thousand sq.m. The property is leased to creditworthy tenants and is used as a Logistics center. The consideration for the acquisition of the property amounted to €9,900 (not including acquisition costs of €306). The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €9,986.

- On December 11, 2020 the Company concluded the acquisition of 100% of the shares of the company "MILORA M.IKE" located in Greece. The company owns a retail property in Kallithea, Attica, with a total area of approximately 2 thousand sq.m., which is already leased to a creditworthy tenant. The consideration for the acquisition of MILORA amounted to €508 (taking into account the liabilities and assets of MILORA). The consideration for the acquisition of the property amounted to €1,550 and its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €1,670.

2. In addition, the Group during 2020 proceeded with the signing of binding agreements for the acquisition of investment properties as presented below:

   - On June 1, 2020 the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of the shares of a company, owner of a land plot on which a building is currently being developed that will be used as commercial warehouses with modern specifications. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company at that date. In the context of this preliminary agreement, the Company on the same day paid an amount of €5,000 as a prepayment. On August 4, 2020 the Company paid an additional amount of €2,030 as a prepayment.

   - On December 23, 2020 the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of the shares of a company, owner of a land plot on which buildings will be developed and will be used as Logistics center. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company at that date. In the context of this preliminary agreement, the Company on the same day paid an amount of €5,965 as a prepayment.

## C. OTHER EVENTS

1. Within December 2020, the Company's competent bodies resolved on the strategic collaboration between the Company, Invel Real Estate and the Cypriot based YODA Group of Mr. Ioannis Papalekas in the hospitality and tourism sector in the Mediterranean region. In this context the Company on April 1, 2021 transferred 45% of its interest in MHV Mediterranean Hospitality Venture Limited, according to the sale and purchase agreement dated December 30, 2020 as amended on March 31, 2021. In addition, subsequent to December 31, 2020 a share purchase agreement was signed for the transfer by the Company of the 15% shareholding in Aphrodite Hills Resort Limited. (see "EVENTS AFTER THE DATE OF THE FINANCIAL STATEMNTS" below).

2. Management always evaluates the optimization of the performance of the Group's real estate portfolio, including a possible sale if the market conditions are appropriate. In this context, within 2020 the Company concluded the disposal of nineteen properties in Greece. The total consideration amounted to €137,177 while their book value at the date of the disposal amounted to €132,429. The gain from disposal of investment properties amounted to €4,748.

## D. COVID 19 – Pandemic

In the first quarter of 2020 the World Health Organization declared the outbreak of the Coronavirus pandemic (COVID-19). The COVID-19 pandemic and the subsequent lockdowns have affected the economic activity globally. Governments, including those of countries in which the Group operates, announced several measures in order to support business activity and the economy.

The Group's source of revenues is mainly through investment property (i.e. rental income) and to a lesser extent through the hospitality and ancillary services of the subsidiaries Aphrodite Hills (herinafter "AH") and The Cyprus Tourism Development Company Limited (hereinafter "CTDC") in Cyprus. The Company during 2020 announced the strategic cooperation with Invel Real Estate and YODA Group of Mr's Ioannis Papalekas, in the hospitality sector. AH and CTDC will be set under common control and consequently these entities has been presented as Held for Sale as of December 31, 2020 and the results of these entities has been presented as discontinued operations.

<u>Impact on rental income</u>

The main sectors that were affected by COVID-19 were high street retail (excluding hypermarkets) and hospitality. The above sectors represent approximately 10% of the Group's annualized rents as of December 31, 2020. Additionally, the Group's revenue from its five largest tenants, i.e. National Bank of Greece, Sklavenitis, Hellenic Republic, Cosmote and Italian Republic, representing about the 73% of the Group's annualized rents as of December 31, 2020 have not been affected by COVID-19.

The Greek government, in the context of the support to the affected businesses, imposed a mandatory 40% reduction on monthly rents for the months of March to December 2020. From January 2021 the mandatory reduction amounts to 40% of the monthly rent for the affected businesses, while for businesses that remain closed by state order, the mandatory reduction amounts to 100% of the monthly rent. However, it is noted that the Greek government will compensate the legal entities-lessors by paying 60% of the monthly rent for months January to March 2021. In the other countries in which the Group operates, there were no government decisions for mandatory reductions on rents, however the Group, in some cases, proceeded to voluntary rent reductions in order to support its tenants.

Taking into account the above, the reduction in rental income for 2020 amounted to €2,523 for the Group and €1,373 for the Company (which represents about the 2.0% and 1.4% of the annualized rents of the Group and the Company, respectively).

Impact on revenue from hospitality and ancillary services (discontinued operations)

Prodea's presence in the hospitality sector is in Cyprus through the Landmark Nicosia (CTDC) and Aphrodite Hills (AH). This is the business sector and jurisdiction in which the Group operates that was mostly affected by the pandemic as hotel operations in Cyprus were under mandatory suspension from 16.03.2020 until 14.06.2020, therefore the abovementioned subsidiaries ceased their operation and then, due to the general situation, underperformed. As a result, these entities during 2020 recorded operating losses of €6,664, excluding the effect of the fair value adjustments.

As mentioned above, the abovementioned companies, in the Annual Financial Report, have been classified as held for sale, and their results have been presented as discontinued operations, due to the strategic collaboration in the hospitality sector between the Company, Invel Real Estate and the Cypriot group of companies YODA Group of Mr. Ioannis Papalekas.

Assessment of the fair value of the Investment Property and the Property Plant and equipment which include land and buildings related to hotel and other facilities of the Group

According to the current legislation for REICs, the valuations of the properties are performed by independent valuers. The valuations of December 31, 2020 were performed by 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 "Axies S.A." for the properties outside Italy and Bulgaria, the company "DRP Consult LTD" for the properties in Bulgaria and the company "Jones Lang LaSalle S.p.A." for the properties in Italy.

Regarding the effect of COVID-19 in the value of the properties, in some cases, limited liquidity and a lower volume of transactions is noted, which resulted in the lack of sufficient comparative data. In several countries numerous measures have been imposed as an effort to limit the spread and impact of COVID-19, such as travel restrictions and travel bans to the extent necessary. While the process of vaccinating the population is in progress and restrictive measures have been lifted in several of them, the local lockdown may continue if necessary, as outbreaks are possible. The pandemic and the measures taken to deal with it continue to affect the economy and the real estate market worldwide.

Taking into account the above as well as the uncertainty from the evolution of COVID-19 pandemic and the possible future impact on the real estate market in our country and internationally and due to lack of sufficient comparative information, it is noted that the valuations have been prepared on the basis of "material valuation uncertainty", as defined in the RICS Valuation - Global Standards and International Valuation Standards. For this reason, real estate values go through a period in which they are monitored with a higher degree of attention. Independent valuers have confirmed that the statement of "substantial appraisal uncertainty" does not mean no-one can't rely on real estate valuations. On the contrary, the above statement is used to provide clarity and transparency to all parties, in a professional manner, that in the current emergency situation, less certainty is given to the valuations than would otherwise be the case.

The valuation methods from last year have not been modified and at the date of the valuation take into account the impact of COVID-19 in the properties.

- In general, the operation of the retail stores was negatively affected, due to restrictions on operation and movement. Regarding the portfolio, the relative effect was significantly mitigated by the fact that a large part of the portfolio stores was not forced to suspend their operation as part of the measures against COVID-19, while on the contrary the effect on supermarkets was positive.
- Offices prove to be particularly durable throughout the coronavirus period, while high demand offices and / or bioclimatic buildings in attractive places and due to the lack of a corresponding product record an increased demand. The above have led to a reduction in their yield and in several cases in an increase in rents.

- Regarding hotels, the impact of COVID-19 is immediate due to the dramatic reduction in travel and consequently the occupancy of hotels, operating negatively on expected revenues. The effect is less in the case of leased hotels.
- Commercial logistics are in increasing demand, which has led to a squeeze on their yields and in some cases an increase in rents.

The financial year ended December 31, 2020 resulted in a loss from fair value adjustment of investment property of €7,573 for the Group, which also incorporates the effect of COVID-19. Detailed information on real estate valuations at fair value and on the assumptions taken into account for valuations is provided in Notes 4.1 and 6. Information on the gain / (loss) on fair value adjustment of investment property by operating segment and geography is included in Note 5.

Management will monitor the trends that will be demonstrated in the investment real estate market in the upcoming months because the full outcome of the consequences of the financial situation in Greece may affect the values of the Group's investment properties in the future. In this context, Management also closely monitors the developments regarding the spread of COVID-19 as the short-term effects on the values of the Group's investment properties that are directly related to the net asset value of the Group remain unknown.

<u>Liquidity Risk</u>

The available cash balances and credit limits offer the Group strong liquidity. As part of a prudent financial management policy, the Company's Management seeks to manage its borrowing (short-term and long-term) utilizing a variety of financial sources and in accordance with its business planning and strategic objectives. The Company assesses its financing needs and the available sources of financing in the international and domestic financial markets and investigates any opportunities to raise additional funds by issuing loans in these markets. In the beginning of 2020, the Company disbursed, as a precautionary measure, available credit limits (amounting to €153,450). The company is also in discussions with banks regarding the provision of additional funds to secure the cash in order to carry out its short-term / medium-term investment plan.

It is noted that the effect of Covid-19 on the financial performance of the Group and the Company resulted in the non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans at the year ended December 31, 2020. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the lag of the financial covenant, the overall financial status of the Group and the Company has not been affected and thus the obligations can be fully met on a timely manner.

<u>Credit Risk</u>

No significant losses are expected as lease agreements are agreed with clients - tenants with sufficient creditworthiness. As mentioned above, 73% of the annual leases come from the following tenants: National Bank, Sklavenitis, Greek State, Cosmote and Italian State and the reduction in rental income for 2020, due to the pandemic, amounts to €2,523 for the Group and €1,373 for the Company (which represents about the 2.0% and 1.4% of the annualized rents of the Group and the Company, respectively). In addition, the Group receives from tenants, in the framework of lease agreements, securities, such as guarantees, to mitigate credit risk.

Management, taking into consideration the above as well as:
1. The current financial position of the Company and the Group,
2. The diversification of the Group's real estate portfolio,
3. The fact that even if COVID-19 negatively affects the revenue and the operating results of the Group in the short term, the Group's business plan has a long-term perspective,
4. The necessary funds for the realization of the Group's short to medium term business plan have been already secured,

concluded that the Company and the Group have sufficient resources in order to continue the business activity and the implementation of the Group's short to medium term business plan. Therefore, the Annual Financial Statements of the Group and the Company have been prepared based on the going concern principle.

Management will continue to monitor and evaluate the situation closely.

Other issues

At Prodea, we adopted a remote work model from the onset of the crisis, immediately proceeding with a digital transformation of our operations and making the protection of our human resources our first priority. At the same time, Prodea became one of the first companies that held its Annual Ordinary General Meeting of the Shareholders via teleconference, implementing a new process that is now being adopted more widely. For Prodea the safety of our employees and partners, as well as the smooth information of our shareholders are a priority.

With a high sense of responsibility and duty, Prodea supported the fight against COVID-19 by donating 15,000 TYVEK full body protective suits to the Department of Health. Prodea, in cooperation with Invel Real Estate, has taken similar actions in Cyprus, a country where the Group has a significant investment presence. Specifically, the hotel "The Landmark Nicosia", owned by CTDC, renowned for its dedication to the principles of solidarity and corporate social responsibility, provided free accommodation to the medical and nursing staff who are fighting the pandemic.

## FINANCIAL PERFORMANCE OF THE GROUP

**Revenue:** Total revenue for the year ended December 31, 2020 amounted to €133,897 compared to €135,554 for the year ended December 31, 2019, representing a marginal decrease of 1.2%. The decrease on rental income mainly relates to the disposal of four investment properties in December 2019 and the government measures in the countries where the Group operates to address the COVID-19. The decrease is partially counterbalanced by the increase on rental income from new properties acquired by the Group during the year 2019 and during the current year as well as to the indexation of the leases.

**Gain from disposal of Investment Property:** Management always evaluates the optimization of the performance of the Group's real estate portfolio, including a possible sale if market conditions are appropriate. In this context, during the year 2020, the Company concluded on the disposal of 19 investment properties. The total sale price amounted to €137,177 while their book value as of the date of disposal was €132,429. The gain from the disposal of the properties amounted to €4,748.

**Net gain / (loss) from the fair value adjustment of investment property:** During the year 2020, the fair value of investment properties of the Group decreased by €7,573 (compared to increase of €175,078 in previous year).

**Property related expenses (incl. property taxes-levies):** Property related expenses including property taxes-levies amounted to €17,905 for the current year compared to €16,169 of the prior year. This increase is mainly attributable due to acquisitions concluded of the Group within 2019 (e.g. CYREIT AIF Variable Investment Company Plc).

**Personnel expenses:** Personnel expenses amounted to €11,893 for the year 2020 compared to €5,596 of the prior year. This increase is mainly due to the distribution of profit to personnel and to members of the BoD of €6,158, following the resolution of the Annual General Meeting of the Company's Shareholders which took place on April 13, 2020.

**Other Expenses:** Other expenses of the Group for the year 2020 amounted to €8,970 compared to €4,554 of the previous year. The increase is mainly due to the increase of third-party fees by €3,544 (December 31, 2020: €5,792, December 31, 2019: €2,248) and the increase of taxies-levies by €987 (December 31, 2020: €1,818, December 31,2019: €831). The increase mainly relates to the expenses in relation to the Company's share capital increase which was postponed due to the pandemic of COVID-19 of €1,970, including VAT, to non-recurring expenses in relation to the relocation of the Company's headquarters of €266, including VAT, as well as to non-recurring consulting and legal fees of €562, including VAT.

All amounts expressed in € thousand, unless otherwise stated

**Finance costs:** The Group's finance costs for the year 2020 amounted to €31,442 compared to €20,538 for 2019. The increase is mainly attributable to the new loan agreements that the Group concluded during the 2019 and to amortization of the gain from modifications of terms of loan agreements that recognized in 2019 (December 31, 2020: net loss €1,280, December 31, 2019: net gain €8,380). By excluding the effect of the modification of terms of loan agreements, finance costs of the Group for the year 2020 amounted to €30,162 compared to €28,918 of the year 2019 (increase: 4.3%).

**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. 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., Ildim M. IKE and Milora 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 MHV Mediterranean Hospitality Venture Limited 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 year 2020.

Taxes at a Group level for the financial year 2020 amounted to €2,260 compared to €14,035 of the previous year. The decrease mainly relates to the decrease in the REIC tax due to the abolishment of the threshold of 0.375% and to the decrease of deferred tax.

**Profit / (Loss) from continuing operations:** The Group's profit from continuing operations for the financial year 2020 amounted to €62,946 compared to profit of €296,928 of the previous year. By excluding the net gain/(loss) from the fair value adjustment of investment property (2020: net loss of €7,573, 2019: net gain of €175,078), the gain from the sale of investment properties (2020: gain of €4,748, 2019: gain of €19,120), the impairment of the receivable from Stirling Bulgaria EOOD (2020: Nil, 2019: €1,807), the net change in fair value of financial instruments at fair value through profit or loss (2020: €4, 2019: €61), the share of profit of associates and joint ventures (2020: €3,902, 2019: €169) and the non-recurring (income)/expenses as analysed in note 1 under the table Funds from Operations (FFO) (2020: expenses €5,384, 2019: income €29,866) the Group's profit from continuing operations for the year 2020 amounted to €67,249 compared to €74,441 of the prior year (9.7% decrease). The decrease relates to the decrease in revenues and the increase in expenses, as analysed above. The decrease was partially offset by the decrease in taxes, as analysed 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.

| | **31.12.2020** | **31.12.2019** |
|---|---:|---:|
| **Current ratio** [1]<br>(Current assets / Current liabilities) | 0.67x | 2.31x |
| **Gearing ratio** [2] | 36.8% | 36.1% |
| **LTV** [3] | 41.7% | 40.0% |
| **Net LTV** [4] | 36.5% | 36.7% |

[1] The decrease of the current ratio is mainly due to the below:

i. Borrowings of the Company of an amount of €362,618 are presented in short-term borrowings in the Statement of Financial Position as of December 31, 2020, as the Company at the end of the year ended December 31, 2020 assessed a non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans due to the impact of COVID-19 pandemic in the financial performance of the Group and the Company. According to the provisions of the loan agreements, the non-compliance is ascertained with the submission of the annual audited financial statements to the competent financial institutions. For presentation purposes according to IFRSs, the balance of these loans is included in short-term borrowings. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the lag of the financial covenant, the overall financial status of the Group and the Company has not been affected and thus all the obligations can be fully met on a timely manner. As of March 31, 2021, the outstanding balances of these loans, in the interim financial statements of the Group and the Company, will be included in long-term liabilities.
ii. Borrowings of Picasso Fund totally amounted to €99,754 as of December 31, 2020 are included in short-term borrowings since these amounts are payable on June 30, 2021. Management is currently investigating the alternatives for the refinancing of the loans.
iii. The Company as of March 23, 2020 withdraw an amount of €49,600 through a bridge loan signed with Alpha Bank in December 2019. As of December 31, 2019, the outstanding balance of the bridge loan was €12,000 which was fully repaid during January 2020.
iv. The Group's and the Company's short-term bond loans include an amount of €80,995 which relates to prepayment of capital of a bond loan due to the disposal of eighteen properties on December 24, 2020 (Note 6), as a prenotation of mortgage had been established on six of these properties in favour of the financial institution. The Company had given irrevocable instructions to the financial institution in order to proceed with the repayment of the above amount and the financial institution's actions were completed on January 4, 2021.

[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 as determined by the independent valuers (i.e. investment property, owner occupied property as well as the investment property and hotel units and other facilities and the real estate inventories, which are included in the line "Assets held for sale") at each reporting date. The outstanding balance of the borrowings as at December 31, 2020 has been decreased by €80,995, amount for which irrevocable instructions were sent to the financial institution in order to proceed with the prepayment of a loan and the actions by the financial institution were completed in January 2021.

[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 as determined by the independent valuers (i.e., investment property, owner occupied property as well as the investment property and hotel units and other facilities and Real Estate Inventories which as of December 31, 2020 are included in line " Assets held for sale ") at each reporting date.

By excluding the assets and liabilities directly associated to assets held for sale, the LTV ratio is equal to 43.2% and net LTV ratio is equal to 37.7%.

The Company's Management defines Net Asset Value (NAV) as total shareholders' equity taking into account, at each reporting date, the difference between the fair value and the net book value of the owner-occupied property, real estate inventories and other non-current assets. (31.12.2020: €2,220, 31.12.2019: €848).

| **Net Asset Value (NAV)** | **31.12.2020** | **31.12.2019** |
|---|---|---|
| NAV | **1,367,907** | **1,419,292** |
| No. of shares at year end (in thousands) | 255,495 | 255,495 |
| NAV (per share) | **5.35** | **5.56** |
| | **From 01.01. to** | |
| | **31.12.2020** | **31.12.2019** |
| Profit for the period | 62,946 | 296,928 |
| Plus: Depreciation & amortization | 464 | 142 |
| Plus: Net Finance costs | 29,020 | 20,519 |
| Plus: Taxes | 2,260 | 14,035 |
| **EBITDA** | **94,690** | **331,624** |
| Less: Net gain of fair value adjustment of investment property | 7,573 | (175,078) |
| Less: Net change in fair value of financial instruments at fair value through profit or loss | (4) | (61) |
| Less: Gain from disposal of investment property | (4,748) | (19,120) |
| Less: Adjustments in respect to equity method investments and investments in joint ventures | (4,211) | (226) |
| Plus / (Less): Net non-recurring expenses/ (income)[1] | 7,351 | (28,059) |
| **Adjusted EBITDA** | **100,651** | **109,080** |

All amounts expressed in € thousand, unless otherwise stated

[1] Net non-recurring (income)/expenses includes:

| | Από 01.01. έως | |
|---|---|---|
| | **31.12.2020** | **31.12.2019** |
| Negative goodwill from acquisition of subsidiary | - | (10,904) |
| Income in accordance with the agreement dated December 23, 2013 with Invel Real Estate (Netherlands) II BV | - | (19,097) |
| Impairment of the receivable from the company Stirling Bulgaria EOOD | - | 1,807 |
| Expenses for the relocation of Company's headquarters | 266 | - |
| Non-recurring legal fees | 297 | - |
| Non-recurring consulting fees | 265 | - |
| Non-recurring profit distribution to the BoD and personnel | 3,791 | - |
| BoD fees in relation to prior years | 228 | - |
| Expenses in relation to the share capital increase of the Company which was postponed due to COVID-19 pandemic | 1,970 | - |
| Other non-recurring expenses | 534 | 135 |
| **Total** | **7,351** | **(28,059)** |

| **Funds from Operations (FFO)** | **From 01.01. to** | |
|---|---|---|
| | **31.12.2020** | **31.12.2019** |
| Profit for the period attributable to the Company's equity shareholders | 62,767 | 290,524 |
| Plus: Depreciation and Amortization | 464 | 142 |
| Plus: Deferred taxes | (154) | 5,840 |
| Plus: Net impairment loss on financial assets | 1,888 | 2,137 |
| Less: Net change in fair value of financial instruments at fair value through profit or loss | (4) | (61) |
| Less: Gain from disposal of investment property | (4,748) | (19,120) |
| Less: Net gain from modification of terms of loan agreements | 1,280 | (8,380) |
| Plus: Finance costs due to measurement of financial liabilities at present value | 105 | - |
| Plus / (Less): Net non-recurring expenses / (income)[1] | 5,384 | (29,866) |
| Less: Net gain from fair value adjustment of investment properties | 7,573 | (175,078) |
| Less: Unrealized gains from Equity method investments & investment in joint venture | (4,637) | (229) |
| Plus: Gain attributable to the non-controlling interest of the abovementioned adjustments | (349) | 6,036 |
| **FFO** | **69,569** | **71,945** |

[1] Net non-recurring expenses/(income) includes:

| | Από 01.01. έως | |
|---|---|---|
| | **31.12.2020** | **31.12.2019** |
| Negative goodwill from acquisition of subsidiary | - | (10,904) |
| Income in accordance with agreement dated the December 23, 2013 with Invel Real Estate (Netherlands) II BV | - | (19,097) |
| Expenses for the relocation of Company's headquarters | 266 | - |
| Non-recurring legal fees | 297 | - |
| Non-recurring consulting fees | 265 | - |
| Non-recurring profit distribution to the BoD and personnel | 3,791 | - |
| BoD fees in relation to prior years | 228 | - |
| Expenses in relation to the share capital increase of the Company which was postponed due to COVID-19 pandemic | 1,970 | - |
| Other non-recurring expenses | 534 | 135 |
| Interest income, net of tax, in relation to the capital accumulation tax of €5,900 received by the Company in May 2020 | (1,967) | - |
| **Total** | **5,384** | **(29,866)** |

All amounts expressed in € thousand, unless otherwise stated

## EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

On January 22, 2021, the Company concluded the acquisition of a property with use of parking spaced located at 44 Kifisias Anenue, Maroussi, Attica, with a total area of 507.6 sq.m. The consideration for the acquisition of the property amounted to €367 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €402.

On February 19, 2021, the Company concluded the acquisition of a property located at 377 Syggrou Avenue, Athens, with a total area of 2.4 thousand sq.m. The consideration for the acquisition of the property amounted to €3,100 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €3,790. From the total consideration, an amount of €775 was paid on the same day while the remaining amount was paid on April 1, 2021.

On February 25, 2021, the subsidiary Picasso Fund acquired a property used as offices and parking spaces in Milan, Italy, of a total area of 11.1 thousand sq.m. The greatest part of the property is already leased to creditworthy tenants. The consideration for the acquisition of the property amounted to €19,000 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €22,000. From the total consideration, an amount of €7,600 was paid on the same day and the remaining amount will be paid within 12 months from the date of the acquisition. To secure the deferred payment, Picasso Fund submitted to the seller an irrevocable letter of guarantee issued by Intesa Sanpaolo S.p.A.

On March 8, 2021, the Company entered into an agreement for a bridge loan up to the amount of €25,000 with Eurobank S.A., bearing interest of 3-month Euribor plus a margin of 2.60%.

In March 2021, the Company signed a framework agreement with an international investment vehicle for their collaboration in the Italian real estate market. In this context, on March 23, 2021, the Company proceeded with the establishment of the company Picasso Lux S.a.r.l. SICAF-RAIF (hereinafter "Picasso Lux") in Luxembourg, by the contribution in kind of all of the shares of Picasso Fund and a cash contribution of €600. On March 26, 2021, the Company proceeded with the disposal of 20% of the shares of Picasso Lux (representing 53.8% of Picasso Lux's economic rights) for a total consideration of €64,618 and at the same time the Company proceeded with the acquisition of a majority stake of 80% of the shares of the company CI Global RE S.a.r.l. SICAF-RAIF, (hereinafter "CI Global"), in Luxembourg (representing 46.2% of the CI Global's economic rights), for a consideration of €24,438. CI Global owns the units of Fondo Tarvos - Fondo Comune di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato (hereinafter ''Tarvos Fund'') which owns 11 commercial properties in Italy. The purpose of the collaboration is to maximise the value of the properties owned by Picasso Fund and Tarvos Fund and the returns for the Company and its shareholders, through the merger between Picasso Lux and GI Global in Luxembourg and between Picasso Fund and Tarvos Fund in Italy.

The following table summarizes the provisional fair value of CI Global assets and liabilities on March 26, 2021 which is the acquisition date:

| | **26.03.2021** |
|---|---|
| **ASSETS** | |
| Investment Property | 105,610 |
| Cash and cash equivalents | 4,635 |
| Other assets | 2,578 |
| **Total assets** | **112,823** |
| | |
| **LIABILITIES** | |
| Borrowings | (35,638) |
| Other liabilities | (4,772) |
| **Total liabilities** | **(40,410)** |
| **Fair value of acquired interest in net assets** | **72,414** |

All amounts expressed in € thousand, unless otherwise stated

| | |
|---|---|
| Fair value of acquired interest in net assets attributable to non-controlling interests | (38,960) |
| Negative Goodwill | (9,016) |
| **Total purchase consideration** | **24,438** |

Source: Unaudited financial information

Following the sale and purchase agreement dated December 30, 2020 between the Company and Papabull Investments Limited (a company of YODA Group), on March 31, 2021, the Company signed an amendment agreement according to which the Company will finally transfer 45% of its participation in MHV Mediterranean Hospitality Venture Limited (hereinafter "MHV"). On April 1, 2021, the sale of 45% of the Company's participation in MHV was completed. The consideration is estimated to be €26,803, out of which an amount of €12,073 was received the same day and the remaining amount will be received according to the provisions of the sale and purchase agreement.

On April 7, 2021, the Company signed a sale and purchase agreement with the company Papabull Investments Limited for the sale of 15% of its participation in the company Aphrodite Hills Resort Limited. The consideration amounted to €8,000. The completion of the transaction is subject to obtaining approval by the Commission for the Protection of Competition of the Republic of Cyprus and is expected to be completed within the second quarter of 2021.

On April 7, 2021, the shareholders of MHV resolved on the share capital increase of the company of a total amount of €143,449 for the implementation of the company's business plan. In the context of the share capital increase of MHV, the Company on the same day paid an amount of €64,652 (according to its participation percentage in MHV). Following the share capital increase, on April 9, 2021 MHV acquired 100% of the shares of Parklane Hotels Limited, owner of the luxury hotel complex Parklane, a Luxury Collection Resort & Spa Limassol and Park Tower consisting of 20 luxury apartments in Limassol Cyprus.

On April 7, 2021, the Company acquired an additional shareholding (36.22%) in the subsidiary Aphrodite Springs Public Limited for a consideration of €4,709. Upon completion of the transaction the Company owns 96.22% of the shares of Aphrodite Springs Public Limited. Aphrodite Springs spread over 1,472 thousand sq.m. of land and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses.

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

All amounts expressed in € thousand, unless otherwise stated

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, 2020, the Group has concentrations of credit risk with respect to cash and cash equivalents, restricted cash 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 noted that the Group's maximum exposure mainly results from NBG (2020: 45.0%, 2019: 49.2% of the total rental income). In addition, the Group receives from tenants, in the context of the lease agreements, securities, such as guarantees, to mitigate credit risk.

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.

Group's and Company's cash and cash equivalents (sight and time deposits) are deposited in banks which are rated by Moody's. The credit risk of cash and cash equivalents is presented in the table below according to credit rate of the banks:

| **Moody's rating** | **Group** | **Company** |
|---|---|---|
| | **31.12.2020** | **31.12.2020** |
| Caa1 | 69,947 | 56,484 |
| Caa2 | 6,035 | 6,035 |
| Baa1 | 6,629 | 6,288 |
| B3 | 14,146 | 4,435 |
| Baa3 | 1 | - |
| A1 | 6,717 | - |
| N/A | 1,365 | - |
| | **104,840** | **73,242** |

The credit risk of cash and cash equivalents (sight and time deposits) of the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited (classified as held for sale), is presented in the table below according to the credit of the banks:

| **Moody's rating** | **31.12.2020** |
|---|---|
| B3 | 4,085 |
| N/A | 27 |
| | **4,112** |

Credit risk of restricted cash according to credit rate of the banks:

| **Moody's rating** | **Group** | **Company** |
|---|---|---|
| | **31.12.2020** | **31.12.2020** |
| Caa1 | 82,094 | 81,054 |
| Caa2 | 15 | 15 |
| B3 | 919 | 564 |
| | **83,028** | **81,633** |

All amounts expressed in € thousand, unless otherwise stated

**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, short-term bank deposits and restricted cash. Furthermore, the Group's liabilities include borrowings.

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 €6,044 and an increase by €528, respectively.

**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 or meet its obligations when are payable, as cash outflows may not be fully covered by cash inflows. 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 of December 31, 2020 and 2019 is as follows:

**Group:**

| **December 31, 2020** | **Less than 1 month** | **1 - 3 months** | **3 - 12 months** | **12 months - 2 years** | **2 - 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 83,348 | 5,861 | 439,606 | 138,459 | 198,843 | 95,988 | **962,105** |
| Other long-term liabilities | - | - | - | 345 | 2,063 | 3,727 | **6,135** |
| Trade and other payables | 2,782 | 4,392 | 9,947 | - | - | - | **17,121** |
| **Total** | **86,130** | **10,253** | **449,553** | **138,804** | **200,906** | **99,715** | **985,361** |

| **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** |

All amounts expressed in € thousand, unless otherwise stated

**Company:**

| December 31, 2020 | Less than 1 month | 1 - 3 months | 3 - 12 months | 12 months - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 82,239 | 5,344 | 432,314 | 35,948 | 161,632 | 80,264 | 797,741 |
| Other long-term liabilities | - | - | - | 108 | 435 | 3,369 | 3,912 |
| Trade and other payables | 969 | 3,650 | 8,671 | - | - | - | 13,290 |
| **Total** | **83,208** | **8,994** | **440,985** | **36,056** | **162,067** | **83,633** | **814,943** |

| 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** |
| Other long-term 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** |

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relates 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, 2020 and 2019 respectively, were used for determining the related undiscounted cash flows.

It is noted that as of December 31, 2020 the maturity bucket of 3-12 months includes Group's borrowings of outstanding capital of €99,830 which were transferred in their whole to short term borrowings since they are repayable on June 30, 2021. The Group is currently investigating the alternatives for the refinancing of the borrowings. In addition, as of December 31, 2020, the maturity bucket of 3-12 months of the Group and the Company includes outstanding capital of borrowings amounting to €372,000 which are presented in the short-term borrowings in the Statement of Financial Position as of December 31, 2020, as the Company at the end of the year ended December 31, 2020 assessed a non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans due to the impact of COVID-19 pandemic in the financial performance of the Group and the Company. According to the provisions of the loan agreements, the non-compliance is ascertained with the submission of the annual audited financial statements to the competent financial institutions. For presentation purposes according to IFRSs, the balance of these loans is included in short-term borrowings. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the lag of the financial covenant, the overall financial status of the Group and the Company has not been affected and thus obligations can be fully met on a timely manner. As of March 31, 2021 the outstanding balances of these loans, in the interim financial statements of the Group and the Company, will be included in long-term liabilities.

Management is confident, based on cash flow projections, that the Group and the Company will generate sufficient cash flows from their continuing operations as well as from their financing activities to satisfy its working capital and other cash flow requirements. The Group and the Company enjoy a good reputation, remarkable creditworthiness and an excellent and constructive relationship with the financial institutions that finance them, events which facilitate the negotiations with respect to refinancing and securing additional funds to finance its investment plan.

The maturity analysis of financial liabilities for the Group and the Company as of December 31, 2020 taking into account the contractual repayments of borrowings is as follows:

All amounts expressed in € thousand, unless otherwise stated

**Group:**

| December 31, 2020 | Less than 1 month | 1 - 3 months | 3 - 12 months | 12 months - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 83,348 | 5,861 | 75,578 | 151,294 | 458,095 | 225,086 | **999,262** |
| Other long-term liabilities | - | - | - | 345 | 2,063 | 3,727 | **6,135** |
| Trade and other payables | 2,782 | 4,392 | 9,947 | - | - | - | **17,121** |
| **Total** | **86,130** | **10,253** | **85,525** | **151,639** | **460,158** | **228,813** | **1,022,518** |

**Company:**

| December 31, 2020 | Less than 1 month | 1 - 3 months | 3 - 12 months | 12 months - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 82,239 | 5,344 | 68,286 | 48,782 | 420,884 | 209,363 | 834,898 |
| Other long-term liabilities | - | - | - | 108 | 435 | 3,369 | 3,912 |
| Trade and other payables | 969 | 3,650 | 8,671 | - | - | - | 13,290 |
| **Total** | **83,208** | **8,994** | **76,957** | **48,890** | **421,319** | **212,732** | **852,100** |

**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, 2020 and December 31, 2019.

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Borrowings | 901,855 | 876,280 | 745,509 | 659,893 |
| Total assets | 2,449,402 | 2,427,561 | 2,069,039 | 2,028,766 |
| **Gearing ratio** | **36.8%** | **36.1%** | **36.0%** | **32.5%** |

**External factors and international investments**

The Group has investments in Cyprus, Italy, Romania and Bulgaria. 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 39 employees, I&B Real Estate EAD has 1 employee, Aphrodite Hills Resort Limited has 386 employees and The Cyprus Tourism Development Company Limited has 181 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 labour laws and respects the rights of employees. During the year 2020 the Company has not been imposed with any fine or remark for violation of labour 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 2020, 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 | 39 | 15 | 38.5% |
| Aphrodite Hills Resort Limited | 386 | 173 | 44.8% |
| The Cyprus Tourism Development Company Limited | 181 | 83 | 45.9% |
| I&B Real Estate EAD | 1 | - | - |
| **Total** | **607** | **271** | **44.6%** |

**Women employees in Senior Management:**

| | Women employees in Senior Management |
|---|---|
| Prodea Investments | 2 |
| Aphrodite Hills Resort Limited | 9 |
| The Cyprus Tourism Development Company Limited | 5 |
| **Total** | **16** |

| Training and educational cost for employees: | Training and educational cost for employees Amount in thousand € |
|---|---|
| Prodea Investments | 1 |
| Aphrodite Hills Resort Limited | 16 |
| The Cyprus Tourism Development Company Limited | 4 |
| **Total** | **21** |

| Health & Safety Measurement: | Number of recorded injuries |
|---|---|
| Prodea Investments | - |
| Aphrodite Hills Resort Limited | 4 |
| The Cyprus Tourism Development Company Limited | 7 |
| **Total** | **11** |

## 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 headquarters located at the center of Athens, at Chrysospiliotissis str., is LEED Gold certified. 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 both certification processes 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-development 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 buildings at Syggrou avenue 97 Syggrou avenue 44 and the new development in Chania Crete, where all buildings 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.
• Implementation of environmental mitigation measures on packaging items.

**Environmental targets**

- 2% decrease in electricity consumption compared to the previous year (2019: 37,65 Kwh/ Per Person Per Night - pppd).
- Keeping LPG consumption at the same level of the previous year (2019: 0.44 lt/pppd) .
- Keeping oil consumption at the same level of the previous year (2019: 1.37 lt/pppd).
- Keeping water consumption at the same level of the previous year (2019: 0.50m3/pppd).
- Rational solid waste management, proper waste recycling - Target: Production of 3kg/pppd

**Non-financial indexes**

**Energy consumption per energy product:**

| **Energy product** | **MWh** | **Percentage** |
|---|---|---|
| Electricity | 5,959.9 | 79% |
| Oil | 1,343.2 | 18% |
| LPG | 279.2 | 4% |
| **Total** | **7,582.3** | |

| **Water consumption** | **$m^3$** | **Percentage** |
|---|---|---|
| Drinking water | 58,730 | 12% |
| Treated water for irrigation use | 433,352 | 88% |
| **Total** | **492,082** | |

**Percentage of recycled waste**

| | **Percentage** |
|---|---|
| Recycled waste | 15,14% |

**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 2020 relate to the following reductions / savings from its operation compared to 2019:

• 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 | 1,535.4 | 47% |
| Oil | 1,576.6 | 49% |
| LPG | 131.6 | 4% |
| **Total** | **3,243.6** | |

| **Water consumption** | **$m^3$** |
|---|---|
| Water | 15,462 |
| **Recycled waste** | **kg** |
| Recycled waste | 33,833 |

## 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, 2020.

## PROSPECTS

COVID-19 has affected the global economy and the overall recovery of the economy is directly linked to the uncertainty that continues to exist at the health level. However, these effects will be temporary and growth will return in the medium term.

Management always evaluates the optimization of the performance of the Group's real estate portfolio, including a possible sale if the market conditions are appropriate. The Company continues its investment plan with its main strategy being to amend the composition of the real estate portfolio and the qualitative characteristics of its properties.

In terms of qualitative characteristics, the Company emphasizes on parameters that have been pillars of the Company's development, such as sustainability, investment in bioclimatic office buildings that adopt the principles of Environmental and Social Governance ("ESG") and taking into account practices to ensure the health and well-being of the employees through the use of modern electromechanical equipment that meets the most modern standards in the field of health safety. Properties with these specifications are not readily available in the market so the Company either develops the properties itself (indicatively the under-development office building in Maroussi, Northern Athens), or cooperates with developers through participation in joint ventures or by the singing of preliminary agreements for the acquisition of properties after the completion of their construction. As a result, the maturity of these investments is expected within the next two years. It is noted that the Company will also be part of the research and evaluation system of the Global Real Estate Sustainability Benchmark ("GRESB"), which aims to strengthen values through the evaluation and promotion of sustainability practices.

In terms of portfolio composition, the Company focuses in new sectors, such as logistics, a strategic sector of development in our country considering its key geographical position. The Company's strategy is the acquisition of logistics with modern specifications, which, as in the case of the offices above, are not readily available, and it takes time for their maturity, which varies from nine to twelve months. Finally, in relation to the hospitality sector, a sector with special characteristics in comparison to the traditional commercial real estate sector, investments will be mainly realized through "MHV Mediterranean Hospitality Venture Limited", which is the joint investment vehicle of the Company, Invel Real Estate and the Cypriot group of companies YODA Group. This vehicle will be the investment arm of the Group in the hospitality and tourism sector in Greece, Cyprus and the wider Mediterranean region.

## CORPORATE GOVERNANCE

### Introduction

In accordance with article 152 of law 4548/2018 (which replaced 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 may be either Board of Directors' committee, consisting exclusively of non-executive members, or an independent committee, consisting of non-executive BoD members and third parties or only by third parties. The Audit Committee consists of at least three (3) members, who are appointed by the BoD, in cases it is a BoD committee, or by the General Meeting of shareholders in cases it is an independent committee. The type of the Committee, as well as the exact number of the members and their capacities is determined by the General Meeting of the Company's Shareholders.

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 body that appoints its members according to the abovementioned and it is adequately justified when elected.

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, which is independent from the Company has adequate knowledge in accounting and auditing matters and shall mandatorily be present at the meetings of the Audit Committee regarding the approval of financial statements.

The term of the members of the Audit Committee is determined by the General Meeting which defines the type, the number and the capacities of its members 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 assists the Board of Directors 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 financial reporting process:
  - monitors, examines and evaluates 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;
  - examines and evaluates the financial statements prior to their submission to the BoD for approval and submits reports to BoD in order to inform them about the results of the statutory audit, how the statutory audit contributed to the quality and integrity of the financial information, i.e. in their accuracy, completeness and correctness and which was the role of the Audit Committee during this process.

- As regards the systems of internal control, risk management and compliance:
  - monitors and evaluates the adequacy. effectiveness and efficiency of the internal control, risk management and financial information systems of the Company and the Group, reviews the identification, assessment and management of the key risks faced by the Company and ensures that the key risks are identified, managed and disclosed correctly;
  - examines the annual report of the Internal Audit Unit, which among other things includes a comprehensive evaluation of the Company's Internal Audit System and informs and submits

proposals to the BoD to address the weaknesses identified in the Company's Internal Audit System and monitor the implementation of the corrective measures decided;
- examines conflicts of interest in the transactions of the Company and its subsidiaries with related parties and submits to the Board related reports.

o As regards supervising the internal audit unit, the Audit Committee:
- identifies and evaluates the functioning of the internal audit department of the Company, including its independence, the planning process regarding the risk management, the quality and the extension of the audit carried out, its objectivity, the relevant audit reports, the procedures and the control systems and the overall efficiency of its operation;
- examines the audit findings and ensures that the senior Management takes the necessary corrective actions in a timely manner in order to address audit deficiencies, non-compliance with policies, laws and regulations and other important issues identified by the Internal Audit Unit and informs the BoD accordingly;
- ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit unit.

o As regards the supervision of the external 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 the existing regulatory framework;
- evaluates annually the effectiveness, independence and objectivity of the external auditor and ensures the periodic rotation of both the external certified auditor and the key associates of the auditing company, who carry out the audit;
- examines and pre-approves the provision of permitted non-audit services by the Company's external auditor or in cases that the auditing company belongs to a network by each member of this network to the Company or the companies controlled by the Company;
- it is informed by the external auditor about the annual statutory audit program, before its implementation, evaluates and ensures that the annual statutory audit program will cover the most important audit areas and the systems related to the financial information, taking into account the main areas of the Company's business and financial risk.

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

The Audit Committee as appointed by the resolution dated June 18, 2019 of the Annual General Meeting of the Company's Shareholders, which has an annual term with an extension until the first Annual General Meeting of the Company's Shareholders which will take place after the end of the term, consists of non-executive BoD members as following:

| 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 resolution, 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 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, April 29, 2021

| | | |
|---|---|---|
| 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, 2020 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**

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, 2020:

Invel Real Estate BV directly owns 29.81% of the voting rights in the Company and Invel Real Estate (Netherlands) II B.V. holds directly 63.39% 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 Estate 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 to be 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.**

No 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**

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 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.

**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 Officer to the Company and its Group. The agreement expired on August 10, 2019, and was extended by exercise of the relevant right provided thereunder for one additional year, on behalf of the Chief Executive Officer. The above agreement expired on July 13, 2020 and on July 14, 2020, the Company entered into a new employment agreement with Mr. Karytinos for the provision of his services above, expiring, initially, after three (3) years, on July 13, 2023. After the expiration date of this initial term, the agreement is automatically deemed to be of indefinite duration, unless any of the signatories delivers a relevant notice in writing, six months prior to the expiration of the initial term, terminating the agreement. In case the Company terminates the agreement, either prior to the expiry of the initial term, without reasonable cause, or upon expiry of the initial term, or at any time after the agreement is deemed to be of indefinite duration, it is obliged to indemnify Mr. Karytino to an amount double the fixed sum payable to him. If the Company terminates the agreement prior to the expiry of the initial term without reasonable cause, then, in addition to the above amount, it shall be obliged to pay the total of the remaining monthly wages that would be payable up to the expiry of the initial term of the agreement.

All amounts expressed in € thousand, unless otherwise stated

b) on August 11, 2014, the Company entered into a fixed-term employment agreement with Ms Thiresia Messari in relation to the provision of her services to the Company and its Group in her capacity as CFO/COO. This agreement expired on August 10, 2019 and was extended by exercise of the relevant right provided thereunder for one additional year, on behalf of Ms. Messari. The above agreement expired on July 13, 2020 and on July 14, 2020, the Company entered into a new employment agreement with Ms. Messari for the provision of her services above, expiring, initially, after three (3) years, on July 13, 2023. After the expiration date of this initial term, the agreement is automatically deemed to be of indefinite duration, unless any of the signatories delivers a relevant notice in writing, six months prior to the expiration of the initial term, terminating the agreement. In case the Company terminates the agreement, either prior to the expiry of the initial term - without reasonable cause-, or upon expiry of the initial term, or after the agreement is deemed to be of indefinite duration, it is obliged to indemnify Ms. Messari to an amount double the fixed sum payable to her. If the Company terminates the agreement prior to the expiry of the initial term, without reasonable cause, then, in addition to the above amount, it shall be obliged to pay the total of the remaining monthly wages that would be payable up to the expiry of the initial term of the agreement.

c) on July 2, 2020, the Company entered into a fixed-term employment agreement with Mr. Athanasios Karagiannis, for the provision of his services to the Company and its Group as Chief Investment Officer (CIO) for three (3) years, until July 1, 2023. After this initial term, the duration of the agreement shall be automatically deemed as indefinite, unless any of the signatories delivers a relevant notice in writing, terminating the agreement. In case the Company terminates the Iagreement, either prior to the expiry of the initial term, without reasonable cause, or upon expiry of the initial term, or at any time after the agreement is deemed as indefinite, it shall be obliged to indemnify Mr. Karagiannis to an amount double the fixed sum payable to the Investment Director. If the Company terminates the agreement prior to the expiry of the initial term, without reasonable cause, then, in addition to the above amount, it shall be obliged to pay the total of the remaining monthly wages that would be payable up to the expiry of the initial term of the agreement.

The agreements above have been approved by virtue of resolution of the Board of Directors of the Company dated 30.06.2020, which was accompanied by an evaluation report dated 29.06.2020 on the fairness of the terms of the agreements for the Company and its shareholders, who do not constitute affiliated parties, signed by an Auditor, Ms. Marina Kapetanakis, on behalf of the Auditing Firm “KPMG Auditors S.A.”, pursuant to articles 99 and 101 of L. 4548/2018 and the publicity formalities pursuant to articles 100 and 101 of Law 4548/2018 were fulfilled.

Athens, April 29, 2021

| 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 2020, the separate and consolidated income statement, 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 2020, 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, in the period from 1 January 2020 and during the year ended as at 31 December 2020, 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**<br>*(Notes 2.2, 2.7, 4.1. and 6 in the separate and consolidated financial statements)*<br><br>The Company and Group measures investment property at fair value in accordance with International Accounting Standard 40.<br><br>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 2020 amounts to € 1,332.8 million and € 1,918.0 million respectively, representing 64% and 78% of their respective total assets. From the revaluation of the aforementioned investment property for the year ended 31 December 2020 the gain for the Company amounted to € 299.4 thousand and the loss for the Group amounted to € 7.6 million.<br><br>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<br><br>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.<br><br>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 2020:<br><br>• We obtained an understanding of the processes followed by management for the valuation of investment properties.<br><br>• 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.<br><br>• We have assessed and confirmed the independence and objectivity of the certified external valuers of the Company and the Group.<br><br>• We compared the fair values as at 31 December 2020 with those as at 31 December 2019 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.<br><br>• 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.<br><br>• Together with our external valuation experts we attended meetings with management's external certified valuers to discuss and understand methodology and key assumptions underlying the property valuations. We assessed whether any adjustments made to the key assumptions |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| As at the valuation date, the independent registered valuers have included a material valuation uncertainty clause in their reports, as defined in International Valuation Standards, as a result of the coronavirus COVID-19 pandemic. This clause highlights the difficulties in undertaking valuations due to the absence of relevant transactional evidence that demonstrates current market pricing, representing an increase in the significant estimation uncertainty in the valuation of investment properties. Therefore, less certainty and a higher degree of caution, should be attached to the point estimate valuation.<br><br>We focused on this matter because of the:<br><br>• Relative size of the investment property to the total assets of the Company and the Group;<br><br>• Significant assumptions and estimates made by Management in the investment property valuation process;<br><br>• Sensitivity of valuations to key input assumptions, specifically discount rates, exit yields and future rental income following the expiry of existing lease contracts;<br><br>• Wider challenges currently facing the real estate market as a result of the coronavirus COVID-19 pandemic. | were appropriate in light of the coronavirus COVID-19 pandemic.<br><br>• 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 comprised information relating to property leases and future rentals.<br><br>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, taking into consideration the conditions that have developed as a result of the coronavirus COVID-19 pandemic.<br><br>Finally, we confirmed that the disclosures included in Note 6 of the separate and consolidated financial statements were sufficient and appropriate in line with the requirements of International Accounting Standard (IAS) 40. Additionally, the disclosures in Note 2.2, in relation to the material valuation uncertainty within the separate and consolidated financial statements were sufficient and appropriate to highlight the increased estimation uncertainty as a result of the outbreak of coronavirus COVID-19. |

**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 2020 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 4 years.

Athens, 29 April 2021

The Certified Auditor

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

Marios Psaltis
SOEL Reg. No. 38081

All amounts expressed in € thousand, unless otherwise stated

| | Note | Group 31.12.2020 | Group 31.12.2019 | Company 31.12.2020 | Company 31.12.2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment property | 6 | 1,918,055 | 2,090,040 | 1,332,779 | 1,437,264 |
| Investments in subsidiaries | 10 | - | - | 378,716 | 428,316 |
| Equity method investments | 11 | - | 421 | - | - |
| Investments in joint venture | 11 | 15,995 | 10,585 | 11,924 | 10,416 |
| Property and equipment | 7 | 10,929 | 110,035 | 10,740 | 2,633 |
| Intangible assets | 8 | 51 | 14,473 | 51 | 72 |
| Other long-term assets | 12 | 20,519 | 13,917 | 47,997 | 39,430 |
| **Total non-current assets** | | **1,965,509** | **2,239,471** | **1,782,207** | **1,918,131** |
| **Current assets** | | | | | |
| Trade and other assets | 13 | 76,182 | 83,352 | 68,614 | 78,738 |
| Inventories | | - | 33,380 | - | - |
| Cash and cash equivalents | 14 | 104,842 | 71,174 | 73,243 | 31,825 |
| Restricted cash | 15 | 81,069 | 184 | 81,069 | 72 |
| | | **262,093** | **188,090** | **222,926** | **110,635** |
| Assets held for sale | 16 | 221,800 | - | 63,906 | - |
| **Total current assets** | | **483,893** | **188,090** | **286,832** | **110,635** |
| **Total assets** | | **2,449,402** | **2,427,561** | **2,069,039** | **2,028,766** |
| | | | | | |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 17 | 766,484 | 766,484 | 766,484 | 766,484 |
| Share premium | 17 | 15,890 | 15,890 | 15,970 | 15,970 |
| Reserves | 18 | 355,484 | 347,531 | 354,263 | 345,845 |
| Other equity | | (7,403) | (8,869) | - | - |
| Retained Earnings | | 235,232 | 297,408 | 161,683 | 217,029 |
| **Equity attributable to equity holders of the parent** | | **1,365,687** | **1,418,444** | **1,298,400** | **1,345,328** |
| | | | | | |
| Non-controlling interests | | 37,612 | 42,465 | - | - |
| **Total equity** | | **1,403,299** | **1,460,909** | **1,298,400** | **1,345,328** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Long-term liabilities** | | | | | |
| Borrowings | 19 | 299,017 | 840,244 | 249,780 | 646,433 |
| Retirement benefit obligations | 20 | 323 | 276 | 323 | 276 |
| Deferred tax liability | 22 | 13,349 | 28,592 | - | - |
| Other long-term liabilities | | 6,134 | 15,959 | 3,911 | 3,726 |
| **Total long-term liabilities** | | **318,823** | **885,071** | **254,014** | **650,435** |
| | | | | | |
| **Short-term liabilities** | | | | | |
| Trade and other payables | 21 | 29,505 | 44,327 | 19,901 | 18,570 |
| Borrowings | 19 | 602,838 | 36,036 | 495,729 | 13,460 |
| Derivative financial instruments | | 0 | 4 | - | - |
| Current tax liabilities | | 1,072 | 1,214 | 995 | 973 |
| | | **633,415** | **81,581** | **516,625** | **33,003** |
| Liabilities directly associated with assets held for sale | 16 | 93,865 | - | - | - |
| **Total short-term liabilities** | | **727,280** | **81,581** | **516,625** | **33,003** |
| **Total liabilities** | | **1,046,103** | **966,652** | **770,639** | **683,438** |
| **Total equity and liabilities** | | **2,449,402** | **2,427,561** | **2,069,039** | **2,028,766** |

Athens, April 29, 2021

| 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 | |
| | **Note** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Continuing operations** | | | | | |
| Revenue | 24 | 133,897 | 135,554 | 102,334 | 107,909 |
| | | **133,897** | **135,554** | **102,334** | **107,909** |
| Net gain / (loss) from the fair value adjustment of investment property | 6 | (7,573) | 175,078 | 299 | 137,173 |
| Gain from disposal of investment property | 6 | 4,748 | 19,120 | 4,748 | 19,120 |
| Direct property related expenses | 25 | (7,990) | (6,517) | (4,300) | (4,511) |
| Property taxes-levies | 26 | (9,915) | (9,652) | (7,719) | (7,784) |
| Personnel expenses | 27 | (11,893) | (5,596) | (11,762) | (5,494) |
| Depreciation of property and equipment and amortisation of intangible assets | 7,8 | (464) | (142) | (439) | (136) |
| Net change in fair value of financial instruments at fair value through profit or loss | | 4 | 61 | - | - |
| Net impairment loss on financial assets | 13 | (1,888) | (2,137) | (535) | (1,842) |
| Net impairment loss on non-financial assets | 10 | - | - | - | (18,842) |
| Other income | 28 | 922 | 19,511 | 12,553 | 31,264 |
| Other expenses | 29 | (8,970) | (4,554) | (6,851) | (3,528) |
| Corporate Responsibility | | (554) | (317) | (554) | (317) |
| **Operating Profit** | | **90,324** | **320,409** | **87,774** | **253,012** |
| Share of profit of associates and joint ventures | 11 | 3,902 | 169 | - | - |
| Negative goodwill from acquisition of subsidiaries | 9 | - | 10,904 | - | - |
| Interest income | | 2,422 | 19 | 4,559 | 1,646 |
| Finance costs | 30 | (31,442) | (20,538) | (26,252) | (14,892) |
| **Profit before tax** | | **65,206** | **310,963** | **66,081** | **239,766** |
| Taxes | 31 | (2,260) | (14,035) | (1,999) | (7,620) |
| **Profit for the year from continuing operations** | | **62,946** | **296,928** | **64,082** | **232,146** |
| **Discontinued operations** | | | | | |
| Profit/(Loss) after tax for the year from discontinued operations | 16 | (9,213) | 1,974 | - | - |
| **Profit for the year** | | **53,733** | **298,902** | **64,082** | **232,146** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | (3,845) | 5,006 | - | - |
| Company's equity shareholders | | 57,578 | 293,896 | 64,082 | 232,146 |
| | | **53,733** | **298,402** | **64,082** | **232,146** |
| Earnings per share (expressed in € per share) - Basic and diluted from continuing operations | 32 | 0.25 | 1.14 | 0.25 | 0.91 |
| Earnings per share (expressed in € per share) - Basic and diluted from continuing and discontinued operations | 32 | 0.23 | 1.15 | 0.25 | 0.91 |

Athens, April 29, 2021

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | From 01.01. to | | From 01.01. to | |
| | **Note** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Profit for the year** | | **53,733** | **298,902** | **64,082** | **232,146** |
| **Other comprehensive income / (expense):** | | | | | |
| **Items that may not be reclassified subsequently to profit or loss:** | | | | | |
| Revaluation reserve | 7 | (1,318) | 1,462 | 144 | - |
| Remeasurement of the net defined benefit liability/asset, net of tax | | (14) | (33) | (14) | (33) |
| Other | | - | 23 | - | |
| **Total of items that may not be reclassified subsequently to profit or loss** | | **(1.332)** | **1,452** | **130** | **(33)** |
| **Items that may be reclassified subsequently to profit or loss:** | | | | | |
| Currency translation differences | | 86 | 131 | - | - |
| Cash flow hedges | | - | 83 | - | - |
| **Total of items that may be reclassified subsequently to profit or loss** | | **86** | **214** | **-** | **-** |
| **Other comprehensive income/(expense) for the year** | | **(1,246)** | **1,666** | **130** | **(33)** |
| **Total comprehensive income for the year** | | **52,487** | **300,568** | **64,212** | **232,113** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | (4,430) | 5,594 | - | - |
| Company's equity shareholders | | 56,917 | 294,974 | 64,212 | 232,113 |
| | | **52,487** | **300,568** | **64,212** | **232,113** |
| **Total comprehensive income / (expense) for the year attributable to Company's equity shareholders arises from:** | | | | | |
| Continuing operations | | 62,983 | 290,705 | 64,212 | 232,113 |
| Discontinued operations | | (6.066) | 4,269 | - | - |
| | | **56,917** | **294,974** | **64,212** | **232,113** |

Athens, April 29, 2021

| 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 | Attributable to Company's shareholders | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Share capital** | **Share premium** | **Reserves** | **Other equity** | **Retained Earnings / (Losses)** | **Total** | **Non-controlling interests** | **Total** |
| **Balance January 1, 2019** | | **766,484** | **15,890** | **342,176** | **-** | **162,132** | **1,286,682** | **-** | **1,286,682** |
| Other comprehensive income for the year | | - | - | 1,078 | - | - | **1,078** | **588** | **1,666** |
| Profit for the year | | - | - | - | - | 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 | | - | - | - | (8,869) | - | **(8,869)** | - | **(8,869)** |
| Acquisition of subsidiaries | | - | - | - | - | - | **-** | 38,513 | **38,513** |
| Acquisition of Non-controlling interests | | - | - | - | - | (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** |
| | | | | | | | | | |
| **Balance January 1, 2020** | | **766,484** | **15,890** | **347,531** | **(8,869)** | **297,408** | **1,418,444** | **42,465** | **1,460,909** |
| Other comprehensive expense for the year | | - | - | (661) | - | - | **(661)** | (585) | **(1,246)** |
| Profit for the year | | - | - | - | - | 57,578 | **57,578** | (3,845) | **53,733** |
| **Total comprehensive income/ (expenses) after tax** | | **-** | **-** | **(661)** | **-** | **57,578** | **56,917** | **(4,430)** | **52,487** |
| Transfer to reserves | | - | - | 8,614 | - | (8,614) | **-** | - | **-** |
| Dividend distribution 2019 | 23 | - | - | - | - | (75,371) | **(75,371)** | (471) | **(75,842)** |
| Interim Dividend 2020 | 23 | - | - | - | - | (35,769) | **(35,769)** | - | **(35,769)** |
| Amortization of put option held by non-controlling interests | | - | - | - | 1,466 | - | **1,466** | - | **1,466** |
| Share capital increase of Non-controlling interests | | - | - | - | - | - | **-** | 48 | **48** |
| **Balance December 31, 2020** | | **766,484** | **15,890** | **355,484** | **(7,403)** | **235,232** | **1,365,687** | **37,612** | **1,403,299** |

All amounts expressed in € thousand, unless otherwise stated

| | Note | Share capital | Share premium | Reserves | Retained Earnings / (Losses) | Total |
|---|---|---|---|---|---|---|
| **Balance January 1, 2019** | | **766,484** | **15,970** | **341,748** | **143,331** | **1,267,533** |
| Other comprehensive expense for the year | | | | (33) | - | **(33)** |
| Profit for the year | | - | - | - | 232,146 | **232,146** |
| **Total comprehensive income / (expense) 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** |
| | | | | | | |
| **Balance January 1, 2020** | | **766,484** | **15,970** | **345,845** | **217,029** | **1,345,328** |
| Other comprehensive income for the year | | - | - | 130 | - | **130** |
| Profit for the year | | - | - | - | 64,082 | **64,082** |
| **Total comprehensive income after tax** | | **-** | **-** | **130** | **64,082** | **64,212** |
| Transfer to reserves | | - | **-** | 8,288 | (8,288) | **-** |
| Dividend distribution 2019 | 23 | **-** | **-** | - | (75,371) | **(75,371)** |
| Interim Divided 2020 | 23 | **-** | **-** | - | (35,769) | **(35,769)** |
| **Balance December 31, 2020** | | **766,484** | **15,970** | **354,263** | **161,683** | **1,298,400** |

All amounts expressed in € thousand, unless otherwise stated

| | Note | From 01.01. to 31.12.2020 | 31.12.2019 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax from continuing operations | | 65,206 | 310,963 |
| Profit before tax from discontinued operations | | (14,640) | 2,382 |
| *Adjustments for:* | | | |
| - Provisions for employee benefits | | 32 | 25 |
| - Other provisions | | - | 2 |
| - Depreciation of property and equipment & amortisation of intangible assets | 7, 8 | 4,787 | 3,553 |
| - Net (gain) / loss from the fair value adjustment of investment property | 6 | 5,267 | (179,819) |
| - Interest income | | (2,422) | (23) |
| - Finance costs | 16,30 | 34,396 | 22,490 |
| - Net change in fair value of financial instruments at fair value through profit or loss | | (4) | (61) |
| - Net impairment loss on financial assets | | 2,153 | 2,029 |
| - Net impairment loss on non-financial assets | | 7,073 | 6,291 |
| - Gain from disposal of investment property | 6 | (4,748) | (19,120) |
| - Negative goodwill from acquisition of subsidiaries | | - | (13,572) |
| - Other | | (3,979) | (153) |
| Changes in working capital: | | | |
| - Decrease in receivables | | 1,616 | 4,439 |
| - Decrease of inventories | | 1,907 | 759 |
| - Increase / (Decrease) in payables | | 4,326 | (4,466) |
| Cash flows from operating activities | | 100,970 | 135,719 |
| Interest paid | | (28,029) | (29,418) |
| Tax paid | | (2,561) | (13,415) |
| **Net cash flows from operating activities** | | **70.380** | **92,886** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of investment property | 6 | (31,563) | (7,587) |
| Subsequent capital expenditure on investment property | 6 | (9,567) | (9,250) |
| Proceeds from disposal of investment property | 6 | 143,390 | 32,550 |
| Purchases of property and equipment and intangible assets | 7,8 | (3,219) | (2,226) |
| Disposal of property and equipment | | 14 | - |
| Prepayments and expenses related to future acquisition of investment property | | (13,019) | (1,452) |
| Acquisitions of subsidiaries (net of cash acquired) | 9 | (505) | (193,308) |
| Acquisition of investment in joint ventures | 10 | (918) | (10,158) |
| Participation in share capital increase of investment in joint ventures | | (590) | (258) |
| Dividends received from equity method investments | | 13 | 80 |
| Interest received | | 2,420 | 23 |
| **Net cash flows from / (used in) investing activities** | | **86,456** | **(191,586)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Increase of restricted cash | 15 | (80,995) | - |
| Proceeds from share capital increase of subsidiaries | | 48 | 5,735 |
| Proceeds from the issuance of bond loans and other borrowed funds | 19 | 154,590 | 659,532 |
| Expenses related to the issuance of bond loans and other borrowed funds | | (304) | (6,817) |
| Repayment of borrowings | | (80,634) | (403,020) |
| Dividends paid | 23 | (111,746) | (131,324) |
| **Net cash flows from / (used in) financing activities** | | **(119,041)** | **124,106** |
| | | | |
| **Net increase in cash and cash equivalents** | | **37,795** | **25,406** |
| Cash and cash equivalents at the beginning of the year | | 71,174 | 45,788 |
| Effect of foreign exchange currency differences on cash and cash equivalents | | 4 | (20) |
| **Cash and cash equivalents at the end of the year** | | **108,973** | **71,174** |

All amounts expressed in € thousand, unless otherwise stated

| | Note | From 01.01. to 31.12.2020 | 31.12.2019 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | 66,082 | 239,766 |
| *Adjustments for:* | | | |
| - Provisions for employee benefits | | 32 | 25 |
| - Depreciation of property and equipment & amortisation of intangible assets | 7, 8 | 439 | 136 |
| - Net gain from the fair value adjustment of investment property | 6 | (299) | (137,173) |
| - Interest income | | (4,559) | (1,646) |
| - Finance costs | 30 | 26,252 | 14,892 |
| - Net impairment loss on financial assets | | 535 | 1,842 |
| - Impairment on investment in subsidiaries | | - | 18,842 |
| - Gain from disposal of investment property | 6 | (4,748) | (19,120) |
| - Other | | 16 | 187 |
| Changes in working capital: | | | |
| - (Increase) / Decrease in receivables | | 9,322 | (2,575) |
| - Increase / (Decrease) in payables | | 1,127 | 713 |
| Cash flows from operating activities | | 94,199 | 115,889 |
| Interest paid | | (22,968) | (23,200) |
| Tax paid | | (1,977) | (12,629) |
| **Net cash flows from operating activities** | | **69,254** | **80,060** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of investment property | 6 | (31,563) | (7,587) |
| Subsequent capital expenditure on investment property | 6 | (1,945) | (6,805) |
| Proceeds from disposal of investment property | 6 | 143,390 | 32,550 |
| Purchases of property and equipment and intangible assets | 7,8 | (1,651) | (346) |
| Prepayments and expenses related to future acquisition of investment property | | (13,019) | (652) |
| Acquisition of subsidiaries | 9 | (509) | (152,302) |
| Acquisition of investment in joint ventures | 11 | (918) | (10,158) |
| Participation in subsidiaries' capital increase and Investment in joint ventures | 10,11 | (14,387) | (62,497) |
| Incorporation of subsidiaries | | - | (8) |
| Loans granted to foreign subsidiaries | | - | (17,080) |
| Interest received | | 2,398 | 11 |
| **Net cash flows from / (used in) investing activities** | | **81,796** | **(224,874)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Increase of restricted cash | 15 | (80,995) | - |
| Proceeds from the issuance of bond loans and other borrowed funds | 19 | 153,450 | 646,550 |
| Expenses related to the issuance of bond loans and other borrowed funds | | (296) | (6,507) |
| Repayment of borrowings | | (70,651) | (365,296) |
| Dividends paid | 23 | (111,140) | (131,324) |
| **Net cash flows from / (used in) financing activities** | | **(109,632)** | **143,423** |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **41,418** | **(1,391)** |
| Cash and cash equivalents at the beginning of the year | | 31,825 | 33,216 |
| **Cash and cash equivalents at the end of the year** | | **73,243** | **31,825** |

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 managed alternative investment fund according to Law 4209/2013.

The headquarters are located at 9, Chrisospiliotissis 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.

As of December 31, 2020, the Group's and the Company's number of employees was 607 and 39, respectively (December 31, 2019: 689 employees for the Group and 34 employees for the Company). The Group's number of employees as of December 31, 2020 includes 567 employees from the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited (December 31, 2019: 654). As of December 31, 2020 these companies have been classified as held for sale (Note 16).

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 April 29, 2021, are available, along with the independent auditor's report and the Board of Directors' Annual Report on the website address 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, 2020 (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 2.3.1). In addition, the Group adopted new accounting policies for assets and liabilities held for sale and discontinued operations (Note 2.29) and restricted cash (Note 2.30).

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 13).

The Financial Statements have been prepared based on the going concern principle (Note 2.2), applying the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value. Additional information about the liquidity of the Group and the Company are provided in Note 3.1 d – Liquidity Risk.

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 Qualitative and quantitative information on the impacts of COVID 19 - Going concern

In the first quarter of 2020 the World Health Organization declared the outbreak of the Coronavirus pandemic (COVID-19). The COVID-19 pandemic and the subsequent lockdowns have affected the economic activity globally. Governments, including those of countries in which the Group operates, announced several measures in order to support business activity and the economy.

The Group's source of revenues is mainly through investment property (i.e. rental income) and to a lesser extent through the hospitality and ancillary services of the subsidiaries Aphrodite Hills (hereinafter "AH") and The Cyprus Tourism Development Company (hereinafter "CTDC") in Cyprus. The Company during 2020 announced the strategic collaboration with Invel Real Estate and YODA Group of Mr's Ioannis Papalekas, in the hospitality sector. AH and CTDC will be set under common control and consequently these entities has been presented as Held for Sale as of December 31, 2020 and the results of these entities has been presented as discontinued operations.

Impact on rental income

The main sectors that were affected by COVID-19 were high street retail (excluding hypermarkets) and hospitality. The above sectors represent approximately 10% of the Group's annualized rents as of December 31, 2020. Additionally, the Group's revenue from its five largest tenants, i.e. National Bank of Greece, Sklavenitis, Hellenic Republic, Cosmote and Italian Republic, representing about the73% of the Group's annualized rents as of December 31, 2020 have not been affected by COVID-19.

The Greek government, in the context of the support to the affected businesses, imposed a mandatory 40% reduction on monthly rents for the months of March to December 2020. From January 2021 the mandatory reduction amounts to 40% of the monthly rent for the affected businesses, while for businesses that remain closed by state order, the mandatory reduction amounts to 100% of the monthly rent. However, it is noted that the Greek government will compensate the legal entities-lessors by paying 60% of the monthly rent for months January to March 2021. In the other countries in which the Group operates, there were no government decisions for mandatory reductions on rents, however the Group, in some cases, proceeded to voluntary rent reductions to support its tenants.

Taking into account the above, the reduction in rental income for 2020 amounts to €2,523 for the Group and €1,373 for the Company (which represents about the 2.0% and 1.4% of the annualized rents of the Group and the Company, respectively).

Impact on revenue from hospitality and ancillary services (discontinued operations)

Prodea's presence in the hospitality sector is in Cyprus through the Landmark Nicosia (CTDC) and Aphrodite Hills (AH). This is the business sector and jurisdiction in which the Group operates that was mostly affected by the pandemic as hotel operations in Cyprus were under mandatory suspension from 16.03.2020 until 14.06.2020, therefore the abovementioned subsidiaries ceased their operation and then, due to the general situation, underperformed. As a result, these entities during 2020 recorded operating losses of €6,664, excluding the effect of fair value adjustments.

As mentioned above, in the Annual Financial Report, the above companies have been classified as held for sale, and their results have been presented as discontinued operations, due to the strategic collaboration in the hospitality sector between the Company, Invel Real Estate and the Cypriot group of companies YODA Group of Mr. Ioannis Papalekas.

Assessment of the fair value of the Investment Property and the Property Plant and equipment which include land and buildings related to hotel and other facilities of the Group

According to the current legislation for REICs, the valuations of the properties are performed by independent valuers. The valuations of December 31, 2020 were performed by 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 "Axies S.A." for the properties outside Italy and Bulgaria, the company "DRP Consult LTD" for the properties in Bulgaria and the company "Jones Lang LaSalle S.p.A." for the properties in Italy.

Regarding the effect of COVID-19 in the value of the properties, in some cases, limited liquidity and a lower volume of transactions is noted, which resulted in the lack of sufficient comparative data. In several countries numerous measures have been imposed as an effort to limit the spread and impact of COVID-19, such as travel restrictions and travel bans to the extent necessary. While the process of vaccinating the population is in progress and restrictive measures have been lifted in several of them, the local lockdown may continue if necessary, as outbreaks are possible. The pandemic and the measures taken to deal with it continue to affect the economy and the real estate market worldwide.

Given the above and the uncertainty from the evolution of COVID-19 pandemic and the possible future impact on the real estate market in our country and internationally and due to lack of sufficient comparative information, it is noted that the valuations have been prepared on the basis of "material valuation uncertainty", as defined in the RICS Valuation - Global Standards and International Valuation Standards. For this reason, real estate values go through a period in which they are monitored with a higher degree of attention. Independent valuers have confirmed that the statement of "substantial appraisal uncertainty" does not mean that no one can't rely on real estate valuations. On the contrary, the above statement is used to provide clarity and transparency to all parties, in a professional manner, that in the current emergency situation, less certainty is given to the valuations than would otherwise be the case.

The valuation methods from last year have not been modified and at the date of the valuation take into account the impact of COVID-19 in the properties.

- In general, the operation of the retail stores was negatively affected, due to restrictions on operation and movement. Regarding the portfolio, the relative effect was significantly mitigated by the fact that a large part of the portfolio stores were not forced to suspend their operation as part of the measures against COVID-19, while on the contrary the effect on supermarkets was positive.
- Offices prove to be particularly durable throughout the coronavirus period, while high demand offices and / or bioclimatic buildings in attractive places and due to the lack of a corresponding product record an increased demand. The above have led to a reduction in their yield and in several cases in an increase in rents.
- Regarding hotels, the impact of COVID-19 is immediate due to the dramatic reduction in travel and consequently the occupancy of hotels, operating negatively on expected revenues. The effect is less in the case of leased hotels.
- Commercial logistics are in increasing demand, which has led to a squeeze on their yields and in some cases an increase in rents.

The financial year ended December 31, 2020 resulted in a loss from the fair value adjustment of investment property €7,573 for the Group, which also incorporates the effect of COVID-19. Detailed information on real estate valuations at fair value and on the assumptions taken into account for valuations is provided in Notes 4.1 and 6. Information on the gain / (loss) on fair value adjustment of real estate by operating and geographical area is included in Note 5.

Management will monitor the trends that will be demonstrated in the investment real estate market in the upcoming months because the full outcome of the consequences of the financial situation in Greece may affect the values of the Group's investment properties in the future. In this context, Management also closely monitors the developments regarding the spread of COVID-19 as the short-term effects on the values of the Group's investment properties that are directly related to the net asset value of the Group remain unknown.

Liquidity Risk

The available cash balances and credit limits offer the Group strong liquidity. As part of a prudent financial management policy, the Company's Management seeks to manage its borrowing (short-term and long-term) utilizing a variety of financial sources and in accordance with its business planning and strategic objectives. The Company assesses its financing needs and the available sources of financing in the international and domestic financial markets and investigates any opportunities to raise additional funds by issuing loans in these markets. In the beginning of 2020, the Company disbursed, as a precautionary measure, available credit limits (amounting to €153,450). The company is also in discussions with banks regarding the provision of additional funds to secure the cash in order to carry out its short-term / medium-term investment plan.

It is noted that the effect of Covid-19 on the financial performance of the Group and the Company resulted in the non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans at the year ended December 31, 2020. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the lag of the financial covenant, the overall financial status of the Group and the Company has not been affected and thus the obligations can be fully met on a timely manner.

Credit Risk

No significant losses are expected as lease agreements are agreed with clients - tenants with sufficient creditworthiness. As mentioned above, 73% of the annual leases come from the following tenants: National Bank, Sklavenitis, Greek State, Cosmote and Italian State and the reduction in rental income for 2020, due to the pandemic, amounts to €2,523 for the Group and €1,373 for the Company. In addition, the Group receives from tenants, in the framework of lease agreements, securities, such as guarantees, to mitigate credit risk.

The Management, taking into consideration the above as well as:
1. The current financial position of the Company and the Group,
2. The diversification of the Group's real estate portfolio,
3. The fact that even if COVID-19 negatively affects the revenue and the operating results of the Group in the short term, the Group's business plan has a long-term perspective,
4. The necessary funds for the realization of the Group's short to medium term business plan have been already secured,

concluded that the Company and the Group have sufficient resources in order to continue the business activity and the implementation of the Group's short to medium term business plan. Therefore, the Annual Financial Statements of the Group and the Company have been prepared based on the going concern principle.

Management will continue to monitor and evaluate the situation closely.

### 2.3 Adoption of International Financial Reporting Standards (IFRSs)

#### 2.3.1 New standards, amendments and interpretations to existing standards applied from 1 January 2020:

- **Definition of a business - Amendments to IFRS 3** (effective for annual periods beginning on or after January 1, 2020, as issued by the IASB). The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. It further clarifies that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Finally, it introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The adoption of the amendments did not have a material impact on the Financial Statements of the Group and the Company.

- **Definition of materiality - Amendments to IAS 1 and IAS 8** (effective for the Group as of January 1, 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs. The adoption of the amendments did not have a material impact on the Financial Statements of the Group and the Company.

The amendments to existing standards, effective from January 1, 2020 have been endorsed by the EU.

#### 2.3.2. New standards and amendments to existing standards effective after 2020:

- **Concessions in rents related to COVID-19 - Amendment to IFRS 16** (effective for annual periods beginning on or after June 1, 2020). The amendment provides tenants (but not landlords) with an optional exemption from assessing whether the COVID-19-related lease is a leas modification. Tenants can choose to account for rental concessions in the same way they would for non-lease modifications.

- **Concessions in rents related to COVID-19 – Extension of application period - Amendment to IFRS 16** (effective for annual periods beginning on or after April 1, 2021). The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The amendment has not yet been endorsed by the EU.

- **Reference to the Conceptual Framework – Amendment to IFRS 3 Business Combinations** (effective for annual periods beginning on January 1, 2022, as issued by the IASB). The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exemption was added for some type of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

- **Onerous Contracts: Cost of Fulfilling a Contract – Amendment to IAS 37** (effective for annual periods beginning on January 1, 2022, as issued by the IASB). The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU..

- **Classification of liabilities as short-term or long-term - Amendment to IAS 1** (effective for annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

- **IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies' (effective for annual periods beginning on or after 1 January 2023)**
The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

- **IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023).** The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

- **Annual Improvements to IFRS Standards 2018 – 2020 Cycle** (effective for annual periods beginning on January 1, 2022, as issued by the IASB). The amendments have not yet been endorsed by the EU. The amendments applicable to the Group are:

  - **IFRS 9 Financial Instruments:** The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

  - **IFRS 16 Lease Incentives:** The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

## 2.4 Consolidation

### 2.4.1 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.

#### 2.4.2 Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized 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.

#### 2.4.3 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.

#### 2.4.4 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.

#### 2.4.5 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.

#### 2.4.6 Investments in subsidiaries in separate Financial Statements

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

#### 2.4.7 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.

## 2.5 Business Combinations

### 2.5.1 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 for:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized 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.

### 2.5.2 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.

### 2.5.3 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 recognized in the income statement.

### 2.5.4 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.

### 2.5.5 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.

### 2.5.6 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.

## 2.6 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 recognized 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.

## 2.7 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 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.

### 2.8 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

### 2.9 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). 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.

### 2.10 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.

### 2.11 Leases

#### (a) The Group as the Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets for which lease payments are recognized as operating expenses on a straight-line basis over the lease term. The Group recognizes lease liabilities which represent its obligation to pay rents, as well as assets with the right to use, which represent the right to use the underlying assets.

**Right of use assets:** The Group recognizes the right of use asset at the commencement date of the lease (i.e. the day the underlying asset is available for use). The right of use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liability. The cost of the right of use asset includes the amount of lease liabilities recognized, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right of use assets is depreciated on a straight-line basis over the term of the lease.

The right of use assets are included in the line ‘’ Property Plan and Equipment’’.

**Lease liabilities:** At the commencement date of the lease the Group recognizes lease liabilities which are measured at the present value of the future lease payments.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substance fixed payments) less any lease incentives receivables;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonable certain to exercise that option; and
- any amounts expected to be payable under residual value guarantees.

Lease payments are discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate, which is the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

**Subsequent measurement of right of use assets:** Following the commencement date of the lease the Group measures the right of use asset applying the cost model:
(a) less any accumulated depreciation and impairment losses, and
(b) adjusted for any remeasurement of lease liability.

The Group applies the requirements of IFRS 16in relation to the depreciation of right of use asset, which is being examined for impairment.

**Subsequent measurement of lease liabilities:** Following the commencement date of the lease the Group measures the lease liability as follows:
(a) increasing the carrying amount to reflect interest on the lease liability;
(b) reducing the carrying amount to reflect the lease payments made; and
(c) remeasuring the carrying amount to reflect any reassessment or lease modifications

The finance cost of a lease liability is charged over the lease period so as to produce a constant periodic rate of interest in the remaining balance of the liability.

Following the commencement date of the lease the Group recognizes in profit or losses the following (unless the case that the expenses are included in the carrying amount of another asset for which other standards are being applied):
(a) the finance cost of the lease liability,
(b) the variable payments of leases that are not included in the measurement of the lease liability during the period in which the event that trigger those payments takes place, and
(c) the short-term leases, i.e. the leases that have a lease term of 12 months or less and leases of low value assets.

**Short-term leases and leases of low value assets:** The Group has elected not to recognize right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(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.

### 2.12 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 amortized 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 recognized immediately in the income statement,
- if the sale price is below fair value – the profit or loss is recognized immediately, except if a loss is compensated for by future rentals at below market price, the loss is amortized over the lease term,

- if the sale price is above fair value - the excess over fair value is deferred and amortized 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 recognized immediately in the income statement.

### 2.13 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.

### 2.14 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.

### 2.15 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.

### 2.16 Dividend Distribution

Dividends on ordinary shares are recognized 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.

### 2.17 Trade and Other Payables

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

### 2.18 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.

### 2.19 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.

### 2.20 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized 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

<u>Defined Contribution Plan</u>

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

Revenue from sale of properties is recognized 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 control of the properties is 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 recognized 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 amortized 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.

### 2.29 Assets and liabilities held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale on initial classification are measured at their lower of carrying amount and fair value less costs to sell. Assets and liabilities of disposal groups classified as held for sale and non-current assets classified as held for sale are shown separately on the face of the Statement of Financial Position.

Impairment loss on initial classification as held for sale are included in the income statement, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria for classification as such are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset (or disposal group) that ceases to be classified as held for sale (or ceases to be included in disposal group classified as held for sale) at the lower of:

(a) Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset (or disposal group) not been classified as held for sale, and
(b) Its recoverable amount at the date of the subsequent decision not to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed or is classified as held for sale or is a subsidiary acquired exclusively with a view to resale. Classification as discontinued operations occurs upon disposal or when the operations meet the criteria to be classified as held for sale.

The results of discontinued operations are shown as a single amount on the face of the income statement comprising the post-tax profit or loss from discontinued operations and the post-tax gain or loss recognised either on measurement to fair value less costs to sell or on the disposal of the discontinued operation.

### 2.30 Restricted Cash

Restricted cash are amounts which may not be used by the Group until a certain point of time or event is reached or occurs in the future and they are not cash equivalents. In the cases where restricted cash is expected to be used within one year from the date of the statement of financial position, these are classified as current assets. However, if it is not expected that restricted cash will be used within one year from the date of the statement of financial position they are classified as long-term assets.

## 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, restricted cash, 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, 2020 and December 31, 2019 is not significant.

ii) Price risk

The Group and the Company are not exposed to price risks.

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 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, short-term deposits (Note 14) and restricted cash (Note 15). Additionally, the Group has borrowings (Note 19).

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 €6,044 and an increase by €528, 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, restricted cash 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 (2020: 45.0%, 2019: 49.2% of total rental income). In addition, the Group receives from tenants, in the context of the lease agreements, securities, such as guarantees, to mitigate credit.

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.

The Group's and Company's cash and cash equivalents (sight and time deposits) are deposited in banks which are rated by Moody's. The credit risk of cash and cash equivalents is presented in the table below according to the credit rate of the banks:

All amounts expressed in € thousand, unless otherwise stated

| Moody's rating | Group 31.12.2020 | Company 31.12.2020 |
|---|---|---|
| Caa1 | 69,947 | 56,484 |
| Caa2 | 6,035 | 6,035 |
| Baa1 | 6,629 | 6,288 |
| B3 | 14,146 | 4,435 |
| Baa3 | 1 | - |
| A1 | 6,717 | - |
| N/A | 1,365 | - |
| | **104,840** | **73,242** |

The credit risk of cash and cash equivalents (sight and time deposits) of the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited (held for sale), is presented in the table below according to the credit rate of the banks:

| Moody's rating | 31.12.2020 |
|---|---|
| B3 | 4,085 |
| N/A | 27 |
| | **4,112** |

Credit risk of restricted cash according to credit rate of the banks:

| Moody's rating | Group 31.12.2020 | Company 31.12.2020 |
|---|---|---|
| Caa1 | 82,094 | 81,054 |
| Caa2 | 15 | 15 |
| B3 | 919 | 564 |
| | **83,028** | **81,633** |

**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, 2020 and 2019 is as follows:

All amounts expressed in € thousand, unless otherwise stated

**Group:**

| December 31, 2020 | Less than 1 month | 1 - 3 months | 3 - 12 months | 12 months - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 83,348 | 5,861 | 439,606 | 138,459 | 198,843 | 95,988 | **962,105** |
| Other long-term liabilities | - | - | - | 345 | 2,063 | 3,727 | **6,135** |
| Trade and other payables | 2,782 | 4,392 | 9,947 | - | - | - | **17,121** |
| **Total** | **86,130** | **10,253** | **449,553** | **138,804** | **200,906** | **99,715** | **985,361** |

| 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** |

**Company:**

| December 31, 2020 | Less than 1 month | 1 - 3 months | 3 - 12 months | 12 months - 2 years | 2 - 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 82,239 | 5,344 | 432,314 | 35,948 | 161,632 | 80,264 | **797,741** |
| Other long-term liabilities | - | - | - | 108 | 435 | 3,369 | **3,912** |
| Trade and other payables | 969 | 3,650 | 8,671 | - | - | - | **12,290** |
| **Total** | **83,208** | **8,994** | **440,985** | **36,056** | **162,067** | **83,633** | **814,943** |

| 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** |
| Other long-term 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** |

The amounts disclosed in the above tables are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relates 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, 2020 and 2019 respectively, are used for determining the related undiscounted cash flows.

It is noted that as of December 31, 2020 the maturity bucket of 3-12 months includes Group's borrowings of outstanding capital of €99,830 which were transferred in their whole to short term borrowings since they are repayable on June 30, 2021. The Group is currently investigating the alternatives for the refinancing of the loans. In addition, as of December 31, 2020, the maturity backet of 3-12 months of the Group and the Company includes outstanding capital of borrowings amounted to €372,000 which are presented in the short-term borrowings in the Statement of Financial Position as of December 31, 2020, as the Company at the end of the year ended December 31, 2020 assessed a non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans due to the impact of COVID-19 pandemic in the financial performance of the Group and the Company. According to the provisions of the loan agreements, the non-compliance is ascertained with the submission of the annual audited financial statements to the competent financial institutions. For presentation purposes according to IFRSs, the balance of these loans is included in short-term borrowings. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the lag of the financial covenant, the overall financial status of the Group and the Company has not been affected and thus the obligations can be fully met on a timely manner. As of March 31, 2021, the outstanding balances of these loans, in the interim financial statements of the Group and the Company, will be included in long-term liabilities.

All amounts expressed in € thousand, unless otherwise stated

Management is confident, based on cash flow projections, that the Group and the Company will generate sufficient cash flows from their continuing operations as well as from their financing activities to satisfy its working capital and other cash flow requirements. The Group and the Company enjoy a good reputation, remarkable creditworthiness and an excellent and constructive relationship with the financial institutions that finance them, events which facilitate the negotiations with respect to refinancing and securing additional funds to finance its investment plan.

The maturity analysis of financial liabilities for the Group and the Company as of December 31, 2020 taking into account the contractual repayments of borrowings is as follows:

**Group:**

| **December 31, 2020** | **Less than 1 month** | **1 - 3 months** | **3 - 12 months** | **12 months - 2 years** | **2 - 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 83,348 | 5,861 | 75,578 | 151,294 | 458,095 | 225,086 | **999,262** |
| Other long-term liabilities | - | - | - | 345 | 2,063 | 3,727 | **6,135** |
| Trade and other payables | 2,782 | 4,392 | 9,947 | - | - | - | **17,121** |
| **Total** | **86,130** | **10,253** | **85,525** | **151,639** | **460,158** | **228,813** | **1,022,518** |

**Company:**

| **December 31, 2020** | **Less than 1 month** | **1 - 3 months** | **3 - 12 months** | **12 months - 2 years** | **2 - 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Borrowings | 82,239 | 5,344 | 68,286 | 48,782 | 420,884 | 209,363 | 834,898 |
| Other long-term liabilities | - | - | - | 108 | 435 | 3,369 | 3,912 |
| Trade and other payables | 969 | 3,650 | 8,671 | - | - | - | 13,290 |
| **Total** | **83,208** | **8,994** | **76,957** | **48,890** | **421,319** | **212,732** | **852,100** |

### 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, 2020 and 2019.

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Borrowings | 901,855 | 876,280 | 745,509 | 659,893 |
| Total assets | 2,449,402 | 2,427,561 | 2,069,039 | 2,028,766 |
| **Gearing ratio** | **36,8%** | **36.1%** | **36.0%** | **32.5%** |

All amounts expressed in € thousand, unless otherwise stated

### 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.

- *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, 2020 and 2019, respectively:

| **December 31, 2020** | | **Valuation hierarchy** | | |
|---|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Borrowings** | - | - | 901,855 | **901,855** |

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

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

As at December 31, 2020 and 2019, 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, 2020 and were similar to those used in the preparation of consolidated and separate financial statements for the year ended December 31, 2019.

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:

<u>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:</u>

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.

The valuations of investment properties as of December 31, 2020 have been prepared on the basis of "material valuation uncertainty", as defined in the RICS Valuation - Global Standards and International Valuation Standards given the uncertainty from the evolution of COVID-19 pandemic and the possible future impact on the real estate market in our country and internationally and due to lack of sufficient comparative information, as analyzed in Note 2.2.

## NOTE 5: Segment Reporting

The Group has recognized the following operational segments:

**Business Segments:**
- Retail big boxes & high street retail,
- Bank Branches
- Offices
- Other (include hotels, student housing, storage space, archives, petrol stations, parking spaces, land plots and other properties with special use),

**Geographical Segments:**
- Greece
- Italy
- Cyprus
- Other countries[1]

Information per business segment and geographical area for the year ended December 31, 2020 and December 31, 2019 is presented below:

[1] In the Other Countries, as of December 31, 2020 and December 31, 2019 are included Romania and Bulgaria.

All amounts expressed in € thousand, unless otherwise stated

### A) Business Segments of Group

| Year Ended December 31, 2020 | Retail big boxes & high street retail | Bank Branches | Offices | Other | Total |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Rental Income | 21,629 | 38,469 | 66,370 | 7,429 | **133,897** |
| **Total Segment Revenue** | **21,629** | **38,469** | **66,370** | **7,429** | **133,897** |
| Gain / (Loss) from disposal of investment property | (19) | (1,534) | 6,301 | - | **4,748** |
| Net gain / (loss) from the fair value adjustment of investment property | 432 | (854) | (6,347) | (804) | **(7,573)** |
| Direct property related expenses & Property taxes-levies | (3,843) | (2,437) | (8,819) | (2,806) | **(17,905)** |
| Net impairment loss on financial assets | (279) | - | (256) | (1,353) | **(1,888)** |
| **Total Segment Operating profit** | **17,920** | **33,644** | **57,249** | **2,466** | **111,279** |
| Unallocated operating income | | | | | **926** |
| Unallocated operating expenses | | | | | **(21,881)** |
| **Operating Profit** | | | | | **90,324** |
| Unallocated interest income | | | | | **2,422** |
| Unallocated finance costs | | | | | **(24,980)** |
| Allocated finance costs | (1,519) | - | (2.169) | (2.774) | **(6,462)** |
| Unallocated income | | | | | **3,902** |
| **Profit before tax** | | | | | **65,206** |
| Deferred taxes | (39) | (6) | (188) | 383 | **150** |
| Unallocated taxes | | | | | **(2.410)** |
| **Profit for the year from continuing operations** | | | | | **62,946** |
| Allocated gain/(loss) from discontinued operations | (1,382) | - | 6,547 | 6,585 | **11,750** |
| Unallocated loss from discontinued operations | | | | | **(20,963)** |
| **Profit for the year** | | | | | **53,733** |
| | | | | | |
| **Segment Assets as at December 31, 2020** | | | | | |
| Assets | 409,332 | 463,918 | 971,997 | 379,455 | **2,224,702** |
| Unallocated Assets | | | | | **224,700** |
| **Total Assets** | | | | | **2,449,402** |
| | | | | | |
| **Segment Liabilities as at December 31, 2020** | | | | | |
| Liabilities | 45,106 | 1,609 | 76,168 | 136,009 | **258,892** |
| Unallocated Liabilities | | | | | **787,211** |
| **Total Liabilities** | | | | | **1,046,103** |
| | | | | | |
| **Non-current assets additions as at December 31, 2020** | 6,190 | - | 25,680 | 11,455 | **43,325** |

All amounts expressed in € thousand, unless otherwise stated

| Year Ended December 31, 2019 | Retail big boxes & high street retail | Bank Branches | Offices | Other | Total |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Rental Income | 19,784 | 41,470 | 69,274 | 4,946 | **135,474** |
| Other | - | - | 80 | - | 80 |
| **Total Segment Revenue** | **19,784** | **41,470** | **69,354** | **4,946** | **135,554** |
| Gain from disposal of investment property | - | 6,284 | 12,836 | | **19,120** |
| Net gain from the fair value adjustment of investment property | 38,850 | 31,773 | 82,054 | 22,401 | **175,078** |
| Direct property related expenses & Property taxes-levies | (3,024) | (2,490) | (8,226) | (2,429) | **(16,169)** |
| Net impairment loss on financial assets | (2,039) | (6) | (70) | (34) | **(2,137)** |
| **Total Segment Operating profit** | **53,571** | **77,031** | **155,948** | **24,896** | **311,446** |
| Unallocated operating income | | | | | **19,572** |
| Unallocated operating expenses | | | | | **(10,609)** |
| **Operating Profit** | | | | | **320,409** |
| Unallocated interest income | | | | | **20** |
| Unallocated finance costs | | | | | **(16,419)** |
| Allocated finance costs | (763) | - | (1,844) | (1,512) | **(4,119)** |
| Unallocated income | | | | | **11,072** |
| **Profit before tax** | | | | | **310,963** |
| Deferred taxes | (713) | (5) | (769) | (4,326) | **(5,805)** |
| Unallocated taxes | | | | | **(8,230)** |
| **Profit for the year from continuing operations** | | | | | **296,928** |
| Allocated gain from discontinued operations | 135 | - | - | 24,081 | **24,216** |
| Unallocated loss from discontinued operations | | | | | **(22,242)** |
| **Profit for the year** | | | | | **298,902** |
| **Segment Assets as at December 31, 2019** | | | | | |
| Assets | 405,144 | 503,053 | 1,036,792 | 382,717 | **2,327,706** |
| Unallocated Assets | | | | | **99,855** |
| **Total Assets** | | | | | **2,427,561** |
| **Segment Liabilities as at December 31, 2019** | | | | | |
| Liabilities | 42,386 | 1,633 | 80,173 | 146,719 | **270,911** |
| Unallocated Liabilities | | | | | **695,741** |
| **Total Liabilities** | | | | | **966,652** |
| **Non-current assets additions as at December 31, 2019** | 72,013 | 7 | 52,363 | 80,237 | **204,620** |

All amounts expressed in € thousand, unless otherwise stated

### B) Geographical Segments of Group

| **Year Ended December 31, 2020** | **Greece** | **Italy** | **Cyprus** | **Other Countries** | **Total** |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Rental Income | 104,065 | 12,519 | 10,242 | 7,071 | **133,897** |
| **Total Segment Revenue** | **104,065** | **12,519** | **10,242** | **7,071** | **133,897** |
| Gain from disposal of investment property | 4,748 | - | - | - | **4,748** |
| Net gain / (loss) from the fair value adjustment of investment property | 6,435 | (13,039) | (192) | (777) | **(7,573)** |
| Direct property related expenses & Property taxes-levies | (12,212) | (2,431) | (3,109) | (153) | **(17,905)** |
| Net impairment loss on financial assets | (632) | (159) | (1,097) | - | **(1,888)** |
| Total Segment Operating profit/(loss) | **102,404** | **(3,110)** | **5,844** | **6,141** | **111,279** |
| Unallocated operating income | | | | | **926** |
| Unallocated operating expenses | | | | | **(21.881)** |
| **Operating Profit** | | | | | **90,324** |
| Unallocated interest income | | | | | **2,422** |
| Unallocated finance costs | | | | | **(24,980)** |
| Allocated finance costs | (5,204) | - | - | (1,258) | **(6,462)** |
| Unallocated income | | | | | **3,902** |
| **Profit before tax** | | | | | **65,206** |
| Deferred taxes | - | - | 264 | (114) | **150** |
| Unallocated taxes | | | | | **(2,410)** |
| **Profit for the year from continuing operations** | | | | | **62,946** |
| Allocated gain from discontinued operations | - | - | 11,750 | - | **11,750** |
| Unallocated loss from discontinued operations | | | | | **(20,963)** |
| **Profit for the year** | | | | | **53,733** |
| **Segment Assets as at December 31, 2020** | | | | | |
| Assets | 1,459,191 | 257,087 | 405,023 | 103,401 | **2,224,701** |
| Unallocated Assets | | | | | **224,701** |
| **Total Assets** | | | | | **2,449,402** |
| | | | | | |
| **Segment Liabilities as at December 31, 2020** | | | | | |
| Liabilities | 138,045 | 5,396 | 75,803 | 39,648 | **258,892** |
| Unallocated Liabilities | | | | | **787,211** |
| **Total Liabilities** | | | | | **1,046,103** |
| | | | | | |
| **Non-current assets additions as at December 31, 2020** | 41.015 | 1.639 | 671 | - | **43.325** |

All amounts expressed in € thousand, unless otherwise stated

| Year Ended December 31, 2019 | Greece | Italy | Cyprus | Other Countries | Total |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Rental Income | 109,495 | 12,672 | 6,178 | 7,129 | **135,474** |
| Other | - | 80 | - | - | **80** |
| **Total Segment Revenue** | **109,495** | **12,752** | **6,178** | **7,129** | **135,554** |
| Gain from disposal of investment property | 19,120 | - | - | - | **19,120** |
| Net gain from the fair value adjustment of investment property | 141,014 | 5,755 | 25,576 | 2,733 | **175,078** |
| Direct property related expenses & Property taxes-levies | (12,428) | (2,582) | (1,023) | (136) | **(16,169)** |
| Net impairment loss on financial assets | (1,810) | (73) | (146) | - | **(2,137)** |
| Total Segment Operating profit/(loss) | **255,391** | **15,852** | **30,477** | **9,726** | **311,446** |
| Unallocated operating income | | | | | **19,572** |
| Unallocated operating expenses | | | | | **(10,609)** |
| **Operating Profit** | | | | | **320,409** |
| Unallocated interest income | | | | | **20** |
| Unallocated finance costs | | | | | **(16,419)** |
| Allocated finance costs | (2,773) | - | - | (1,346) | **(4,119)** |
| Unallocated income | | | | | **11,072** |
| **Profit before tax** | | | | | **310,963** |
| Deferred taxes | **-** | **-** | (5,342) | (463) | **(5,805)** |
| Unallocated taxes | | | | | **(8,230)** |
| **Profit for the year from continuing operations** | | | | | **296.928** |
| Allocated gain from discontinued operations | - | - | 24,216 | - | **24,216** |
| Unallocated loss from discontinued operations | | | | | **(22,242)** |
| **Profit for the year** | | | | | **298,902** |
| **Segment Assets as at December 31, 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 December 31, 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 December 31, 2019** | 17,622 | 800 | 186,194 | 4 | **204,620** |

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 December 31, 2020 and December 31, 2019 mainly include borrowings amounted to €747,996 and €675,801 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, 2020 amounted to €60,283, i.e., 45.0% (December 31, 2019: €66,674, i.e., 49.2%).

## NOTE 6: Investment Property

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Balance at the beginning of the period** | **1,779,481** | **1,779,481** | **1,359,579** | **1,359,579** |
| Additions: | | | | |
| - Direct acquisition of investment property | 32,208 | 7,587 | 32,208 | 7,587 |
| - Acquisitions through business combinations | - | 176,921 | - | - |
| - Acquisitions of subsidiaries other than through business combinations (Note 9) | 1,550 | 10,865 | - | - |
| - Subsequent capital expenditure on investment property | 9,567 | 9,247 | 1,945 | 6,805 |
| - Transfer from property and equipment (Note 7) | 3,063 | - | 2,263 | - |
| - Transfer to property and equipment (Note 7) | (8,771) | - | (8,771) | - |
| - Transfer to inventories | (4,120) | - | - | - |
| - Disposal of investment property | (132,429) | (73,880) | (132,429) | (73,880) |
| - Transfer to Assets held for sale (Note 16) | (67,826) | - | - | - |
| Net gain / (loss) from the fair value adjustment of investment property | (5,267) | 179,819 | 299 | 137,173 |
| **Balance at the end of the period** | **1,918,015** | **2,090,040** | **1,332,779** | **1,437,264** |

On January 27, 2020, the Company concluded the acquisition of a commercial property located in 7 Aggelou Metaxa Avenue in Glyfada, Attica, of a total area of approximately 415 sq.m. for a total consideration of €2,100 (not including acquisition costs of €89). The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €2,307.

On January 28, 2020, the Company concluded the acquisition of a commercial property located at 19-20 Filikis Etaireias Square street in Athens, of a total area of approximately 496.5 sq.m. for a total consideration of €2,300 (not including acquisition costs of €132) out of which an amount of €629 had been paid as an advance payment. The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €2,334.

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 into 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 July 6, 2020, the 99 years concession for the redevelopment and exploitation of Piraeus Tower was signed between the company Piraeus Tower S.A. and the Municipality of Piraeus.

On March 1, 2020, the property located at 9, Chrisospiliotissis str., Athens, of a total area of approximately 2.9 thousand sq.m., was transferred from investment property to property and equipment. The value of the property at the date of the transfer amounted to €8,771.

On March 1, 2020, part of the property located at 6, Karageorgi Servias str., Athens, of a total area of approximately 789.3 sq.m. (2nd and 3rd floor), which was included in owneroccupied property, was transferred from property and equipment to investment property. The value of the property at the date of the transfer amounted to €2,263.

On June 1, 2020, the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of the shares of a company, owner of a land plot on which a building is currently being developed that will be used as commercial warehouses with modern specifications. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company at that date. In the context of this preliminary agreement, the Company on the same day paid an amount of €5,000 as a prepayment. On August 4, 2020 the Company paid an additional amount of €2,030 as a prepayment (Note 13).

On July 17, 2020, the Company concluded the acquisition of an office complex with a total area of approximately 7.1 thousand sq.m. located at 72, Ethnikis Antistaseos and Agamemnonos str., in Chalandri and a mixed use building, consisting of offices and retail units, with a total area of approximately 1.9 thousand sq.m. located at 44-46, Amphiaraou str. near the center of Athens, for a total consideration of €15,400 and €1,500 respectively (not including acquisition costs of €433 and €49 respectively). The fair value of the properties at the date of the acquisition, according to the valuation performed by the independent statutory valuer, amounted to €15,407 and €1,600 respectively.

On September 18, 2020, the Company concluded the acquisition of a property located at Markopoulo, Attica, of a total area of 12.4 thousand sq.m.. The property is leased to a creditworthy tenant and is used as Logistics center. The consideration for the acquisition of the property amounted to €9,900 (not including acquisition costs of €306). The fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €9,986.

On December 11, 2020, the Company concluded the acquisition of 100% of the shares of the company "MILORA M.IKE" located in Greece (Note 9). The company owns a retail property in Kallithea, Attica, with a total area of approximately 2 thousand sq.m., which is already leased to a creditworthy tenant. The consideration for the acquisition of ILDIM amounted to €508 (taking into account the liabilities and assets of MILORA). The consideration for the acquisition of the property amounted to €1,550 and its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €1,670.

On December 23, 2020, the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of the shares of a company, owner of a land plot on which buildings will be developed and will be used as a Logistics center. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company at that date. In the context of this preliminary agreement, the Company on the same day paid an amount of €5,965 as a prepayment (Note 12).

Management always evaluates the optimization of the performance of the Group's real estate portfolio, including a possible sale if market conditions are appropriate. In this context, on August 6, 2020, the Company concluded the disposal of one property in Corinth. The total consideration amounted to €2,940 while its book value at the date of disposal was €2,807. The gain from the disposal of the property amounted to €133. Moreover, on December 24, 2020 the Company concluded the disposal of eighteen properties. The total consideration amounted to €134,237 while their book value at the date of the disposal amounted to €129,622. The gain from the disposal of the properties amounted to €4,615. From the total consideration, the Company received an amount of €80,000 up to December 31, 2010 whereas an amount of €54,237 was recognized in trade & other assets (Note 13).

The Group's borrowings which are secured on investment property are stated in Note 19.

All amounts expressed in € thousand, unless otherwise stated

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 December 31, 2020 and 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.

| | Greece | | | Italy | | | Romania | | Cyprus | | | Bulgaria | | 31.12.2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Segments** | **Retail** | **Office** | **Other[1]** | **Retail** | **Office** | **Other[2]** | **Retail** | **Office** | **Retail** | **Office** | **Other[3]** | **Retail** | **Office** | **Total** |
| Level | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| **Fair value at 01.01.2020** | **756,155** | **645,108** | **65.436** | **13,976** | **198,944** | **52,890** | **1,204** | **5,426** | **99,832** | **48,704** | **104.978** | **10,401** | **86,986** | **2,090,040** |
| Additions: | | | | | | | | | | | | | | |
| Direct Acquisition of investment property | 4,620 | 17,382 | 10,206 | - | - | - | - | - | - | - | - | - | - | **32,208** |
| Acquisitions other than through business combinations | 1.443 | - | 107 | - | - | - | - | - | - | - | - | - | **-** | **1,550** |
| Subsequent capital expenditure on investment property | 64 | 7,169 | 24 | 59 | 1,129 | 451 | - | - | 4 | 226 | 441 | - | - | **9,567** |
| Disposal of Investment Property | (42,476) | (89,953) | - | - | - | - | - | - | - | - | - | - | - | **(132,429)** |
| Transfers among segments | 145 | 6,155 | (6,300) | - | - | - | - | - | 2,360 | 8,420 | (10,780) | - | **-** | **-** |
| Transfer from property and equipment | - | 2,263 | - | - | - | - | - | - | - | - | 800 | - | **-** | **3,063** |
| Transfer to property and equipment | - | (8,771) | - | - | - | - | - | - | - | - | - | - | **-** | **(8,771)** |
| Transfer to inventories | - | - | - | - | - | - | - | - | - | - | (4,120) | - | **-** | **(4,120)** |
| Transfer to Assets held for sale | - | - | - | (4,090) | (45,820) | - | - | - | (2,290) | (14,796) | (830) | - | **-** | **(67,826)** |
| Net gain / (loss) from the fair value adjustment of investment property | 21 | 4,806 | 1,608 | (325) | (11,113) | (1,601) | 26 | 64 | (856) | 3,751 | (781) | (801) | (66) | **(5,267)** |
| **Fair value at 31.12.2020** | **719,972** | **584,159** | **71,081** | **9,620** | **143,140** | **51,740** | **1,230** | **5,490** | **99,050** | **46,305** | **89,708** | **9,600** | **86,920** | **1,918,025** |

[1] The segment “Other” in Greece includes hotels, 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 hotels, land plot, storage space 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 31.12.2020** |
| Level | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| **Fair value at 01.01.2020** | **271,834** | **484,321** | **10,396** | **3,580** | **1,204** | **99,832** | **10,401** | **881,568** |
| Additions: | | | | | | | | |
| Direct acquisition of investment property | 4,620 | - | - | - | - | - | - | **4,620** |
| Acquisitions other than through business combinations | 1,443 | - | - | - | - | - | - | **1,443** |
| Subsequent capital expenditure on investment property | 64 | - | 59 | - | - | 4 | - | **127** |
| Disposal of Investment Property | (384) | (42,092) | - | - | - | - | - | **(42,476)** |
| Transfers among segments | (1,488) | 1,633 | - | - | - | (2,360) | | **2,505** |
| Transfer to Held for sale | - | - | (4,090) | - | - | (2,290) | - | **(6,380)** |
| Net gain / (loss) from the fair value adjustment of investment property | 871 | (850) | (295) | (30) | 26 | (856) | (801) | **(1,935)** |
| **Fair value at 31.12.2020** | **276,960** | **443,012** | **6,070** | **3,550** | **1,230** | **99,050** | **9,600** | **839,472** |

All amounts expressed in € thousand, unless otherwise stated

| | Greece | | | Italy | | | Romania | | Cyprus | | | Bulgaria | | 31.12.2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 01.01.2019** | **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** |
| Additions: | | | | | | | | | | | | | | |
| Direct acquisition of investment property | - | - | 7,587 | - | - | - | - | - | - | - | - | - | - | **7,587** |
| Acquisitions through business combinations | - | - | - | - | - | - | - | - | 71,391 | 46,174 | 59,356 | - | - | **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 | - | 1,107 | - | 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 | 5,393 | (345) | 9,600 | (3,500) | (22) | 82 | 4,695 | 415 | 25,207 | 291 | 2,382 | **179,819** |
| **Fair value 31.12.2019** | **756,155** | **645,108** | **65,436** | **13,976** | **198,944** | **52,890** | **1,204** | **5,426** | **99,832** | **48,704** | **104,978** | **10,401** | **86,986** | **2,090,040** |

[1] The segment “Other” in Greece includes hotels, 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 hotels, land plot, storage space 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 01.01.2019** | **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 31.12.2019** | **271,834** | **484,321** | **10,396** | **3,580** | **1,204** | **99,832** | **10,401** | **881,568** |

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area for 31.12.2020:

| Country | Segment | Fair Value | Valuation Method | Monthly market rent | Discount rate (%) | Capitalization rate (%) |
|---|---|---|---|---|---|---|
| Greece | Retail big boxes & high street retail | 276,960 | 15%-20% market approach and 80%-85% discounted cash flows (DCF) | 1,540 | 6.78% - 11.23% | 5.50% - 10.00% |
| Greece | Bank Branches | 443,012 | 15%-20% market approach and 80%-85% DCF | 1,987 | 6.83% - 9.89% | 5.75% - 8.50% |
| Greece | Offices | 584,159 | 15%-20% market approach and 80%-85% DCF | 3,182 | 6.95% - 11.56% | 6.25% - 9.00% |
| Greece | Other[1] | 71,081 | 0%-15%-20% market approach and 80%-85%-100% DCF | 301 | 8.32% - 10.33% | 7.25% - 9.00% |
| Italy | Retail big boxes & high street retail | 6,070 | 0% market approach and 100% DCF | 35 | 5.70% - 7.70% | 5.40% - 6.65% |
| Italy | Bank Branches | 3,550 | 0% market approach and 100% DCF | 18 | 6.05% | 5.15% |
| Italy | Offices | 143,140 | 0% market approach and 100% DCF | 807 | 5.45% - 9.40% | 5.25% - 6.90% |
| Italy | Other[2] | 51,300 | 0% market approach and 100% residual method | - | 6.45 | - |
| Italy | Other[3] | 440 | 0% market approach and 100% direct capitalization method | 2 | - | 4.60% |
| Romania | Bank Branches | 1,230 | 0% market approach and 100% DCF | 10 | 9.55% - 10.35% | 7.75% - 8.75% |
| Romania | Offices | 5,490 | 0% market approach and 100% DCF | 39 | 9.55% | 7.75% |
| Cyprus | Retail big boxes & high street retail | 99,050 | 20% market approach and 80% DCF | 473 | 5.75% - 8.25% | 5.25% - 7.00% |
| Cyprus | Offices | 46,305 | 20% market approach and 80% DCF | 241 | 4.97% - 7.99% | 5.00% - 6.75% |
| Cyprus | Other[4] | 89,708 | 0% -20% market approach and 80%-100% DCF or 0% market approach and 100% residual method | 143 | 5.00% - 11.06% | 4.85% - 10.00% |
| Bulgaria | Retail big boxes & high street retail | 9,600 | 0% depreciated replacement cost method and 100% DCF | 179 | 9.25% | 8.00% |
| Bulgaria | Offices | 86,920 | 0% market approach and 100% DCF | 557 | 8.50% | 7.25% |
| | | **1,918,025** | | | | |

[1] The segment "Other" in Greece include hotels, 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 hotels, 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 31.12.2019:

| 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 | Other[1] | 65,436 | 0%-15%-20% market approach and 80%-85%-100% DCF | 200 | 8.10% - 10.75% | 7.25% - 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 | Other[4] | 104,978 | 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 hotels, 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 hotels, land plot, storage spaces and other properties with special use.

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally qualified valuers who prepare their reports twice a year as at June 30 and December 31. The investment property valuation for the consideration of the fair value is performed taking into consideration the high and best use of each property given the legal status, technical characteristics and the allowed uses for each property. In accordance with existing Greek REIC legislation JMD 26294/B1425/19.7.2000, valuations are based on at least two methods.

The last valuation of the Group's properties was performed at December 31, 2020 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force, i.e. the company "Proprius Commercial Property Consultants EPE" (representative of Cushman & Wakefield), jointly the companies "P. Danos & Associates" (representative of BNP Paribas) and "Athinaiki Oikonomiki EPE" (representative of Jones Lang LaSalle) and the company "Axies S.A." for the properties outside Italy and Bulgaria and the company "DRP Consult LTD" for the properties in Bulgaria and the company "Jones Lang LaSalle 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 employee, creditor, shareholder or other equity holder of or any other third party to the Company. The impact of COVID-19 in the investment property valuations as of December 31, 2020 is analysed in Note 2.2.

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 three (3) properties, the 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 DCF method was used in all properties, except for two properties in Cyprus as mentioned below, 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 DCF method and the depreciated replacement cost method. 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 DCF method and the market approach. For the weighing of the two methods (DCF and market approach), the rates 100% for the DCF method and 0% 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, as the appraised one, transact in the market.

For the properties in Italy, which constitute commercial properties (offices and retail) and storage spaces, the independent valuers used two methods, the DCF method and the market approach, except for the property located at Via Vittoria12, in Ferrara, for which the direct capitalization method and the market approach were used, as shown in the table above. For the weighing of the two methods the rates 100% for the DCF and direct capitalisation methods and 0% for the market approach have been applied. The increased weighting for the DCF and direct capitalisation methods is due to the fact that these methods 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 approach is very close to the one derived by using the DCF and direct capitalisation methods.

Specifically, for the property in Torvaianica area, in the municipality of Pomezia, Rome, and the property owned by the company Aphrodite Springs Public Limited, in Paphos, Cyprus which are land plots with development potential, two methods were used, the residual method and the market approach, as shown in the table above. 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 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 loss from fair value adjustment of investment property amounting to €7,573 for the Group and €299 for the Company (December 31, 2019: net gain of €175,078 for the Group and net gain of €137,173 for the Company) (excluding the gain of €2,306 as of December 31, 2020 and the gain of €4,741 of December 31, 2019 from discontinued operations (Note 16)).

Were the discount rate as at December 31, 2020, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €99,345 or higher by €110,881, respectively.

Were the capitalization rate as at December 31, 20120 used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €53.708 or higher by €65,153, respectively.

Were the sale price per square meter of the future development of residencies as at December 31, 2020 used in the valuation to determine the fair value of the land plot owned by the company Aphrodite Springs Public Limited in Paphos, Cyprus, different by +/- 10% from Management's estimates, the carrying amount of investment property would be estimated to be €19,500 higher or €19,500 lower, respectively.

Were the construction cost per square meter of the future development of residencies as at December 31, 2020 used in the valuation to determine the fair value of the land plot owned by the company Aphrodite Springs Public Limited, in Paphos, Cyprus, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €14,400 or higher by €14,300 respectively.

Were the sales price/rental value of the development as at December 31, 2020, 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 higher by €58,800 higher or negative, respectively.

Were the construction cost of the development as at December 31, 2020, 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 negative or €51,300 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, 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 | - | 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** |
| | | | | | | | | |
| **Cost or Fair Value** | | | | | | | | |
| **Balance at January 1, 2020** | **2,435** | **104,114** | **9** | **8,307** | **66** | **1** | **1,631** | **116,563** |
| Additions | 605 | 544 | - | 2,063 | - | - | 943 | **4,155** |
| Transfer to investment property (Note 6) | (2,436) | (800) | - | - | - | - | - | **(3,236)** |
| Transfer from investment property (Note 6) | 8,771 | - | - | - | - | - | - | **8,771** |
| Disposals | - | - | - | (23) | - | - | - | **(23)** |
| Other | - | - | - | - | - | - | (56) | **(56)** |
| Assets held for sale | - | (103,858) | - | (8,643) | - | - | (1,921) | **(114,422)** |
| **Balance at December 31, 2020** | **9,375** | **-** | **9** | **1,704** | **66** | **1** | **597** | **11,752** |
| | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | |
| **Balance at January 1, 2020** | **(314)** | **(4,166)** | **(9)** | **(1,567)** | **(4)** | **-** | **(468)** | **(6,528)** |
| Depreciation charge | (114) | (1.241) | - | (1.649) | (10) | - | (726) | **(3,740)** |
| Transfer to investment property (Note 6) | 317 | - | - | - | - | - | - | **317** |
| Impairment | - | (6,650) | - | - | - | - | - | **(6,650)** |
| Disposals | - | - | - | 18 | - | - | - | **18** |
| Other | - | - | - | - | - | - | 21 | **21** |
| Transfer to assets held for sale | - | 12,057 | - | 2,646 | - | - | 1,036 | **15.739** |
| **Balance at December 31, 2020** | **(111)** | **-** | **(9)** | **(552)** | **(14)** | **-** | **(137)** | **(823)** |
| **Net book value at December 31, 2020** | **9,264** | **-** | **-** | **1,152** | **52** | **1** | **460** | **10,929** |

All amounts expressed in € thousand, unless otherwise stated

The category "Land and buildings - Hotel & Other Facilities" comprises of the properties of Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited. Aphrodite Hills has the only certified PGA National Cyprus golf course in Cyprus, 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 Cyprus. As of December 31, 2020 these companies have been classified as held for sale (Note 16).

| **Company** | **Land and buildings (Administrative use)** | **Motor vehicles** | **Fixtures and equipment** | **Right-of-use Asset** | **Total** |
|---|---|---|---|---|---|
| **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** |
| | | | | | |
| **Cost** | | | | | |
| **Balance at January 1, 2020** | **2,435** | **9** | **657** | **247** | **3,348** |
| Additions | 605 | - | 1,037 | 255 | **1,897** |
| Transfer to investment property (Note 6) | (2,436) | - | - | - | **(2,436)** |
| Transfer from investment property(Note 6) | 8,771 | - | - | - | **8,771** |
| Other | - | - | - | (54) | **(54)** |
| **Balance at December 31, 2020** | **9,375** | **9** | **1,694** | **448** | **11,526** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| **Balance at January 1, 2020** | **(314)** | **(9)** | **(325)** | **(67)** | **(715)** |
| Depreciation charge | (114) | - | (221) | (74) | **(409)** |
| Transfer to investment property(Note 6) | 317 | - | - | - | **317** |
| Other | - | - | - | 21 | **21** |
| **Balance at December 31, 2020** | **(111)** | **(9)** | **(546)** | **(120)** | **(786)** |
| **Net book value at December 31, 2020** | **9,264** | **-** | **1,148** | **328** | **10,740** |

Land and buildings comprise the owner-occupied property of the Company located at 9, Chrisospiliotissis Street, Athens, used for administration purposes.

During the year ended December 31, 2020 an impairment loss of €5,931, due to measurement at fair value, was recognised on the Group's property and equipment and Nil on the Company's property and equipment (December 31, 2019: €3,188 and Nil for the Group and the Company respectively). An amount of €4,469 is included in the item "Gain/(Loss) from discontinued operations" in the Income Statement for the year ended December 31, 2020 (Note 16) and an amount of €1,462 is included in the item "Revaluation Reserve" in the Statement of Total Comprehensive Income for the year ended December 31, 2020.

In addition, during the year ended December 31, 2020 an impairment loss of €719 was recognised on the property and equipment of "The Cyprus Tourism Development Company Limited" due to the measurement of the company at its classification as asset held for sale (Note 16).

All amounts expressed in € thousand, unless otherwise stated

The borrowings of the Group and the Company are secured on land and buildings of the Company and the Group (Note 19).

## Note 8: Intangible Assets

| Group | Software | Other (Customer Contracts) | Goodwill | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **Balance at January 1, 2019** | **428** | **-** | **-** | **428** |
| Acquisition of subsidiary | 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** |
| **Cost** | | | | |
| **Balance at January 1, 2020** | **590** | **13,200** | **1,832** | **15,622** |
| Additions | 7 | - | - | **7** |
| Transfer to held for sale | (161) | (13,200) | - | **(13,361)** |
| **Balance at December 31, 2020** | **436** | **-** | **1,832** | **2,268** |
| **Accumulated amortisation** | | | | |
| **Balance at January 1, 2020** | **(381)** | **(768)** | **-** | **(1,149)** |
| Amortisation charge | (65) | (982) | - | **(1,047)** |
| Impairment | (1) | - | (1,832) | **(1,833)** |
| Transfer to held for sale | 62 | 1,750 | - | **1,812** |
| **Balance at December 31, 2020** | **(385)** | **-** | **(1,832)** | **(2,217)** |
| **Net book value at December 31, 2019** | **51** | **-** | **-** | **51** |

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 of Aphrodite Hills Resort. As of December 31, 2020 the company has been classified as held for sale (Note 16).

On April 18, 2019 the Group, through the indirect acquisition of the company "The Cyprus Tourism Development Company Limited", recognized a goodwill amounting to €1,832. During the year ended December 31, 2020 an impairment loss of €1,833 was recognised on the intangible assets of the company "The Cyprus Tourism Development Company Limited" due to the measurement of the company at its classification as asset held for sale (Note 16).

All amounts expressed in € thousand, unless otherwise stated

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

### (a) Business Combinations

During the year 2019 the Company proceeded with the acquisition of the companies CYREIT AIF Variable Investment Company Plc, The Cyprus Tourism Development Company Limited and Aphrodite Hills Resort Limited. From the acquisition of CYREIT AIF Variable Investment Company Plc negative goodwill amounted to €10,904 was recognized and included in the item "Negative goodwill from acquisition of subsidiaries" in the Income Statement for the year ended December 31, 2019 as the consideration was lower than the fair value of the net assets acquired. Moreover, from the acquisition of Aphrodite Hills Resort Limited negative goodwill amounted to €2,668 was recognized and included in the item "Gain/(Loss) from discontinued operations" (Note 16) in the Income Statement for the year ended December 31, 2019 as the consideration was lower than the fair value of the net assets acquired.

### (b) Asset Acquisitions

On December 11, 2020, the Company concluded the acquisition of 100% of the shares of the company MILORA M.IKE (hereinafter "MILORA") located in Greece (Note 6). The consideration for the acquisition of MILORA amounted to €508. 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:

| | **11.12.2020** |
|---|---|
| **ASSETS** | |
| Investment property (Note 6) | 1,550 |
| Cash and cash equivalents | 4 |
| Other assets | 25 |
| **Total assets** | **1,579** |
| **LIABILITIES** | |
| Borrowings | (258) |
| Other liabilities | (813) |
| **Total liabilities** | **(1,071)** |
| **Fair value of acquired interest in net assets** | **508** |
| **Total purchase consideration** | **508** |

Source: Unaudited financial information

## NOTE 10: Investments in Subsidiaries

| **Subsidiaries** | **Country of incorporation** | **Unaudited tax years** | **Group** | | **Company** | |
|---|---|---|---|---|---|---|
| | | | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Nash S.r.L. | Italy | 2015-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Picasso Fund | Italy | 2015-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Egnatia Properties S.A. | Romania | 2015-2020 | 99.96% | 99.96% | 99.96% | 99.96% |
| Quadratix Ltd. | Cyprus | 2016-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Karolou Touristiki S.A. | Greece | 2015-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| PNG Properties EAD | Bulgaria | 2017-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Lasmane Properties Ltd. | Cyprus | 2016-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Anaptixi Fragokklisia Real Estate S.A. | Greece | 2018-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Irina Ktimatiki S.A. | Greece | 2017-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| I&B Real Estate EAD | Bulgaria | 2016-2020 | 100.00% | 100.00% | 100.00% | 100.00% |
| Aphrodite Hills Resort Limited (1) | Cyprus | 2016-2020 | 60.00% | 60.00% | 60.00% | 60.00% |
| Aphrodite Hotels Limited (1) | Cyprus | 2016-2020 | 60.00% | 60.00% | - | - |
| Aphrodite Hills Property Management Limited (1) | Cyprus | 2016-2020 | 60.00% | 60.00% | - | - |
| The Aphrodite Tennis and Spa Limited (1) | Cyprus | 2016-2020 | 60.00% | 60.00% | - | - |
| Aphrodite Hills Services Limited (1) | Cyprus | 2016-2020 | 60.00% | 60.00% | - | - |
| Aphrodite Springs Public Limited | Cyprus | 2015-2020 | 60.00% | 60.00% | 60.00% | 60.00% |
| MHV Mediterranean Hospitality Venture Limited (1) | Cyprus | 2018- 2020 | 90.00% | 90.00% | 90.00% | 90.00% |
| The Cyprus Tourism Development Company Limited (1) | Cyprus | 2015-2020 | 90.00% | 90.00% | - | - |
| CYREIT AIF Variable Investment Company Plc | Cyprus | 2018-2020 | 88.23% | 88.23% | 88.23% | 88.23% |

All amounts expressed in € thousand, unless otherwise stated

| | | | | | | |
|---|---|---|---|---|---|---|
| Letimo Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Elizano Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Artozaco Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Consoly Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Smooland Properties Ltd. | Cyprus | 2013-2020 | 88.23% | 88.23% | - | - |
| Threefield Properties Ltd. | Cyprus | 2015-2020 | 88.23% | 88.23% | - | - |
| Bascot Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Nuca Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Vanemar Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Alomnia Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Kuvena Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Azemo Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Ravenica Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Wiceco Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Lancast Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Rouena Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Allodica Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Vameron Properties Ltd. | Cyprus | 2015-2020 | 88.23% | 88.23% | - | - |
| Orleania Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| Primaco Properties Ltd. | Cyprus | 2016-2020 | 88.23% | 88.23% | - | - |
| Arleta Properties Ltd. | Cyprus | 2017-2020 | 88.23% | 88.23% | - | - |
| ILDIM M. IKE | Greece | 2018-2020 | 100% | 100% | 100% | 100% |
| Prodea Immobiliare SrL | Italy | - | 80% | 80% | 80% | 80% |
| MILORA M.IKE | Greece | 2019-2020 | 100% | - | 100% | - |

(1) *The company Aphrodite Hills Resort Limited and its subsidiaries, MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited, have been classified as "Assets held for sale" as of December 31, 2020 (Note 16).*

The subsidiaries are consolidated with the full consolidation method.

The financial years 2015 up to 2019 of Karolou Touristiki S.A. 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. Until the date of approval of the Financial Statements, the tax audit by the statutory auditor for the year 2020 has not been completed.

The financial years 2018 up to 2019 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. The financial year 2018 of ILDIM M.IKE 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. 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. The financial year 2019 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 certificate was issued with no qualification. Until the date of approval of the Financial Statements, the tax audit by the statutory auditor for the year 2020 has not been completed.

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 companies.

All amounts expressed in € thousand, unless otherwise stated

| **Cost of Investment** | **31.12.2020** | **31.12.2019** |
|---|---|---|
| Nash S.r.L. | 52,510 | 51,620 |
| Picasso Fund | 80,753 | 80,753 |
| Egnatia Properties S.A. | 20 | 20 |
| Quadratix Ltd. | 10,802 | 10,802 |
| Karolou Touristiki S.A. | 4,147 | 4,007 |
| PNG Properties EAD | 151 | 25 |
| Lasmane Properties Ltd. | 13,210 | 13,210 |
| Anaptixi Fragokklisia Real Estate S.A. | 17,400 | 6,000 |
| Irina Ktimatiki S.A. | 11,174 | 11,174 |
| I & B Real Estate EAD | 40,142 | 40,142 |
| Aphrodite Hills Resort Limited (1) | - | 12,291 |
| Aphrodite Springs Public Limited | 2,400 | 2,400 |
| MHV Mediterranean Hospitality Venture Limited (1) | - | 51,615 |
| CYREIT AIF Variable Investment Company Plc | 140,437 | 140,437 |
| ILDIM M. IKE | 3,012 | 3,012 |
| Prodea Immobiliare SrL | 1,000 | 808 |
| MILORA M.IKE | 1,558 | - |
| **Total** | **378,716** | **428,316** |

(1) *The company Aphrodite Hills Resort Limited and its subsidiaries, MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited, have been classified as "Assets held for sale" as of December 31, 2020 (Note 16).*

On December 11, 2020, the Annual General Meeting of the shareholders of MILORA M.IKE resolved on its capital increase by €1,050 with the issuance of 1,050,00 shares of a par value of €1 each (amount in €).

On December 11, 2020, the Extraordinary General Meating of the shareholders of Karolou Touristiki S.A. resolved on its share capital increase by €80 by issuing 8,000 new ordinary shares of a par value of €10 each (amount in €). On September 10, 2020 the Annual General Meeting of the shareholders of Karolou Touristiki S.A. resolved on its share capital increase by €60 by issuing 6,000 new ordinary shares of a par value of €10 each (amount in €).

On September 23, 2020, the General Meeting of the shareholders of PNG Properties EAD resolved on its share capital increase by €125 (BGN 245,000) with the issuance of 245,000 new shares of a par value of BGN1 each.

During the year 2020 the Company contributed a total amount of €890 as capital contribution in the subsidiary Nash S.r.L. During the year 2019 an impairment loss in the subsidiary was recognised amounted to €18,824 as the carrying value was greater than the estimated recoverable amount.

During the year 2020 the Company contributed an amount of €192 as capital contribution in the subsidiary Prodea Immobilaire S.r.L.

On January 17, 2020, the Extraordinary General Meeting of the shareholders of Anaptixi Fragokklisia Real Estate Single Member S.A. resolved on its share capital increase by €11,400 by issuing 1,000 new ordinary shares of a par value of €100 each and an issue price of €11,400 each (amount in €).

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

All amounts expressed in € thousand, unless otherwise stated

## Note 11: Equity method investments and Investments in joint ventures

| | | | Group | | Company | |
|---|---|---|---|---|---|---|
| **Investments in joint ventures** | **Country** | **Unaudited tax years** | **31.12.2020** | **31.12.2019** | **30.12.2020** | **31.12.2019** |
| EP Chanion S.A. | Greece | 2014-2020 | 40% | 40% | 40% | 40% |
| Panterra S.A. | Greece | 2020 | 49% | 49% | 49% | 49% |
| RINASCITA S.A. | Greece | 2018-2020 | 35% | 35% | 35% | 35% |
| PIRAEUS TOWER S.A. | Greece | - | 30% | - | 30% | - |
| **Equity method investments** | | | | | | |
| Aphrodite Hills Pantopoleion Ltd. (1) | Cyprus | 2016-2020 | 27% | 27% | - | - |

(1) *The investment in the company Aphrodite Hills Pantopoleion Ltd. has been classified as “Assets held for sale” as of December 31, 2020 (Note 16).*

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 into 290,000 common ordinary shares with a par value of €10 each. The Company holds 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 July 6, 2020, the 99 years concession for the redevelopment and exploitation of Piraeus Tower was signed between the company Piraeus Tower S.A. and the Municipality of Piraeus.

| **Cost of Investments** | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Investments in joint ventures** | | | | |
| EP Chanion S.A. | 3,533 | 3,594 | 3,920 | 3,632 |
| Panterra S.A. | 10,182 | 5,949 | 5,733 | 5,733 |
| RINASCITA S.A. | 1,356 | 1,042 | 1,401 | 1,051 |
| PIRAEUS TOWER S.A | 924 | - | 870 | - |
| | **15,995** | **10,585** | **11,924** | **10,416** |
| **Equity method investments** | | | | |
| Aphrodite Hills Pantopoleion Ltd. | - | 421 | - | - |
| **Total Equity Method Investments and Investments in joint ventures** | **15,995** | **11,006** | **11,924** | **10,416** |

As of December 31, 2020, the Group’s share of profit of associates and joint ventures amounted to €3,902 as analysed below:

- Profit of €4,233 from Panterra S.A. (joint venture).
- Profit of €54 from PIRAEUS TOWER S.A. (joint ventures).
- Loss of €349 from EP Chanion S.A. (joint venture).
- Loss of €36 from Rinascita S.A. (joint venture).

## NOTE 12: Other Long-Term Assets

The increase of the Company's "Other long Term-assets" as of December 31, 2020 compared to December 31, 2019 is mainly due to the amount of €5,965 paid by the Company as a prepayment for the future acquisition of a company (Note 6) and to accrued interest income of €2,160 (December 31, 2019: €1,635).

All amounts expressed in € thousand, unless otherwise stated

In addition, as of December 31, 2020 the Group's and the Company's other long-term assets include deposits of €1,959 and €564, respectively, which are pledged according to loan agreements until their maturity (December 31, 2019: €1,990 for the Group and €564 for the Company).

Finally, other long-term assets include an amount of €11,507 and €10,383 for the Group and the Company, respectively (December 31, 2019: €10,333 and €9,318, 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 amortisation over the life of each lease.

## NOTE 13: Trade and Other Assets

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Trade receivables | 63,183 | 68,522 | 58,633 | 62,151 |
| Trade receivables from related parties (Note 34) | 4 | 1 | 4 | 1 |
| Receivables from Greek State | 3,491 | 8,285 | 2,083 | 8,011 |
| Prepaid expenses | 584 | 2,164 | 383 | 1,089 |
| Other receivables | 8,920 | 4,380 | 7,511 | 2,942 |
| Other receivables from related parties (Note 34) | - | - | - | 4,544 |
| **Total** | **76,182** | **83,352** | **68,614** | **78,738** |

As of December 31, 2020, the trade receivables of the Group and the Company includes an amount of €54,237 relating to the remaining consideration from the disposal of eighteen properties in December 2020 (Note 6). The amount was received on April 27, 2021. As of December 31, 2019, the trade receivables of the Group and the Company includes amount of €60,450 relating to the remaining consideration from the sale of the four properties in December 2019, which was received within January 2020.

It is noted that an amount of €184 for the Group and €72 for the Company transferred from trade and other assets to restricted cash in the Statement of Financial Position as od December 31, 2019 in order to be comparable to the Statement of Financial Position as of December 31, 2020 (Note 15).

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, 2020 and December 31, 2019 is presented below:

| **Group** | | | | |
|---|---|---|---|---|
| ***Financial assets*** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Gross carrying amount 31.12.2020 | 60,168 | 2,144 | 4,294 | **66,606** |
| ECL allowance | (2) | (2) | (2,657) | **(2,661)** |
| **Net carrying amount 31.12.2020** | **60,166** | **2,142** | **1,637** | **63,945** |
| *Non-financial assets 31.12.2020* | | | | **12,237** |
| **Total Trade and other assets 31.12.2020** | | | | **76,182** |

| **Company** | | | | |
|---|---|---|---|---|
| ***Financial assets*** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Gross carrying amount 31.12.2020 | 56,737 | 1,189 | 1,727 | **59,653** |
| ECL allowance | (2) | (2) | (906) | **(910)** |
| **Net carrying amount 31.12.2020** | **56,735** | **1,187** | **821** | **58,743** |
| *Non-financial assets 31.12.2020* | | | | **9,871** |
| **Total Trade and other assets 31.12.2020** | | | | **68,614** |

All amounts expressed in € thousand, unless otherwise stated

| **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 | | | | **14,419** |
| **Total Trade and other assets 31.12.2019** | | | | **83,352** |

| **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 | | | | **16,492** |
| **Total Trade and other assets 31.12.2019** | | | | **78,738** |

The Group's and the Company's trade receivables as of December 31, 2020 include €207 and €165, respectively, (December 31, 2019: €339 for the Group and €153 for 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 amortisation over the life of each lease.

Company's receivables from Greek State 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 favor 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-month period, the Company filed an appeal. The decrease of the Company's receivables from Greek State as of December 31, 2020 in comparison to December 31, 2019 (December 31, 2020: €2,083, December 31, 2019: €8,011) as 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 accumulation tax paid on April 14, 2010, was accepted and on May 27, 2020 the Company received this amount. The Company's Management, based on the opinion of its legal counsels and the above decisions of the competent bodies, considers that the reimbursement of the remaining amount related to capital accumulation tax, of a total amount of €1,752, is virtual certain.

The analysis of other receivables is as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Prepayments for the acquisition of companies | 7,030 | - | 7,030 | - |
| Other | 1,890 | 4,380 | 481 | 2,942 |
| **Total** | **8,920** | **4,380** | **7,511** | **2,942** |

As of December 31, 2019, "Other" includes an amount of €2,582 relating to issued checks for the acquisition of an investment property, which was concluded in January 2020.

All amounts expressed in € thousand, unless otherwise stated

## NOTE 14: Cash and Cash Equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Cash in hand | 2 | 26 | 1 | 2 |
| Sight and time deposits | 104,840 | 71,148 | 73,242 | 31,823 |
| **Total** | **104,842** | **71,174** | **73,243** | **31,825** |

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

As of December 31, 2020, sight and time deposits of the Group and the Company include pledged deposits amounted to €6,362 and €2,546, respectively (December 31, 2019: €5,439 and €2,795 respectively), in accordance with the provisions of the loan agreements.

| **Reconciliation to cash flow statement** | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Cash in hand | 2 | 26 | 1 | 2 |
| Sight and time deposits | 104,840 | 71,148 | 73,242 | 31,823 |
| Cash and cash equivalents associated with assets held for sale | 4,131 | - | - | - |
| **Total** | **108,973** | **71,174** | **73,243** | **31,825** |

## NOTE 15: Restricted cash

As of December 31, 2020, the restricted cash of the Group and the Company includes an amount of €80,995 which has been pledged in accordance with the terms of a Company's bond loan and relates to the prepayment of the bond loan due to the disposal of the eighteen properties on December 24, 2020 (Note 6), as a prenotation of mortgage has been established on six of these properties in favour of the financial institution. The Company had given irrevocable instructions to the financial institution to proceed with the prepayment of the bond loan and the financial institution's actions were completed on January 4, 2021.

## NOTE 16: Assets and liabilities held for sale and discontinued operations

Assets held for sale as of December 31, 2020 comprise of Aphrodite Hills Resort Limited and its subsidiaries, as well as MHV Mediterranean Hospitality Venture Limited and its 100% subsidiary The Cyprus Tourism Development Company Limited, and the property located at 5 Cavour Street, in Rome, Italy of the subsidiary Picasso Fund. The profit or losses from discontinued operations for the year ended December 31, 2020 comprise of the company Aphrodite Hills Resort Limited and its subsidiaries, as well as the companies MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited. The comparative profit or losses from discontinued operations has been restated to include the abovementioned companies.

Within December 2020, the Company's competent bodies resolved on the strategic collaboration between the Company, Invel Real Estate and the Cypriot based YODA Group of Mr. Ioannis Papalekas in the hospitality and tourism sector in the Mediterranean region. In this context, on April 1, 2021 the Company transferred 45% of its interest in MHV Mediterranean Hospitality Venture Limited, formerly Vibrana Holdings Ltd (hereinafter "MHV") to a company owned by YODA Group, according to the sale and purchase agreement dated December 30, 2020 as amended on March 31, 2021 (Note 36). Upon the completion of the sale, MHV will be an investment in joint venture. At the same time, the parties extended their cooperation in Aphrodite Hills Resort Limited with the signing of a sale and purchase agreement on April 7, 2021 (Note 36) for the transfer of 15% of the Company's participation in Aphrodite Hills Resort Limited to Papabull Investments Limited (company of YODA Group), The completion of the transaction is subject to obtaining approval by the Commission for the Protection of Competition of the Republic of Cyprus and is expected to be completed within the second quarter of 2021. Upon the completion of the sale, Aphrodite Hills Resort Limited will be an investment in joint venture.

All amounts expressed in € thousand, unless otherwise stated

**MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited**
MHV owns 100% of the share capital of The Cyprus Tourism Development Company Limited (hereinafter "CTDC"), owner of the 5 * hotel "The Landmark Nicosia" in Cyprus. In addition, CTDC owns land plots for development of offices (investment property) and development of residences for future sale (inventories). The allocated items of the Statement of Financial Position and Income Statement of the above companies are included in the business segments "Offices" and "Other" and in the geographical segment "Cyprus".

**Aphrodite Hills Resort Limited**
Aphrodite Hills Resort has the only certified PGA National Cyprus golf course in Cyprus as well as a hotel unit and other properties related to the use, operation and exploitation of the resort. In addition, the company has real estate inventories that include residences and land plots for the development of residences for their future sale. The allocated items of the Statement of Financial Position and Income Statement of the company are included in the business segments "Retail big boxes & high street retail", "Offices" and "Other" and in the geographical segment "Cyprus".

**Cavour 5**
Within December 2020, the Company's competent bodies resolved on the initiation of the process for the sale of a property owned by the subsidiary Picasso Fund located at 5 Cavour Street, in Rome, Italy. The fair value of the property as of December 31, 2020 amounted to €49,910. The disposal of the property is expected to be completed during 2021. The investment property is included in the business segments "Retail big boxes & high street retail" and "Offices" and in the geographical segment "Italy".

**Analysis of assets held for sale and liabilities directly associated with assets held for sale:**

| | **Group 31.12.2020 (1)** | **Company 31.12.2020 (2)** |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Investment property | 17,916 | - |
| Investments in subsidiaries | - | 63,906 |
| Equity method investments | 481 | - |
| Property and equipment | 98,683 | - |
| Intangible assets | 11,549 | - |
| **Total non-current assets** | **128,629** | **-** |
| **Current assets** | | |
| Trade and other assets | 3,485 | - |
| Inventories | 35,645 | - |
| Cash and cash equivalents | 4,131 | - |
| **Total current assets** | **43,261** | **-** |
| **Total assets** | **171,890** | **63,906** |
| **LIABILITIES** | | |
| **Long-term liabilities** | | |
| Borrowings | 14,457 | - |
| Deferred tax liabilities | 9,758 | - |
| Other long-term liabilities | 9,321 | - |
| **Total long-term liabilities** | **33,536** | **-** |
| **Short-term liabilities** | | |
| Trade and other payables | 20,342 | - |
| Borrowings | 39,917 | - |
| Current tax liabilities | 70 | - |
| **Total short-term liabilities** | **60,329** | **-** |
| **Total liabilities** | **93,865** | **-** |
| **Equity** | **78,025** | **63,906** |

All amounts expressed in € thousand, unless otherwise stated

*(1) Includes the companies Aphrodite Hills Resort Limited, MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited.*
*(2) Iincludes the companies Aphrodite Hills Resort Limited and MHV Mediterranean Hospitality Venture Limited.*

It is noted that borrowings of Aphrodite Hills Resort Limited of €36,997 are included in short-term borrowings due to non-compliance of two financial covenants as a result of the significant impact of the COVID-19 pandemic on the hospitality sector. The company sent a waiver request requesting to waive the requirements to test the financial covenants up to June 30, 2022 which was accepted by the competent financial institution in March 2021.

**Condensed income statement of discontinued operations (1)**

| | **Group** | |
|---|---|---|
| | **From 01.01. to** | |
| | **31.12.2020** | **31.12.2019** |
| Revenue | 22,470 | 39,502 |
| | **22,470** | **39,502** |
| Net gain from the fair value adjustment of investment property | 2,306 | 4,741 |
| Direct property related expenses | (596) | (30) |
| Property taxes-levies | (8) | (5) |
| Personnel expenses | (8,556) | (11,871) |
| Depreciation of property and equipment and amortisation of intangible assets | (4,323) | (3,411) |
| Consumables used | (1,305) | (3,920) |
| Net change in real estate inventories | (4,366) | (5,340) |
| Net impairment gain / (loss) on financial assets | (264) | 108 |
| Net impairment loss on non-financial assets | (7,073) | (6,291) |
| Other income | 74 | 10 |
| Other expenses | (10,118) | (11,993) |
| **Operating Profit / (Loss)** | **(11,759)** | **1,500** |
| Share of profit of associates and joint ventures | 73 | 162 |
| Negative goodwill from acquisition of subsidiaries | - | 2,668 |
| Interest income | - | 4 |
| Finance costs | (2,954) | (1,952) |
| **Profit / (Loss) before tax** | **(14,640)** | **2,382** |
| Taxes | 5,427 | (408) |
| **Profit / (Loss) for the year from discontinued operations** | **(9,213)** | **1,974** |
| **Attributable to:** | | |
| Non-controlling interests | (4,025) | (1,398) |
| **Company's equity holders** | **(5,188)** | **3,372** |
| Revaluation reserve | (1,462) | 1,462 |
| Other | - | 23 |
| **Total comprehensive income / (expense) for the year from discontinued operations** | **(1,462)** | **1,485** |

*(1) Includes the companies Aphrodite Hills Resort Limited, MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited.*

All amounts expressed in € thousand, unless otherwise stated

During the year ended December 31, 2020 the item ''net impairment loss on non-financial assets'' of the Condensed income statement of discontinued operations includes an impairment loss of €2,552 due to the measurement of the company "The Cyprus Tourism Development Company Limited" at its classification as asset held for sale (Note 7 and 8).

| **Cash flows from discontinued operations** | **Group** | |
|---|---|---|
| | **From 01.01. to** | |
| | **31.12.2020** | **31.12.2019** |
| Net cash inflows / (outflows) from operating activities | 1,080 | 5,003 |
| Net cash inflows / (outflows) from investing activities | (1,772) | (58,587) |
| Net cash inflows / (outflows) from financing activities | (3,277) | 56,496 |
| **Net cash inflows/(outflows)** | **(3,969)** | **2,912** |

## NOTE 17: Share Capital & Share Premium

| | | | **Group** | **Company** |
|---|---|---|---|---|
| | **No. of shares** | **Share Capital** | **Share Premium** | |
| **Balance at December 31, 2020 & 2019** | **255,494,534** | **766,484** | **15,890** | **15,970** |

The total paid up share capital of the Company as of December 31, 2020 and 2019, 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.

## NOTE 18: Reserves

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Statutory reserve | 30,886 | 22,272 | 30,134 | 21,846 |
| Special reserve | 323,987 | 323,987 | 323,987 | 323,987 |
| Other reserves | 611 | 1,272 | 142 | 12 |
| **Total** | **355,484** | **347,531** | **354,263** | **345,845** |

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 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 19: 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.

On January 23, 2020 the company CTDC proceeded with the signing of a loan agreement for an amount up to €1,800 with Bank of Cyprus Public Company Limited. The loan has 9,5 years maturity bearing interest of 3-month Euribor plus a margin of 3.35%. The loan was used for the refinancing of current borrowings.

All amounts expressed in € thousand, unless otherwise stated

As part of a prudent financial management policy, the Company's Management seeks to manage its borrowing (short-term and long-term) utilizing a variety of financial sources and in accordance with its business planning and strategic objectives. The Company assesses its financing needs and the available sources of financing in the international and domestic financial markets and investigates any opportunities to raise additional funds by issuing loans in these markets.

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| **Long-term** | | | | |
| Bond loans | 249,780 | 627,107 | 249,780 | 627,107 |
| Other borrowed funds | 49,237 | 213,137 | - | 19,326 |
| **Long-term borrowings** | **299,017** | **840,244** | **249,780** | **646,433** |
| **Short-term** | | | | |
| Bond loans | 445,704 | 1,412 | 445,704 | 1,412 |
| Other borrowed funds | 157,134 | 34,624 | 50,025 | 12,048 |
| **Short-term borrowings** | **602,838** | **36,036** | **495,729** | **13,460** |
| **Total** | **901,855** | **876,280** | **745,509** | **659,893** |

The increase of the Group's short-term borrowings as of December 31, 2020 compared to December 31, 2019 is mainly due to:

- Borrowings of the Company of an amount of €362,618 are presented in short-term borrowings in the Statement of Financial Position as of December 31, 2020, as the Company at the end of the year ended December 31, 2020 assessed a non-compliance with the financial covenant "Net Debt to EBITDA" in three bond loans due to the impact of COVID-19 pandemic in the financial performance of the Group and the Company. According to the provisions of the loan agreements, the non-compliance is ascertained with the submission of the annual audited financial statements to the competent financial institutions. For presentation purposes according to IFRSs, the balance of these loans is included in short-term borrowings. Within March 2021 and prior to the publication of the annual financial statements the Company sent relevant waiver requests, according to the provisions of the loan agreements, which were accepted by the financial institutions, as despite the backlog of the financial covenant, the general financial performance of the Group and the Company has not been affected and thus are able to fulfil all their obligations properly and on time. As of March 31, 2021 in the interim financial statements of the Group and the Company the outstanding balances of these loans will be included in the long-term liabilities.
- Borrowings of Picasso Fund totally amounted to €99,754 as of December 31, 2020 are included in short-term borrowings since these amounts are payable on June 30, 2021. Management is currently investigating the alternatives for the refinancing of the loans.
- The Company as of March 23, 2020 withdrawn an amount of €49,600 through a bridge loan signed with Alpha Bank in December 2019. As of December 31, 2019, the amount of the bridge loan was €12,000 which was fully repaid during January 2020.
- The Group's and the Company's short-term bond loans include an amount of €80,995 which relates to prepayment of capital of a bond loan due to the sale of eighteen properties on December 24, 2020 (Note 6), as on six of these properties a prenotation of mortgage has been established in favour of the financial institution. The Company had given irrevocable instructions to the bank in order to proceed with the prepayment of the bond loan and the bank's actions were completed on January 4, 2021. The amount of €80,995 is included in the Statement of Financial Position of the Group and the Company as of December 31, 2020 in the line "Restricted Cash "(Note 15).

As of December 31, 2020, short-term borrowings of the Group and the Company include an amount of €721 which relates to accrued interest expense on the bond loans (December 31, 2019: €823 for the Group and the Company) and an amount of €640 for the Group and €425 for the Company, which relates to accrued interest expense on other borrowed funds (December 31, 2019: €733 and €37, respectively).

All amounts expressed in € thousand, unless otherwise stated

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

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Up to 1 year | 602,838 | 36,036 | 495,729 | 13,460 |
| From 1 to 5 years | 220,279 | 616,762 | 176,472 | 476,853 |
| More than 5 years | 78,738 | 223,482 | 73,308 | 169,580 |
| **Total** | **901,855** | **876,280** | **745,509** | **659,893** |

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

The average effective interest rate of borrowings amounts to 3.28% (December 31, 2019 3.68%).

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 67 properties of the Company 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, 2020 amounted to €266,255 and the fair value of the properties to €479,095. 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, 2020 amounted to €56,118 and the fair value of the property to €128,197. In addition, all rights of the Company, arising from the lease, have been assigned in favour of the bondholders.

- On 33 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 €114,414 and the fair value of the properties to €218,718. 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, 2020 amounted to €19,577 and the fair value of the properties to €35,086. 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 32 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 €131,138 and the fair value of the properties to €221,302. 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 the company CYREIT AIF Variable Investment Company Plc (management and investment shares) is collateral in favour of Bank of Cyprus Public Company Limited, 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, 2020 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, 2020 amounted to €90,780 and the fair value of the properties to €182,750. 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, 2020 amounted to €9,050 and the fair value of the properties to €20,360. 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 Public Company limited for an amount of €16,500. The outstanding balance of the loan as of December 31, 2020 amounted to €12,813 and the fair value of the property to €27,012. In addition, the entire share capital of Quadratix Ltd. is collateral in favour of Bank of Cyprus Public Company Limited, 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 Public Company Limited. 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 Public Company Limited for an amount of €6,405. The outstanding balance of the loan as of December 31, 2020 amounted to €6,127 and the fair value of the properties to €6,720. 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, 2020 amounted to €3,295 and the fair value of the property to €16,585.

- 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 €34,425. The outstanding balance of the loan as of December 31, 2020 amounted to €34,425 and the fair value of the property to €86,920. 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 Public Company Limited for an amount of €143,591. The outstanding balance of the loans as of December 31, 2020 amounted to €38,867 and the fair value of the properties to €109,610. 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 Public Company Limited. Finally, the assets of the subsidiary Aphrodite Hills Resort Limited are burdened with floating charge in favour of Bank of Cyprus Public Company Limited.

- The below securities have been granted to Bank of Cyprus Public Company Limited in the context of the bond loan agreement of up to €32,000 signed on April 18, 2019 between the Company and Bank of Cyprus Public Company Limited, with an outstanding balance as of December 31, 2020 of €29,600:
    - Pledge over the shares of MHV Mediterranean Hospitality Venture Limited.
    - Pledge over the shares of CTDC owned by MHV Mediterranean Hospitality Venture Limited.
    - A corporate guarantee of MHV and CTDC up to the amount of €38,400 for the liabilities of the Company arising from the abovementioned bond loan agreement.
    - A floating charge of an amount of €35,200 over the assets of MHV.
    - Mortgage on CTDC property for an amount of €35,200 and floating charge over the assets of CTDC for an amount €35,200.

All amounts expressed in € thousand, unless otherwise stated

It is noted that on 26 March 2021 the securities concerning MHV Mediterranean Hospitality Venture Limited in favour of the Bank of Cyprus Public Company Ltd were released (pledge on shares, corporate guarantee, floating charge over assets).

- Finally, under the loan agreement of up to €1,800 signed by the company CTDC on January 23, 2020, the properties of the subsidiary CTDC are burdened with mortgage in favour of Bank of Cyprus Public Company Limited for a total amount of €3,209. In addition, the assets of the subsidiary are burdened with floating charge in favour of Bank of Cyprus Public Company Limited for a total amount of €6,834. The outstanding balance of the loan as of December 31, 2020 amounted to €1,169 and the fair value of the properties to €63,710.

It is noted that the companies Aphrodite Hills Resort Limited and CTDC have been classified as held for sale in the Statement of Financial Position as of December 31, 2020 and as discontinued operations in the Income Statement for the year ended December 31, 2020 (Note 16).

The movement in liabilities from financing activities is as follows for the financial year 2020:

**Group**

| | Borrowings | Dividends payable |
|---|---|---|
| **Liabilities from financing activities 01.01.2019:** | **876,280** | **13** |
| Cash outflows | (81,298) | (111,138) |
| Additions | 154,590 | 111,140 |
| Other non-cash movements | 6,656 | - |
| Transfer to liabilities directly associated with assets held for sale (Note 16) | (54,373) | - |
| **Liabilities from financing activities 31.12.2019:** | **901,855** | **15** |

**Company**

| | Borrowings | Dividends payable |
|---|---|---|
| **Liabilities from financing activities 01.01.2019:** | **659,893** | **13** |
| Cash outflows | (71,727) | (111,138) |
| Additions | 153,450 | 111,140 |
| Other non-cash movements | 3,893 | - |
| **Liabilities from financing activities 31.12.2019:** | **745,509** | **15** |

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 | 659,532 | 131,324 |
| Other non-cash movements | 67,768 | - |
| **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** |

All amounts expressed in € thousand, unless otherwise stated

As of December 31, 2019, the Group's Other non-cash movements include amounts of €1,476 and €70,311 relating to balances of loans of the companies CTDC and Aphrodite Hills Resort Limited, respectively, at the date of their acquisition by the Group.

## NOTE 20: 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 | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Present value of obligations | 323 | 276 | 323 | 276 |
| **Total** | **323** | **276** | **323** | **276** |

| **Movement in net liability** | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Net liability at the beginning January 1,** | **276** | **218** | **276** | **218** |
| Total expense recognised in the income statement | 33 | 25 | 33 | 25 |
| Total expense recognised in the statement of comprehensive income | 14 | 33 | 14 | 33 |
| **Net liability at December 31,** | **323** | **276** | **323** | **276** |

**Pension costs – defined benefit plans**

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Service cost | 30 | 21 | 30 | 21 |
| Net interest expense on the net defined benefit liability | 3 | 4 | 3 | 4 |
| **Total amount recognised in Income Statement** | **33** | **25** | **33** | **25** |

**Re-measurements on the net liability**

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Liability gain / (loss) due to change in assumptions | 26 | 29 | 26 | 29 |
| Liability experience gain / (loss) arising during the year | (12) | 4 | (12) | 4 |
| **Total amount recognised in OCI** | **14** | **33** | **14** | **33** |

**Movement of defined benefit obligation**

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Balance at January 1,** | **276** | **218** | **276** | **218** |
| Service cost | 30 | 21 | 30 | 21 |
| Interest cost | 3 | 4 | 3 | 4 |
| *Re-measurements (gains) / losses:* | | | | |
| Actuarial (gain)/loss - financial assumptions | 26 | 29 | 26 | 29 |
| Actuarial (gain)/loss – experience | (12) | 4 | (12) | 4 |
| **Balance at December 31,** | **323** | **276** | **323** | **276** |

All amounts expressed in € thousand, unless otherwise stated

**Weighted average assumptions at the end of the reporting period**

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Discount rate | 0.60% | 1.10% | 0.60% | 1.10% |
| 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** | **31.12.2020 Increase / (decrease) in defined benefit obligation** |
|---|---|---|
| Discount rate | Increase by 50 basis points | (8)% |
| | Decrease by 50 basis points | 9% |
| Price inflation | Increase by 50 basis points | 2% |
| | Decrease by 50 basis points | (2)% |
| Rate of compensation change | Increase by 50 basis points | 7% |
| | Decrease by 50 basis points | (6)% |

## NOTE 21: Trade and Other Payables

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Trade payables | 6,711 | 11,566 | 4,747 | 6,289 |
| Taxes – Levies | 7,991 | 7,701 | 4,195 | 4,275 |
| Deferred revenues | 4,394 | 9,519 | 2,418 | 3,196 |
| Lease liabilities | 90 | 803 | 76 | 62 |
| Other payables and accrued expenses | 5,547 | 13,465 | 4,538 | 3,482 |
| Other payables and accrued expenses due to related parties (Note 34) | 4,772 | 1,273 | 3,927 | 1,266 |
| **Total** | **29,505** | **44,327** | **19,901** | **18,570** |

The decrease in the trade and other payables of the Group as of December 31, 2020 in comparison to December 31, 2019 is mainly due to the classification of the companies Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited as assets held for sale on December 31, 2020. The amount of trade and other payables of the above companies amounted to €18,329 on December 31, 2019. 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, 2020, according to the relevant lease agreements.

The analysis of Taxes – Levies is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Stamp duty on leases | 2,327 | 2,545 | 2,327 | 2,545 |
| Unified Property Tax (ENFIA) | 58 | 20 | - | - |
| Foreign real estate tax | 3,183 | 2,858 | - | - |
| Other | 2,423 | 2,278 | 1,868 | 1,730 |
| **Total** | **7,991** | **7,701** | **4,195** | **4,275** |

All amounts expressed in € thousand, unless otherwise stated

## NOTE 22: Deferred tax assets and liabilities

| | Group | |
|---|---|---|
| **Deferred tax liabilities** | **31.12.2020** | **31.12.2019** |
| Investment property | 13,349 | 16,782 |
| Property and equipment | - | 7,542 |
| Inventories | - | 2,714 |
| Intangible Assets | - | 1,554 |
| **Total** | **13,349** | **28,592** |

| | Group | |
|---|---|---|
| **Deferred tax (income) / expense** | **31.12.2020** | **31.12.2019** |
| Tax Losses | - | 37 |
| Investment property | (154) | 5,803 |
| **Total** | **(154)** | **5,840** |

| **Movement of deferred tax assets:** | **Group** |
|---|---|
| | **Tax Losses** |
| **Balance January 1, 2019** | **-** |
| Credited to the Income Statement | (1) |
| Offset with deferred tax liabilities | 1 |
| **Balance December 31, 2019** | **-** |
| Credited to the Income Statement | 167 |
| Offset with deferred tax liabilities | (167) |
| **Balance December 31, 2020** | **-** |

**Movement of deferred tax liabilities:**

| | | Group | |
|---|---|---|---|
| | **Investment Property** | **Other** | **Total** |
| **Balance January 1, 2019** | **4,586** | - | **4,586** |
| Deferred tax liabilities recognised following business combinations | 5,408 | 12,524 | **17,932** |
| Charged to the Income Statement | 6,788 | (691) | **6,097** |
| Offset with deferred tax assets | - | (23) | **(23)** |
| **Balance December 31, 2019** | **16,782** | **11,810** | **28,592** |
| Charged to the Income Statement | (3,271) | (2,047) | **(5,318)** |
| Offset with deferred tax assets | | (167) | **(167)** |
| Transfer to liabilities directly associated with assets held for sale | (162) | (9,596) | **(9,758)** |
| **Balance December 31, 2020** | **13,349** | **-** | **13,349** |

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., CYREIT AIF Variable Investment Company Plc, Quadratix Ltd., Lasmane Properties, PNG Properties EAD, I&B Real Estate EAD, Aphrodite Hills Resort Limited, Aphrodite Springs Public Limited and MHV Mediterranean Hospitality Venture Limited 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.

All amounts expressed in € thousand, unless otherwise stated

## NOTE 23: Dividends per Share

On November 30, 2020 the Company's Board of Directors resolved on the distribution of a total amount of €35,769 (i.e. €0.14 per share – amount in €), as interim dividend to its shareholders for the year 2020. On December 31, 2020 the interim dividend is deducted from equity.

On April 13, 2020 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €156,618 (i.e. 0.613 per share – amount in €) as dividend to its shareholders for the year 2019. Due to the distribution of interim dividend of a total amount of €81,247 (i.e. €0.318 per share – amount in €), following the relevant decision of the Board of Directors dated December 16, 2019, the remaining dividend to be distributed amounts to €75,371 (i.e. €0.295 per share – amount in €). As of December 31, 2019, the amount of interim dividend has been charged against and reduced equity. The dividend was paid in April 2020.

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 €).

## NOTE 24: Revenue

| | Group From 01.01 to | | Company From 01.01 to | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Rental income | 133,897 | 135,474 | 102,334 | 107,909 |
| Other | - | 80 | - | - |
| **Total** | **133,897** | **135,554** | **102,334** | **107,909** |

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

Rental income of the Group and the Company is not subject to seasonality.

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

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| No later than 1 year | 119,295 | 128,612 | 92,460 | 99,716 |
| Later than 1 year and no later than 5 years | 408,854 | 446,925 | 340,408 | 373,079 |
| Later than 5 years | 980,709 | 1,126,972 | 914,525 | 1,097,549 |
| **Total** | **1,508,858** | **1,702,509** | **1,347,393** | **1,570,344** |

The decrease of future minimum non-cancellable leases of the Group and the Company as of December 31, 2020 in comparison to December 31, 2019 is mainly due to the disposal of four properties concluded by the Company in December 2019 and the disposal of the nineteen properties during the financial year 2020 (Note 6).

All amounts expressed in € thousand, unless otherwise stated

## NOTE 25: Direct Property Related Expenses

Direct property related expenses include the following:

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01 to | | From 01.01 to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Valuation expenses | 1,108 | 668 | 1,031 | 628 |
| Fees and expenses of lawyers, notaries, land registrars, technical and other advisors | 753 | 1,630 | 459 | 1,292 |
| Advisory services in relation to real estate portfolio | 4,028 | 2,234 | 2,102 | 1,850 |
| Insurance expenses | 889 | 794 | 516 | 511 |
| Office utilities and other service charges | 539 | 340 | 167 | 63 |
| Repair and maintenance expenses | 453 | 645 | 7 | 87 |
| Brokerage expenses | 22 | 112 | 18 | 79 |
| Other expenses | 198 | 94 | - | 1 |
| **Total** | **7,990** | **6,517** | **4,300** | **4,511** |

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

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Leased properties | 6,583 | 4,915 | 3,125 | 3,012 |
| Vacant properties | 1,407 | 1,602 | 1,175 | 1,499 |
| **Total** | **7,990** | **6,517** | **4,300** | **4,511** |

## NOTE 26: Property taxes-levies

As of December 31, 2020, property taxes - levies amounted to €9,915 and €7,719 for the Group and the Company, respectively (December 31, 2019: €9,652 and €7,784, respectively) and includes ENFIA of €7,505 and €7,344 for the Group and the Company respectively (December 31, 2019: €7,690 and €7,588 respectively).

## NOTE 27: Personnel Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Salaries | 4,341 | 3,091 | 4,214 | 2,993 |
| Social security costs | 634 | 581 | 630 | 577 |
| Profit distribution to personnel - BoD | 6,753 | 1,774 | 6,753 | 1,774 |
| Other expenses | 165 | 150 | 165 | 150 |
| **Total** | **11,893** | **5,596** | **11,762** | **5,494** |

On April 13, 2020, the Annual General Meeting of the Company's shareholders approved the distribution of a total amount of €6,158 to the personnel and members of the BoD out of the profits of the year 2019. The amount is included in the item “Profit distribution to personnel-BoD”.

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.

All amounts expressed in € thousand, unless otherwise stated

## NOTE 28: Other income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Dividend incomes | - | - | 12,379 | 12,150 |
| Other | 922 | 19,511 | 174 | 19,114 |
| **Total** | **922** | **19,511** | **12,553** | **31,264** |

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. Other income of the Group and the Company as of December 31, 2019 includes an amount of €19,097 which relates to the income of the Company in relation to the aforementioned agreement.

During the year ended December 31, 2020 and December 31, 2019, the Company recognized income from dividend from the below subsidiaries:

| | **31.12.2020** | **31.12.2019** |
|---|---|---|
| Picasso Fund | 5,600 | 5,613 |
| Quadratix Ltd | 400 | 1,000 |
| I & B Real Estate EAD | 2,000 | 993 |
| Irinna Ktimatiki S.A. | 850 | |
| CYREIT | 3,529 | 4,544 |
| **Total** | **12,379** | **12,150** |

## NOTE 29: Other Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Third party fees | 5,792 | 2,248 | 3,921 | 1,300 |
| Expenses relating to advertising, publication, etc. | 620 | 789 | 620 | 789 |
| Taxies – levies | 1,818 | 831 | 1,582 | 816 |
| Other | 740 | 686 | 728 | 623 |
| **Total** | **8,970** | **4,554** | **6,851** | **3,528** |

## NOTE 30: Finance costs

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Interest Expense | 26,477 | 25,738 | 21,791 | 20,708 |
| Finance and Bank Charges (incl. amortisation of discount) | 3,462 | 3,024 | 3,180 | 2,564 |
| Foreign Exchange Differences | 118 | 156 | 1 | - |
| Other Finance costs | 1,385 | (8,380) | 1,280 | (8,380) |
| **Total** | **31,442** | **20,538** | **26,252** | **14,892** |

In December 2019, the Company proceeded with the amendments of its bond loan agreements in relation to the reduction of the margin and to the reduction of the amortization rate of these loans. A net gain from the modification of the terms of these loan agreements of €8,380 was recognized.

## NOTE 31: Taxes

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| REICs' tax | 2,048 | 7,728 | 1,999 | 7,620 |
| Other taxes | 366 | 467 | - | - |
| Deferred tax | (154) | 5,840 | - | - |
| **Total** | **2,260** | **14,035** | **1,999** | **7,620** |

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., lldim M.IKE and MILORA M.IKE have the same tax treatment. In the current tax liabilities are included the short-term obligations to tax authorities in relation to the abovementioned tax.

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 AIF Variable Investment Company Plc and MHV Mediterranean Hospitality Venture Limited 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 2020 and 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 December 31,** | **2020** | **2019** | **2020** | **2019** |
| Profit attributable to equity shareholders from continuing operations | 62,767 | 290,524 | 64,082 | 232,146 |
| Profit / (Loss) from discontinued operations | (5,188) | 3,372 | - | - |
| Profit / (Loss) attributable to equity shareholders from continuing and discontinued operations | 57,578 | 293,896 | 64,082 | 232,146 |
| 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 from continuing operations** | **0.25** | **1.14** | **0.25** | **0.91** |
| **Earnings per share (expressed in € per share) - basic and diluted from continuing and discontinued operations** | **0.23** | **1.15** | **0.25** | **0.91** |

The dilutive Earnings per share are the same as the basic Earnings per share for the year ended December 31, 2020 and 2019, 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, 2020 and 2019 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 – 2019 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 years 2010, 2012 and 2012. Therefore, the right of the State to notify and audit and impose tax, fees, contributions and fines for the purpose of tax imposition until the year 2012 has expired on December 31, 2018. Furthermore, the fiscal year 2013 is considered tax terminated, according to decision 320/2020 of the Council of State. 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.

For the fiscal years 2015 and beyond, 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 Group and the Company.

Until the date of approval of the Annual Financial Statements, the tax audit for the year 2020 has not been completed by the statutory auditor of the Company.

**Capital Commitments**
As of December 31, 2020, Group's capital expenditure relating to improvements on investment property amounted to €10,204 (excluding VAT). In addition, as of December 31, 2020 the Group has capital commitments for improvements in third parties' properties amounting to €2,000 (excluding VAT). 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, 2020.

**Legal Cases**
There are no pending lawsuits against the Group nor other contingent liabilities resulting from commitments at December 31, 2020, which would affect the Group's financial position.

**Borrowings**
In the context of the bridge loan of the Company with Alpha Bank SA, the Company provided special and irrevocable power of attorney, mandate and right to lawyers acting for Alpha Bank SA. so that they can appear and represent the Company before any competent court for the purpose of registering a consensual mortgage notice on fifty-four (54) properties of the Company in Greece, in favour of Alpha Bank SA. for an amount of €65,000. The power of attorney expires automatically, either with the full and complete repayment of all the obligations of the Company under the credit agreement.

In the context of the loan agreement of Flowpulse Ltd, shareholder of MHV Mediterranean Hospitality Venture Limited, with Bank of Cyprus Public Company Limited, the properties of the company CTDC are burdened with mortgage for an amount of €4,400 and the assets of CTDC are burdened with floating charge for an amount of €4,800 in favour of Bank of Cyprus Public Company Limited. Finally, CTDC has given a corporate guarantee up to the amount of €4,800 for Flowpulse Ltd liabilities arising from the abovementioned loan agreement. Similar securities (floating charge over assets and corporate guarantee) were given by MHV in favour of Bank of Cyprus Public Company Limited, in the context of the abovementioned loan, which were released on March 26, 2021.

**Guarantees**
In the context of the loan agreement signed by the subsidiary Quadratix Ltd. with the Bank of Cyprus Ltd. on January 31, 2018 (Note 19), 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.

Moreover, The Company has given corporate guarantee up to the amount of €1,225 and up to the amount of €525 for liabilities of the companies Panterra S.A. and Rinascita S.A., respectively, under their bridge loans. The companies are investments in joint ventures.

Finally, the Company has guaranteed in favor of the company PIRAEUS TOWER A.E., which is an investment in joint venture, for the issuance of a letter of guarantee of good execution of the terms of the concession arrangement up to the amount of €813.

## 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.

All amounts expressed in € thousand, unless otherwise stated

The Company's shareholding structure as of December 31, 2020 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:

**i. Balances arising from transactions with related parties**

| | Group | | Company | |
|---|---|---|---|---|
| **Trade receivables from related parties** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Anthos Properties S.A. | 2 | 1 | 2 | 1 |
| Companies related to other shareholders | 2 | - | 2 | - |
| **Total** | **4** | **1** | **4** | **1** |

| | Group | | Company | |
|---|---|---|---|---|
| **Other receivables from related parties** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| CYREIT, Company's subsidiary | - | - | - | 4,544 |
| **Total** | **-** | **-** | **-** | **4,544** |

| | Group | | Company | |
|---|---|---|---|---|
| **Other long-term assets** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| PNG Properties EAD, Company's subsidiary | - | - | 10,966 | 10,571 |
| Aphrodite Hills Resort Limited, Company's Subsidiary | - | - | 20,040 | 18,281 |
| **Total** | **-** | **-** | **31,006** | **28,852** |

| | Group | | Company | |
|---|---|---|---|---|
| **Other Liabilities** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Companies related to other shareholders | 2,151 | 670 | 931 | 670 |
| Aphrodite Hills Pantopoleion Ltd. (Equity method investment) | - | 7 | - | |
| **Total** | **2,151** | **677** | **931** | **670** |

| | Group | | Company | |
|---|---|---|---|---|
| **Borrowings** | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Companies related to other shareholders | 1,264 | 1,153 | - | - |
| **Total** | **1,264** | **1,153** | **-** | **-** |

All amounts expressed in € thousand, unless otherwise stated

**ii. Rental income**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| National Bank of Greece S.A.[1] | - | 26,352 | - | 26,352 |
| Anaptixi Fragokklisia S.A., Company's subsidiary | - | - | 1 | 1 |
| Irinna Ktimatiki S.A., Company's subsidiary | - | - | 1 | 1 |
| Anthos Properties S.A. | 3 | 3 | 3 | 3 |
| Companies related to other shareholders | 3 | 2 | 3 | 2 |
| **Total** | **6** | **29,357** | **8** | **26,359** |

**iii. Depreciation of Right of Use**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Hellenic National Insurance Company, company of NBG Group[1] | - | 20 | - | 20 |
| **Total** | **-** | **20** | **-** | **20** |

**iv. Direct property related expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Hellenic National Insurance Company, company of NBG Group[1] | - | 225 | - | 202 |
| Companies related to other shareholders | 3,797 | 1,614 | 1,864 | 1,614 |
| **Total** | **3,797** | **1,839** | **1,864** | **1.816** |

**v. Personnel expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Hellenic National Insurance Company, company of NBG Group[1] | - | 15 | - | 15 |
| **Total** | **-** | **15** | **-** | **15** |

[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

### vi. Other income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Hellenic National Insurance Company, company of NBG Group[1] | - | - | - | - |
| Invel Real Estate (Netherlands) II B.V. | - | 19,097 | - | 19,097 |
| Irinna Ktimatiki S.A, Company's subsidiary | - | - | 850 | - |
| CYREIT AIF Variable Investment Company PLC, Company's subsidiary | - | - | 3,529 | 4,544 |
| I&B Real Estate EAD, Company's subsidiary | - | - | 2,000 | 994 |
| Quadratix Ltd., Company's subsidiary | - | - | 400 | 1,000 |
| Picasso Fund, Company's subsidiary | - | - | 5,600 | 5,612 |
| **Total** | **-** | **19,097** | **12,379** | **31,247** |

### vii. Other expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| National Bank of Greece S.A. [1] | - | 48 | - | 48 |
| CTDC, Company's subsidiary | - | - | - | 3 |
| Invel Real Estate (Netherlands) II B.V. | 400 | - | 400 | - |
| Companies related to other shareholders | 350 | 263 | - | - |
| **Total** | **750** | **311** | **400** | **51** |

### viii. Interest income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| National Bank of Greece S.A. [1] | - | 2 | - | 1 |
| PNG Properties EAD, Company's subsidiary | - | - | 396 | 395 |
| Aphrodite Hills Resort Limited, Company's Subsidiary | - | - | 1,763 | 1,240 |
| **Total** | **-** | **2** | **2,159** | **1,636** |

### ix. Finance costs

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| National Bank of Greece S.A.[1] | - | 10 | - | 9 |
| Companies related to other shareholders | 111 | 78 | - | - |
| **Total** | **111** | **88** | **-** | **9** |

[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

**x. Due to key management**

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Payables to the members of the BoD and the Investment committee | 709 | 55 | 703 | 29 |
| Other liabilities to members of the BoD, its committees and Senior Management | 2,785 | 664 | 2,285 | 664 |
| Retirement benefit obligations | 22 | 23 | 22 | 23 |
| **Total** | **3,516** | **23** | **3,010** | **23** |

**xi. Key management compensation**

| | Group From 01.01. to | | Company From 01.01. to | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| BoD, its committees and Senior Management compensation | 9,259 | 3,794 | 8,499 | 3,234 |
| **Total** | **9,259** | **3,794** | **8,499** | **3,234** |

**xii. Commitment and contingent liabilities**

In the context of the loan agreement signed by the subsidiary Quadratix Ltd. with the Bank of Cyprus Ltd. on January 31, 2018 (Note 19), 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.

Moreover, The Company has given corporate guarantee up to the amount of €1,225 and up to the amount of €525 for liabilities of the companies Panterra S.A. and Rinascita S.A., respectively, under their bridge loans. The companies are investments in joint ventures.

Finally, the Company has guaranteed in favor of the company PIRAEUS TOWER A.E., which is an investment in joint venture, for the issuance of a letter of guarantee of good execution of the terms of the concession arrangement up to the amount of €813.

**xiii. Dividends from Equity method investments**

During the financial year 2020, the company Aphrodite Hills Resort Limited received an amount of €13 as dividend from the company Aphrodite Hills Pantopoleion Ltd. in which participates with 45% (year ended December 31, 2019: €80).

**xiv. Other information**

According to the minutes, dated 20.03.2019, of the meeting of the Board of Directors of the Company, the Board of Directors approved the completion of the Transaction for the acquisition of the shares of Aphrodite Hills Resort Limited and Aphrodite Springs Public Limited (the "New Subsidiaries"). For the purposes of completion of this Transaction, the Company proceeded with the following agreements: (a) an English law governed Amendment and Restatement Deed, between, among others, (1) AHRL (as borrower), (2) the Company, IREP 3 and Midco (as third party security providers and subordinated creditors) and (3) Bank of Cyprus Public Company Limited (in various capacities including facility agent, security agent and original lender), relating to (i) a credit agreement dated 27 October 2009 as amended and restated by an amendment agreement dated 31 January 2011 and as amended and restated by an amendment and restatement agreement dated 25 September 2015 and as further amended by amendment letters dated 30 January 2018 and 8 March 2018 (the Senior Credit Agreement) and (ii) an intercreditor agreement dated 25 September 2015 (the Senior Intercreditor Agreement), each as amended and restated in the Amendment and Restatement Deed, (b) an English law governed creditor accession undertaking, whereby the Company accedes as party to the Senior Intercreditor Agreement (the Accession Undertaking), (c) an English law governed loan agreement of €17,080, with issuance date 21.03.2019, (the Shareholder Loan) between AHRL (as borrower) and the Company (as lender) for the purposes of advancing the AHRL existing loan, as well as with further funding to AHRL (the Receivables). The rate of interest on the Shareholder Loan is defined as 9,25% per annum and the duration of each interest period six months, with customary events of default; (d) an English governed security assignment between the Company (as assignor) and the Security Agent in respect of the Receivables (the Security Assignment) and (e) two Cypriot law governed share pledges between the Company (as pledgor) and the Security Agent in respect of shares in AHRL and ASPL (the AHRL Share Pledge and the ASPL Share Pledge), with customary terms in respective share pledges, including voting rights, powers and other rights in respect of the Shares, which shall be exercised by the Company before the Security becomes enforceable and an event of default occurs. Further to the above, the Company assigned to KPMG Certified Auditors S.A." (being an independent auditing firm in accordance with article 101 par. 1 of the Law 4548/2018) the preparation of the Report for the purposes of the Transaction in accordance with article 99 par. 3 subpar. f of the Law 4548/2018. Following review of the Report dated 19.03.2019 by the Certified Auditor, Ioannis Achilas, which complies with the requirements of article 99 par. 3 subpar. f of the Law 4548/2018, the entering by the Company into the Transaction Documents and the granting of security securing the indebtedness of its subsidiary AHRL, in accordance with the Security Assignment, the AHRL Share Pledge, the ASPL Share Pledge, are entered into or granted as the case may be in the interests of the Company, its New Subsidiaries and the Company's shareholders which are not affiliated parties, including minority shareholders, and their interests are not put at risk.

All amounts expressed in € thousand, unless otherwise stated

## NOTE 35: Independent Auditor's fees

PricewaterhouseCoopers S.A. has served as our principal independent public accountant auditor for the years ended December 31, 2020 and 2019.

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 2020 and 2019 respectively.

| | Group From 01.01. to | | Company From 01.01. to | |
|---|---|---|---|---|
| | **31.12.2020** | **31.12.2019** | **31.12.2020** | **31.12.2019** |
| Fees for auditing services | 371 | 332 | 102 | 90 |
| Audit fees for the Annual Tax Certificate | 33 | 33 | 15 | 15 |
| Other non-audit services | 114 | 74 | 32 | 24 |
| **Total** | **518** | **439** | **149** | **129** |

## NOTE 36: Events after the Date of Financial Statements

On January 22, 2021, the Company concluded the acquisition of a property with use of parking spaced located at 44 Kifisias Anenue, Maroussi, Attica, with a total area of 507.6 sq.m. The consideration for the acquisition of the property amounted to €367 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €402.

On February 19, 2021, the Company concluded the acquisition of a property located at 377 Syggrou Avenue, Athens, with a total area of 2.4 thousand sq.m. The consideration for the acquisition of the property amounted to €3,100 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €3,790. From the total consideration, an amount of €775 was paid on the same day while the remaining amount was paid on April 1, 2021.

All amounts expressed in € thousand, unless otherwise stated

On February 25, 2021, the subsidiary Picasso Fund acquired a property used as offices and parking spaces in Milan, Italy, of a total area of 11.1 thousand sq.m. The greatest part of the property is already leased to creditworthy tenants. The consideration for the acquisition of the property amounted to €19,000 while the fair value of the property at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €22,000. From the total consideration, an amount of €7,600 was paid on the same day and the remaining amount will be paid within 12 months from the date of the acquisition. To secure the deferred payment, Picasso Fund submitted to the seller an irrevocable letter of guarantee issued by Intesa Sanpaolo S.p.A.

On March 8, 2021, the Company entered into an agreement for a bridge loan up to the amount of €25,000 with Eurobank S.A., bearing interest of 3-month Euribor plus a margin of 2.60%.

In March 2021, the Company signed a framework agreement with an international investment vehicle with a view to form a collaboration in the Italian commercial real estate market. In this context, on March 23, 2021, the Company proceeded with the establishment of the company Picasso Lux S.a.r.l. SICAF-RAIF (hereinafter "Picasso Lux") in Luxembourg, by the contribution in kind of all of the shares of Picasso Fund and a cash contribution of €600.

On March 26, 2021, the Company proceeded with the disposal of 20% of the shares of Picasso Lux (representing 53.8% of the Picasso Lux's economic rights) for a total consideration of €64,618 and at the same time, the Company proceeded with the acquisition of a majority stake of 80% of the shares of the company CI Global RE S.a.r.l. SICAF-RAIF, (hereinafter "CI Global"), in Luxembourg (representing 46.2% of the CI Global's economic rights), for a consideration of €24,438. CI Global owns the units of Fondo Tarvos - Fondo Comune di Investimento Alternativo Immobiliare di Tipo Chiuso Riservato (hereinafter ''Tarvos Fund'') which owns 11 commercial properties in Italy. The purpose of the cooperation is to increase the value of the properties owned by Picasso Fund and Tarvos Fund and to maximize the returns of the Company and its shareholders, through the merger of Picasso Lux and GI Global in Luxembourg on one hand and of Picasso Fund and Tarvos Fund in Italy on the other hand.

The following table summarizes the provisional fair value of CI Global assets and liabilities as of March 26, 2021 which is the acquisition date:

| | **26.03.2021** |
|---|---|
| **ASSETS** | |
| Investment Property | 105,610 |
| Cash and cash equivalents | 4,635 |
| Other assets | 2,578 |
| **Total assets** | **112,823** |
| | |
| **LIABILITIES** | |
| Borrowings | (35,638) |
| Other liabilities | (4,772) |
| **Total liabilities** | **(40,410)** |
| **Fair value of acquired interest in net assets** | **72,414** |
| Fair value of acquired interest in net assets attributable to non-controlling interests | (38,960) |
| Negative Goodwill | (9,016) |
| **Total purchase consideration** | **24,438** |

Source: Unaudited financial information

On March 31, 2021, the Company signed an amendment agreement with Papabull Investments Limited (company of YODA Group) according to which the Company will transfer 45% (instead of 30%) of its participation in MHV Mediterranean Hospitality Venture Limited (hereinafter "MHV"). The sale of 45% of the Company's participation in MHV was completed on April 1, 2021. The consideration is estimated to be €26,803, out of which an amount of €12,037 was received the same day and the remaining amount will be received according to the provisions of the sale and purchase agreement.

On April 7, 2021, the Company signed a sale and purchase agreement with Papabull Investments Limited (a company of YODA Group) for the sale of 15% of its participation in the company Aphrodite Hills Resort Limited. The consideration amounted to €8,000. The completion of the transaction is subject to obtaining approval by the Commission for the Protection of Competition of the Republic of Cyprus and is expected to be completed within the second quarter of 2021.

On April 7, 2021, the shareholders of MHV resolved on the share capital increase of the company of a total amount of €143,449 for the implementation of the company's business plan. In the context of the share capital increase of MHV, on the same day the Company paid an amount of €64,652 (according to its participation percentage in MHV). Following the share capital increase, on April 9, 2021, MHV acquired 100% of the shares of Parklane Hotels Limited, owner of the luxury hotel complex Parklane, a Luxury Collection Resort & Spa Limassol and Park Tower consisting of 20 luxury apartments in Limassol Cyprus.

On April 7, 2021, the Company acquired an additional shareholding (36.22%) in the subsidiary Aphrodite Springs Public Limited for a consideration of €4,709. Upon completion of the transaction the Company owns 96.22% of the shares of Aphrodite Springs Public Limited. Aphrodite Springs spread over 1,472 thousand sq.m. of land and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses.

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..