Prodea Real Estate Investment Company
Société Anonyme

Annual Financial Report
for the year from January 1 to December 31, 2021
according to International Financial Reporting Standards (''IFRS'') as adopted by European Union

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.

March 2022

Certification by Members of the Board of Directors pursuant to article 4, paragraph 2 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, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and present a true and fair view of Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement 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, March 21, 2022

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

Annual Board of Directors Report
of “Prodea Real Estate Investment Company Société Anonyme”
on the Consolidated and Separate Financial Statements
for the year ended 31.12.2021

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 2021 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 2021, the Company and the subsidiaries (herein ‘’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 2021” below). The new acquisitions were financed by loans.

As of December 31, 2021, the Group’s real estate portfolio consisted of 373 (December 31, 2020: 359) commercial properties (mainly retail and offices), of a total leasable area of 1,383 thousand sq.m.. Three hundred and eighteen (318) of those properties are located in Greece, mainly in prime areas. In addition, twenty four (24) properties are located in Cyprus, twenty seven (27) properties are located in Italy, two (2) properties in Bulgaria and two (2) properties in Romania. As of December 31, 2021 the fair value of the Group’s investment property amounted to €2,326,915 (December 31, 2020: €2,123,968) including the Company’s owner-occupied property with a fair value of €9,465 as of December 31, 2021 (December 31, 2020: €9,232), inventories with a fair value €35,388 as of December 31, 2021 (December 31, 2020: nil), investment properties that have been recorded as assets held for sale, under IFRS 5, with a fair value €2,104 as of December 31, 2021 (December 31, 2020: €67,600), hotels units and other facilities that have been recorded as assets held for sale with a nil fair value as of December 31, 2021 (December 31, 2020: €92,521) and inventories that have been recorded as assets held for sale with a nil fair value as of December 31, 2021 (December 31, 2020: €36,600). The valuations as of December 31, 2021, performed by the company “Proprius Commercial Property Consultants, "(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 “HVS Hospitality Consulting Services S.A." for the properties outside Italy and the company “Jones Lang LaSalle S.p.A.” for the properties in Italy.

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, 2021:

- 40% in the company EP Chanion S.A., owner of land plot in Chania, Crete. The fair value of the land plot, according to the valuation performed by the independent statutory valuer, as of December 31, 2021 amounted to €3,750 (December 31, 2020: €8,400). It is noted that on December 28, 2021 the company EP Chanion S.A concluded the sale of two (2) land plots. The consideration of this sale amounted to €8,000 and the profit from the disposal amounted to €2,702.
- 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, 2021 amounted to €28,600 (December 31, 2020: €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, 2021 amounted to €27,698 (December 31, 2020: €18,379).
- 25% in the company MHV Mediterranean Hospitality Venture Limited (herein ‘’MHV’’) which owns the hotels The Landmark Nicosia and Parklane, a Luxury Collection Resort & Spa Limassol, and Aphrodite Hills Resort in Cyprus and Nikki Beach Resort & Spa in Greece. The fair value of the properties (investment properties, property and equipment and inventories) of MHV as of December 31, 2021 amounted to €374,085 ((December 31, 2020: €63,710).

- 35% in the company IQ Hub, owner of a land plot in Marousi, in which a bioclimatic building of offices with a total area of approximately 14.3 thousand sq.m. will be constructed. The fair value of the property, according to the valuation performed by the independent statutory valuer, as of December 31, 2021 amounted to €33,592.
- 35% in the company OURANIA Investment M.AE, owner of several plots in Thessaloniki, in which a bioclimatic building of offices with a total area of approximately 25.2 thousand sq.m. will be constructed. The fair value of the property, according to the valuation performed by the independent statutory valuer, as of December 31, 2021 amounted to €9,622.

As of December 31, 2021, the fair value of the Assets Under Management of Prodea amounted to €2,455,381 (December 31, 2020: €2,073,270). It is noted that fair value of the properties of the Investment in joint ventures has been calculated based on the participation percentage of Prodea in each company.

Management always evaluates the optimal management of the Group's portfolio property, including a possible sale if market conditions are appropriate. During 2021 and until the issue date of the Financial Statements the Company completed the sale of four properties in Greece and the sale of part of its investments (see "SIGNIFICANT EVENTS DURING 2021" and ʻʻ EVENTS AFTER THE DATE FINANCIAL STATEMENTSʼʼ below).

SIGNIFICANT EVENTS DURING 2021

A. CORPORATE EVENTS

On June 8, 2021 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €89,934 (i.e. 0.352 per share – amount in €) as dividend to its shareholders for the year 2020. Due to the distribution of interim dividend of a total amount of €35,769 (i.e. €0.14 per share – amount in €) on December 10, 2020, following the relevant decision of the Board of Directors dated November 30, 2020, the remaining dividend to be distributed amounts to €54,165 (i.e. €0.212 per share – amount in €).

On July 6, 2021 the Extraordinary General Meeting of the Company's shareholders resolved on the decrease of the share capital of the Company by €74,094 by the decrease of the par value of each of the 255,494,534 common shares from €3.00 to €2.71 per share for the purpose of returning capital by paying cash to shareholders.

On December 7, 2021 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €28,104 (i.e. 0.11 per share – amount in €) as interim dividend to its shareholders for the year 2021.

B. INVESTMENTS

During 2021, the Group proceeded with the below investments which contributed to the dispersion of the Group's real estate portfolio:

- On January 22, 2021, the Company concluded the acquisition of 47 parking spaces with a total area of 507.6 sq.m. on a property located at 44 Kifisias Avenue, Maroussi, Attica. The consideration for the acquisition of the property amounted to €367 (excluding acquisition costs of €19) 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 with a total area of 2.4 thousand sq.m. located at 377 Syggrou Avenue, Athens. The consideration for the acquisition of the property amounted to €3,100 (excluding acquisition costs of €64) 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.

- On February 25, 2021, the company Picasso Fund acquired a property used as offices and parking spaces in Milan, Italy, of a total area of 13 thousand sq.m., the greatest part of wich is already leased to creditworthy tenants. The consideration for the acquisition of the property amounted to €19,000 (excluding acquisition costs of €620) 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 of €11,400 paid after the year ended 2021 (note 23). To secure the deferred payment, Picasso Fund submitted to the seller an irrevocable letter of guarantee issued by Intesa Sanpaolo S.p.A. and the Company undertook the obligation to compensate the issuing bank, for any amount that it will be obliged to pay to the seller of the property, in case of forfeiture of the letter of guarantee.

- On March 26, 2021, 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). 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 fair value of the properties at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €105,610 (Note 8).

- 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.

- On June 30,2021 the Company acquired a land plot in Elliniko, Attica, with a total area of 2.6 thousand sq.m. in which luxury residentials with modern specifications is aimed to be developed based on the principles of sustainability. The consideration of the acquisition of the land plot amounted to €4,400, while its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €4,563.

- On July 15, 2021 the subsidiary company Prodea Immobiliare S.R.L. acquired a 4* hotel in Milan, Italy, of a total area of €16 thousand sq.m. The consideration for the acquisition of the property amounted to €9,500 (excluding acquisition costs of €387) while its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €9,110.

- On July 23, 2021 the Company acquired the remaining 51% of the shares of Panterra SA. Real Estate Development and Utilization (hereinafter "Panterra"). Upon completion of the acquisition, the Company holds 100% of the shares of Panterra. Panterra owns two under construction office buildings on Syggrou Avenue, Lagoumitzi and Evridamantos Streets in Athens, for one of which a binding preliminary agreement has been signed for its sale (inventory) while the second is an investment property. The consideration for the acquisition of Panterra shares was calculated based on net asset value of the company and amounted to €15,324 (Note 8), taking into account the agreed price for the investment property which amounted to €20,029. The fair value of the investment property at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €21,087.

- On July 23, 2021, the Company concluded the acquisition of a complex of two leased Logistics Centers in Aspropyrgos, Attica, through the acquisition of 100% of the shares of the company "New Metal Expert M.S.A." (hereinafter "New Metal"), for which the Company had sign a preliminary agreement on June 1, 2020. Their total area amounts to 23.8 thousand sq.m. The consideration for the acquisition of shares of New Metal was calculated based on the net asset value of the company and amounted to €12,483 (Note 8) taking into account the agreed price for the buildings which amounted to €14,599. The fair value of the building at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €16,157.

- On August 5, the Company acquired a property for industrial and storage use in Oinofyta, Viotia , with a total area of 28,2 thousand sq.m., for which the Company signed a contract on July 16, 2021. The consideration for the acquisition amounted to €8,250 (excluding acquisition costs of € 140) while its fair value at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €8,288.

- On October 6, 2021, the acquisition of 35% of the shares of the companies OURANIA Investment M.A.E. and IQ HUB M.A.E. was completed, for a price of €1,374 and €2,606, respectively. The company OURANIA Investment M.A.E. is owner of land plots in Thessaloniki in which a bioclimatic group of offices with a total area of approximately 25.2 thousand sq.m. will be constructed. The company IQ HUB M.A.E. is the owner of a plot of land in Maroussi in which a bioclimatic group of offices with a total area of approximately 14.3 thousand sq.m. will be constructed.

- On October 26, 2021, the company Panphila Investments Limited was established in Cyprus. The Company holds 100% of the shares in the amount of €100. On December 28, 2021, Panphila entered into a purchase agreement with The Cyprus Tourism Development Company Ltd, a 100% subsidiary of MHV, and four individuals to acquire a 17-storey office tower under development with two underground car parks (2) levels, with a total gross area of 26.4 thousand sq.m. After the completion of the office tower and its delivery to the Company, the relevant title deed will be issued in its name. The consideration amount will be determined based on the provisions of the purchase agreement and will be paid in instalments if specific conditions are met.

- Following to the Share Purchase Agreement of May 6, 2021, which the Company had signed with LAMDA DEVELOPMENT S.A., on December 17, 2021 the Company concluded the acquisition of 100% of the shares of the company "LAMDA ILIDA OFFICE S.M.S.A". ILIDA OFFICE S.M.S.A, according to the notarial preliminary agreement dated 09.10.2018 has acquired the possession and the occupation of the office building "ILIDA BUSINESS CENTER" at 6-8 Agisilaou Street in Maroussi. The transfer of ownership took place on 11.03.2022 with the signing of the final acquisition contract. "ILIDA BUSINESS CENTER" is a Class A office building with a total superstructure area of 11,750 sq.m. and 277 parking spaces. The consideration amount for the acquisition of the shares of ILIDA OFFICE S.M.S.A. was calculated based on the net asset value of the company and amounted to €10,886 (Note 8) taking into account the agreed price for the investment property which amounted to €38,129. The fair value of the property at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €40,871.

C. OTHER EVENTS

- On April 1, 2021, the sale of the 45% of the Company's participation in The Cyprus Tourism Development Company Limited, a 100% subsidiary of MHV, was completed. After the completion of the sale, MHV is a joint venture. The consideration amounted to €26,803, out of which an amount of €12,073 was received the same day and the remaining amount of €14,730 and the accrued interest under the purchase agreement amounting to €395 was collected on 11 February 2022.

- On August 11, 2021, the sale of 15% of the Company's investment in Aphrodite Hills Resort Limited was completed. The total consideration for the transfer of 15% of the shares and the proportion of the shareholder loan (15%) amounted to €8,000, of which an amount of €1,452 was received on the same day, an amount of €1,452 will be received in accordance with the terms of the sale and purchase agreement, and an amount of €5,095 relates to the transfer of 15% of the shareholder loan.

- In the context of the reorganization of the Company's investments in the hospitality sector and particularly in the management of luxury hotel properties in the Mediterranean region, a joint decision was made with the other shareholders of Aphrodite Hills Resort Limited, the contribution to MHV of all shares of Aphrodite Hills Limited, as well as the transfer of loans granted to it by its shareholders. The contribution was completed on November 11, 2021. The shareholders of both companies (acquiree and acquirer) are the same, with the same participation percentages. From the absorption there are expected synergies, simplifications and rationalisation of the operating model and the share structure of MHV.

- On November 22, 2021 the Company signed a preliminary sale agreement for a property in Thessaloniki. The consideration of this sale amounted to €2,200, based on the preliminary sale agreement, and an amount of €220 collected as a deposit on November 23,2021. As of December 31, 2021, the fair value of the building amounted to €1,345, according to the valuation performed by the independent statutory valuers. The sale is estimated to be concluded until June 2022.

- On December 29 and 30, 2021 the Board of Directors of the MHV, approved the increase of share capital. The Company did not participate in the increase of share capital as a result the percentage of ownership to be at 25%.

- On June 18, 2021 the Company completed the disposal of two properties in Greece. The total consideration amounted to €18,778 and their book value at the date of the disposal amounted to €18,780. On September 30, 2021 the Company completed the disposal of a property in Greece. The total consideration for the sale amounted to €2,400 and its book value at the date of the disposal amounted to €2.270. On November 22,2021 the Company completed the disposal of a property in Thessaloniki. The total consideration for the sale amounted to €400 and its book value at the date of the disposal amounted to €396.

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 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 MHV Mediterranean Hospitality Venture Limited (hereinafter "MHV") 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. On April 1, 2021, MHV was set under common control and the results for the first quarter of 2021 have been presented as discontinued operations. In addition, on August 11, 2021 AH was set under common control and the results until that date have 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 12.1% of the Group's annualized rents as of December 31, 2021. 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 63.9% of the Group's annualized rents as of December 31, 2021 have not been affected by COVID-19.

From January 2021 Greek government, in the context of the support to the affected businesses, imposed a mandatory 40% reduction 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 July 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 the year ended December 31,2021 amounted to €2,935 for the Group and €1,351 for the Company, taking into account the compensation from the Greek government of the 60% of the monthly rents for businesses that remain closed by state order for the year ended December 31,2021, amounted to €1,244 for the Group and €1,175 for the Company (Note 26).

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

Prodea's presence in the hospitality sector is mainly in Cyprus through the companies MHV and 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 continued its malfunctioning during 2021. In the context of supporting the affected businesses, the Cypriot government announced a pay subsidy scheme for the employees of these companies as well as a state sponsorship scheme to cover the operating expenses of the companies.

As mentioned above, in the Financial Statements for the year ended December 31, 2021, MHV and AH have been classified as discontinued operations, until the dates they were set under common control.

Assessment of the fair value of the Investment Property

According to the current legislation for REICs, the valuations of the properties are performed by independent valuers. The last valuation of the Group's properties was performed at December 31, 2021 by independent valuers. The valuations of December 31, 2021 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 "HVS Hospitality Consulting Services S.A." for the properties outside Italy 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, it is noted the pandemic and the measures taken to deal with it continue to affect the economy and the real estate market worldwide. However, with the exception of properties belonging to hospitality sector or properties with use directly affected by the hospitality sector, it is considered that at the valuation date, the real estate markets are operating for the most part and trading volumes and other relevant data are sufficient to provide market data on which valuations can be based. Based on the above, the relevant valuations have not been prepared on the basis of "material valuation uncertainty", as defined in the RICS Valuation - Global Standards and International Valuation Standards.

In the case of properties belonging to hospitality sector or properties with use directly affected by the hospitality sector, the market continues to face unprecedented situations at the valuation date, as a result of COVID-19 and a lack of relevant / sufficient market data on which to base valuations. As a result, the relevant 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, the values of these properties are going through a period during 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. In this context, recognizing the possibility of rapid changes in market conditions as a result of measures to control the spread of COVID-19, the assessors emphasize the importance of the assessment date.

The valuation methods from last year have not been modified with the exception of property with commercial use in Bulgaria, which at the current reporting date was valuated using the discounted cash flow method (DCF) and the comparative method, while the previous reporting date was valued at the discounted cash flow method (DCF) and the method of cost of replacement. The above modification has no impact on the fair value of the property. It is also noted that the estimates take into account the impact of COVID-19 on real estate at the date of the assessment.

The investment of funds which is noted in the market, in combination with the reduction of interest rates and the comparatively higher returns offered by the Greek real estate market has led to a squeeze in the returns of prime real estate and especially for these which can provide guaranteed and stable income from tenants with adequate creditworthiness of reliable employees, such as the NBG, Sklavenitis SA, the Greek State, etc. At the same time, the market records a lack of a suitable investment product with the aforementioned characteristics. The above concerns a large part of the portfolio of stores, which in addition was not obliged to shut down as part of the measures against COVID-19.

Regarding the offices, in addition to the above, there is a large increase in demand, especially for high quality buildings and / or bioclimatic buildings, while dragging the office market in general.

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. However, in the second semester of 2021, the hospitality market generally performed better than the previous year, while the impact of COVID-19 is expected to gradually decrease even more the next period, due to the evolution of vaccination of the population and relative relaxation of the measures.

Logistics are in increasing demand, which has led to a squeeze on their returns and in some cases an increase in rents.

The 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 and in the other countries in which the Group operates may affect the values of the Group's investment properties in the future. In this context, the 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 this context, on July 2, 2021 the Board of Directors of the Company approved the issuance of a Green common bond loan amounting to up to €300,000 through a public offering in Greece. On July 16, 2021 the public offering was completed and 300,000 intangible common bonds of the Company were made available with a nominal value of € 1.00 each (Note 21). In addition, within July 2021, the Company entered into bond agreements amounting to up to €280,000 with Alpha Bank S.A. and amount up to €100,000 with the National Bank of Greece SA (Note 21). Finally, 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.

Credit Risk

No significant losses are expected as lease agreements are agreed with clients - tenants with sufficient creditworthiness. As mentioned above, 63.9% 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 the year ended December 31, 2021, due to the pandemic, amounts to €2,935 for the Group and €1,351 for the Company (2.2% and 1.4% over the revenue of the Group and the Company, respectively) taking into account the compensation from the Greek government of the 60% of the monthly rent for the businesses that remain closed by state order for the year ended December 31, 2021, amounted to €1,244 for the Group and €1,175 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.

E. INFORMATION ABOUT CURRENT GEOPOLITICAL DEVELOPMENTS AND THE IMPACT OF THE ENERGY CRISIS

Regarding the war in Ukraine and the current energy crisis, the Company's Management closely monitors and evaluates the developments in order to implement any necessary measures and adjust its business plan (if so required) in order to ensure business continuity and the limitation of any adverse effects.

The Company recognizes the increase in the construction cost of real estate as the main point of potential concern. However, the Group has limited exposure to real estate development projects in relation to the total size of the investment portfolio, with the majority of those projects being in an advanced stage of completion. At the same time, there has been an increasing trend in the levels of rents in the sectors of the Greek real estate market in which the Company and the Group operate; as a result any increase in construction costs is expected to be balanced to a certain extent by the increased rental income. Therefore, the impact is not expected to be material to the Group's overall performance. Regarding the commencement of new development projects, the Company is on standby mode, evaluating the situation before embarking on new works.

Regarding the inflationary pressure, the company's rental income is mostly linked to an adjustment (rent review) clause in relation to the change in the consumer price index.

At this stage it is not possible to predict the general impact that a prolonged energy crisis and increase in prices in general may have on the financial situation of the Group's customers.

Finally, the Company will be intensifying its efforts to implement "green" energy investments in relevant properties (eg installation of photovoltaic systems on the rooftops of logistics buildings) in order to reduce the energy costs of its lessees through the decrease of their dependence on conventional sources of energy.

FINANCIAL PERFORMANCE OF THE GROUP

Revenue: Total revenue for the year ended December 31, 2021 amounted to €134,204 compared to €133,897 for the year ended December 31, 2020, representing a marginal increase of €307. The increase mainly relates to new investments that have been acquired by the Group during the year 2021 as well as the adjustments of the leases. The increase is partially counterbalanced by the sales of nineteen properties in 2020 and the sales of the properties during the current year and by the measures taken by the governments of the countries in which the Group operates in the context of dealing with COVID-19.

Net gain / (loss) from the fair value adjustment of investment property: During the year 2021, the fair value of investment properties of the Group increased by €96,723 (compared to decrease of €7,573 in previous year).

Property related expenses (incl. property taxes-levies): Property related expenses including property taxes-levies amounted to €25,012 for the current year compared to €17,905 of the prior year, representing an increase by €7,107 or 39.7%. This increase is mainly attributable to the increase of Fees and expenses of lawyers, notaries, land registrars, technical and other advisors by €1,489 (December 31, 2021: €2,242, December 31, 2020: €753) and to the Advisory services in relation to real estate portfolio by €2,720 (December 31, 2021: €6,748, December 31, 2020: €4,028) and relates to the increased investing activity of the Group during 2021.
Moreover, it is presented an increase of expenses for utilities and common expenses by € 1,837 (31 December 2021: € 2,376, 31 December 2020: € 539) mainly due to the CI Global company acquired by the Group during the year 2021 (31 December 2021: € 1,267) and its increase of the Company's expenses (December 31, 2021: € 480, December 31, 2020: € 167).

All amounts expressed in € thousand, unless otherwise stated

Personnel expenses: Personnel expenses amounted to €7,797 for the year ended December 31, 2021 compared to €11,893 of the prior year, with a decrease €4,096 or 34.4%. The decrease is mainly due to the profits distribution of year 2020 to the personnel and to the BoD members of amount €1,984, following to the relevant resolution of the Annual General Meeting of the Company held on June 8, 2021 compared to the profits distribution of year 2019 to the personnel and to the BoD members of amount €6,158, following to the relevant resolution of the Annual General Meeting of the Company held on April 13, 2020.

Other Expenses: Other expenses of the Group for the year ended December 31, 2021 amounted to €10,056 compared to €8,970 of the previous year, with an increase €1,086 or 12.1%. The increase is mainly due to the increase of third parties fees by €787 (December 31, 2021: €6,579, December 31, 2020: €5,792). The increase derives from the companies Picasso Lux and CI Global which acquired by the Group during the year 2021 (third parties fees €2,375) which was partially counterbalanced by the decrease of the third parties fees of the Company (December 31, 2021: €2,589, December 31, 2020: €3,921).

Finance costs: The Group's finance costs for the year 2021 amounted to €38,658 compared to €31,442 of previous year with an increase of €7,216 or 23%. The increase is mainly attributable to the new loan agreements that the Group concluded during the 2021 and to the loans of the companies acquired by the Group during 2021. In addition, in the Finance costs of December 31, 2021 there are included non-recurring expenses of €4,176 deriving from the early prepayment of loan agreements.

Profit from continuing operations: The Group's profit from continuing operations for the year ended December 31, 2021 amounted to €175,081 compared to profit of €62,946 of the previous year. By excluding the net gain/(loss) from the fair value adjustment of investment property (December 31, 2021: net gain of €96,723, December 31, 2020: net loss of €7,573), the gain from the sale of investment properties (December 31, 2021: €197, December 31, 2020: 4,748), the net change in fair value of financial instruments at fair value through profit or loss (December 31, 2021: Nil, December 31, 2020: €4), the share of profit of joint ventures (December 31, 2021: €18,499, December 31, 2020: €4,637) the impairment of non-financial assets (December 31, 2021: €2,640, December 31, 2020: €nil) and the non-recurring (income)/expenses as analysed in note 1 under the table Funds from Operations (FFO) (December 31, 2021: expenses €543, December 31, 2020: expenses €5,384) the Group's profit from continuing operations for year ended December 31,2021 amounted to €62,845 compared to €66,514 of the prior year (5.5% decrease). The decrease is mainly due to the increase in the items property related expenses, property taxes-levies, other expenses and financial expenses 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 not determined by the IFRS, which are widely used in the sector in which the Group operates.

	31.12.2021	31.12.2020
Current ratio[1]		
Current assets (a)	441,326	483,893
Current liabilities (b)	260,148	727,280
Current ratio (a/b)	**1.70x**	**0.67x**
Gearing ratio[2]		
Borrowings (a)	1,253,130	901,855
Total assets (b)	2,856,468	2,449,402
Gearing ratio (a/b)	**43.9%**	**36.8%**
LTV[4]		
Outstanding capital of borrowings	1,263,941	832,454
Plus: Outstanding capital of borrowings of Held for sale Assets	-	53,112
Borrowing liabilities (a)	1,263,941	**885,566**
Investments[3] (b)	2,326,915	2,123,968
LTV ratio (a/b)	**54.3%**	**41.7%**

Net LTV[5]		
Outstanding capital of borrowings	1,263,941	832,454
Plus: Outstanding capital of borrowings of Held for sale Assets	-	53,112
Minus: Cash and cash equivalents	(304,632)	(108,973)
Minus: Restricted cash	(1,973)	(2,069)
Net borrowing liabilities (a)	957,336	774,524
Investments[3] (b)	2,326,915	2,123,968
Net LTV ratio (a/b)	**41.1%**	**36.5%**

[1] The increase 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 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. In the Financial Statements of the Group and the Company as of December 31, 2021 the outstanding balances of these loans are included in long-term liabilities.

ii. As of December 31, 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 disposal of eighteen properties on December 24, 2020, 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 short-term borrowings as they are presented in the statement of financial position divided by total assets at each reporting date.

[3] Investments include the fair value of the properties portfolio according to the valuation performed by the independent statutory valuers:

	31.12.2021	**31.12.2020**
Investment properties	2,279,958	1,918,015
Investment properties – Held for sale Assets	2,104	67,600
Hotel units and other facilities – Held for sale Assets	-	92,521
Inventories – Held for sale Assets	-	36,600
Inventories	35,388	-
Owner occupied property	9,465	9,232
Total	**2,326,915**	**2,123,968**

[4] 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 Investments.

The Company's Management defines as Net Asset Value (NAV) the total shareholders' equity taking into account, at each reporting date, the difference between the fair value and the net book value of the owner-occupied properties, real estate inventories and other non-current assets. (31.12.2021: €251, 31.12.2020: €2,220).

Net Asset Value (NAV)	**31.12.2021**	**31.12.2020**
NAV	**1,396,331**	**1,367,907**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**5.47**	**5.35**

All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to 31.12.2021	31.12.2020	Change %
Profit for the year from continuing operations	175,081	62,946	
Plus: Depreciation of property and equipment and amortization of intangible assets	556	464	
Plus: Net Finance costs	37,776	29,020	
Plus: Taxes	3,222	2,260	
EBITDA	**216,635**	**94,690**	
Plus / (Less): Net loss / (gain) from the fair value adjustment of investment properties	(96,723)	7,573	
Less: Net change in fair value of financial instruments at fair value through profit or loss	-	(4)	
Less : Net Gain from disposal of investment property	(197)	(4,748)	
Plus : Net impairment loss of non-financial assets	2,640	-	
Less: Adjustments in respect to investments in joint ventures[1]	(17,046)	(4,211)	
Plus / (Less): Net non-recurring expenses / (income)[2]	(3,633)	7,351	
Adjusted EBITDA	**101,676**	**100,651**	**1,0%**

[1] This amount is included in the Income Statement, in the line '' Share of profit of joint ventures'' and in the Note 10 of the annual Financial Statements. Specially, it represents the total adjustments in order to be illustrated the proportion of Adjusted EBITDA from investments in joint ventures of the Group.

[2] Net non-recurring expenses/(income) includes:	Από 01.01. έως 31.12.2021	31.12.2020
Negative goodwill from acquisition of subsidiary	(8,846)	-
Expenses for the relocation of Company's headquarters	-	226
Non-recurring legal fees	743	297
Non-recurring consulting fees	3,032	265
Non-recurring technical fees	220	-
Non-recurring profit distribution to the BoD and personnel	-	3,791
BoD fees in relation to prior years	-	228
Expenses for the share capital increase of the Company which was postponed due to Covid-19 pandemic	-	1,970
Expenses in relation to the establishment of company	1,538	-
Other non-recurring expenses	(320)	534
Total	**(3,633)**	**7,351**

Non-recurring legal and consulting fees relates to transactions that are not expected to be repeated regularly by the Group and the Company.

Funds from Operations (FFO)	From 01.01. to 31.12.2021	31.12.2020	Change %
Profit for the year attributable to the Company's equity shareholders from continuing operations	170,923	62,767	
Plus: Depreciation and Amortization	556	464	
Plus / (Less): Expenses / (Income) from Deferred taxes	718	(154)	
Plus: Net impairment loss on financial assets	62	1,888	
Plus : Net impairment loss of non-financial assets	2,640	-	
Less: Net change in fair value of financial instruments at fair value through profit or loss	-	(4)	
Less: Gain from disposal of investment property	(197)	(4,748)	
Less: Net gain from modification of terms of loan agreements	1,736	1,280	
Plus/ (Less): Finance costs /(income) due to measurement of financial liabilities at present value	(105)	105	
Plus / (Less): Net non-recurring expenses / (income)[1]	543	5,384	
Plus/ (Less): Net loss/ (gain) from fair value adjustment of investment properties	(96,723)	7,573	
Less: Unrealized gains from investments in joint ventures	(18,499)	(4,637)	
Plus: Gain attributable to the non-controlling interest of the abovementioned adjustments	(615)	(349)	
FFO	**61,039**	**69,569**	**(12,3%)**

All amounts expressed in € thousand, unless otherwise stated

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

	Από 01.01. έως	
	31.12.2021	**31.12.2020**
Negative goodwill from acquisition of subsidiary	(8,846)	-
Expenses for the relocation of Company's headquarters	-	266
Non-recurring legal fees	743	297
Non-recurring consulting fees	3,032	265
Non-recurring technical fees	220	-
Non-recurring profit distribution to the BoD and personnel	-	3,791
BoD fees in relation to prior years	-	228
Expenses for the share capital increase of the Company which was postponed due to Covid-19 pandemic	-	1,970
Expenses in relation to the establishment of company	1,538	-
Other non-recurring expenses	(320)	534
Expenses due to early loan repayment	4,176	
Interest income, after taxes, related to the capital raising tax of € 5,900 received by the Company in May 2020	-	(1,967)
Total	**543**	**5,384**

Non-recurring legal and consulting fees relates to transactions that are not expected to be repeated regularly by the Group and the Company.

EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

On January 13, 2022, the Company completed the acquisition of five adjacent land plots with a total area of 10.4 thousand sq.m. in Maroussi, Attica. The consideration of the above acquisitions is amounted to € 13,767 and their fair value, according to the valuation performed by the independent statutory valuers, amounted to € 15,007. The purpose of the acquisition is the development, after the demolition of the existing building and the operation of a modern office with a minimum environmental LEED Gold certification, which will consist of two autonomous and functionally independent buildings with a total area of more than 17 thousand sq.m.

On February 11, 2022 the Company proceeded with the fully repayment of a Bond Loan dated 18.04.2019 with the Bank of Cyprus at the amount of € 27,600 which was presented as short-term borrowings at the Statement of Financial Position of the Group and the Company as at December 31, 2021.

On February 21, 2022 the Company completed the disposal of a property in Greece. The sale price amounted to €420 while its book value amounted to €304.

On March 11, 2022 the transfer of ownership of the office building "ILIDA BUSINESS CENTER" took place with the signing of the final acquisition contract.

Information for the current geopolitical developments regarding the war in Ukraine and the energy crisis are presented in the sector '' SIGNIFICANT EVENTS DURING 2021 – E. INFORMATION ABOUT CURRENT GEOPOLITICAL DEVELOPMENTS AND THE IMPACT OF THE ENERGY CRISIS''.

There are no other significant events subsequent to the date of Financial Statements relating to the Group or the Company.

SIGNIFICANT RISKS

Fluctuations in property values (price risk)

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

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

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

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

Credit risk

Credit risk relates to cases of default of counterparties to meet their transactional obligations. As of December 31, 2021, the Group has concentrations of credit risk with respect to cash and cash equivalents and trade receivables which relates to mainly receivables from rentals under property operating lease contracts. No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. It is noted that the Group's maximum exposure mainly results from NBG (31.12.2021: 40.7%, 31.12.2020: 45.0% of total rental income). Also, the Group to minimize the credit risk which receives from tenants, in the context of lease agreements, collateral, such as guarantees.

The Group applies IFRS 9 Financial Instruments in relation to the impairment of the Group's financial assets, including lease receivables.

The impact of IFRS 9 in the Group and Company Financial Statements as of December 31, 2021 and as of December 31, 2020 was not material and is presented in Note 12.

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

Cash flow risk and fair value interest rate risk

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

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 month. When the interest rate changes by +/- 1% the effect on the Group's results would be an estimated decrease of € 4,518 and an increase of Nil 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, 2021 and 2020 is as follows:

All amounts expressed in € thousand, unless otherwise stated

Group:

December 31, 2021	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	1,399	45,758	186,720	148,964	379,771	1,536,350	2,298,962
Other long-term liabilities	-	-	-	716	732	5,135	6,583
Trade and other payables	990	23,993	17,406	-	-	-	42,389
Total	**2,389**	**69,751**	**204,126**	**149,680**	**380,503**	**1,541,485**	**2,347,934**

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	-	-	-	344	2,063	3,727	**6,134**
Trade and other payables	2,782	4,392	9,947	-	-	-	**17,121**
Total	**86,130**	**10,253**	**449,553**	**138,803**	**200,906**	**99,715**	**985,360**

Company:

December 31, 2021	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	-	35,522	46,598	142,120	338,569	1,499,492	**2,062,301**
Other long-term liabilities	-	-	-	146	331	3,562	**4,039**
Trade and other payables	426	3,620	11,925	-	-	-	**15,971**
Total	**426**	**39,142**	**58,523**	**142,266**	**338,900**	**1,503,054**	**2,082,311**

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	-	-	-	107	435	3,369	3,911
Trade and other payables	969	3,650	8,671	-	-	-	13,290
Total	**83,208**	**8,994**	**440,985**	**36,055**	**162,067**	**83,633**	**814,942**

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, 2021 and 2020 respectively, were used for determining the related undiscounted cash flows.

Capital risk management

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

According to the common industry practice in Greece, the Group monitors the capital structure on the basis of gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as depicted in the Statement of Financial Position. The regulatory regime governing Real Estate Investment Companies (hereinafter REICs) in Greece permits to Greek REICs to borrow up to 75% of their total assets, for acquisitions and improvements on properties.

All amounts expressed in € thousand, unless otherwise stated

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, 2021 and December 31, 2020.

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Borrowings	1,253,130	901,855	1,031,205	745,509
Total assets	2,856,468	2,449,402	2,337,001	2,069,039
Gearing ratio	**43.9%**	**36.8%**	**44.1%**	**36.0%**

Under the terms of the borrowing facilities of the Group, the Group is required to comply, among other, with certain financial covenants. It is noted that throughout the year ended December 31, 2021 the Group was in compliance with this obligation.

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.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Sustainability is an integral part of our business; the corporate strategy and business activities are driven by Company's commitment to operate with a sustainable growth in all its operations, from the investment endeavors to the corporate responsibility initiatives.

The Company aims to create long term value for shareholders, employees, clients, and other stakeholders, applying capital allocation into property investments in a sustainable and responsible way. Sustainability for the Company is defined in alignment with the ESG corporate and investment approach (E-Environmental, S-Social, G-Governance) and with the United Nations (UN) Sustainable Development Goals (SDGs), supporting the Company's commitment to become an exemplary leading real estate investor in its region.

The Company's responsible operation in founded upon the following pillars:

- Compliance with the applicable environmental regulations and leading global sustainability standards.
- Prudent use of energy and natural resources.
- Sound corporate governance and promotion of transparency, combating fraud, corruption and bribery.
- Ensuring a working environment that is safe, fair and meritorious.
- Enhancing well-being of society, implementing targeted actions.

Stakeholder engagement

An open, ongoing and two-way communication with stakeholders is of great significance in facilitating the successful implementation of the Company's corporate strategy and operations. It also contributes to achieving long-term cooperation, based on mutual trust and respect. An open dialogue approach makes it possible for the Company to be well aware of potentially arising developments and market trends, always considering the views of its stakeholders.

The Company has defined the following stakeholder categories:

- Shareholders
- Investors
- Employees
- Customers
- Suppliers / Subcontractors
- State / Regulatory Authorities
- Society

- Financial Institutions
- Rating agencies

Non-financial risk management

The Company recognizes and identifies the risks arising from its operations, in the context of corporate governance, in order to be in a position to manage them effectively. The Company systematically identifies, monitors and evaluates the significance of potential non-financial risks, as well as the corrective actions to be taken in order to address them.

The Company faces the following most significant non-financial risks:

- **Climate change:** The transition to a climate-neutral economy with net-zero greenhouse gas emissions, in line with global and European trends, and, in particular, the ambitious goals set by the European Union, is a key non-financial factor the real estate sector should take into consideration. The Company closely monitors the global trends and undertakes measures aimed at achieving short- and long-term adaptation. Strategies implemented towards this direction include the enhancement of investment portfolio consisting of energy efficient, environmentally friendly properties and resources, governed by sustainability principles throughout the stages of construction, reconstruction stages, as well as operation.

- **Energy transition:** The Company shares the global concern for the efficient energy transition from fossil fuels to alternative energy sources. Energy transition can be used in order to address the climate change and accelerate the reduction of carbon dioxide levels. We recognize that buildings constitute one of the major sources of energy in Europe, therefore, we are actively implementing measures and initiatives that will help reduce their footprint and improve their energy efficiency.

- **Occupational health and safety:** Risks related to occupational health and safety constitute a key category of non-financial risks for the Company. Therefore, the organisation is constantly taking care of providing safe and healthy working conditions, as the health, safety and well-being of employees is its top priority. In the above context, the Company is in the process of obtaining a certification of its new offices, in accordance with the international system WELL Building Standards that focuses exclusively on human health and wellness of the personnel in the context of which the relevant policy has been adopted.

- **Equal opportunities and human rights:** Protection of equal opportunities for employees is a particularly significant issue to the Company. The Company fully complies with the labor regulations and respects the rights of its employees. In 2021, the competent authorities imposed no fines or penalties regarding the violation of labor legislation. No trade union operates within the Company.

- **Attracting and retaining human resources:** the achievement of the goals of the Company and the Group is based on the ability to attract and retain human resources with the necessary knowledge, experience and specialization. For this reason, the Company seeks to provide its human resources with a framework of rewards and professional promotion in accordance with international best practices.

E – Environment: environmental responsibility

The Company believes that environmental protection constitutes a key pillar of sustainability. PRODEA acts consciously and implements a responsible environmental strategy and commits to an ongoing improvement of its environmental performance through the implementation of environmentally friendly best practices, in order to reduce the environmental footprint of its portfolio.

The Company recognizes the significant impacts of its operations and implements the following environmental initiatives:

- Compliance with all underlying legal and regulatory requirements.
- Systematic monitoring of the interaction between the Company's operations and the environment, including significant impacts and risks.
- Adoption of prevention practices in order to reduce pollution levels and minimize emissions and use of natural resources.
- Ongoing training and awareness raising of human resources with respect to adopting an environmentally responsible culture and achieving corporate objectives.
- Encouragement of stakeholders to take initiatives aimed at protecting the environment.
- Adoption of a corporate environment policy to ensure that the Company's environmental objectives are achieved.
- Implementation of benchmarking between Company's properties through the issuance of energy performance certificates.
- Identification of opportunities to improve the energy efficiency of the Company's portfolio.
- Recognition of the multiple benefits of sustainable properties and their increased importance in shaping the Company's investment strategy.
- Continuous increase of environmentally certified assets in the Company's portfolio, according to global sustainability standards.

Green Bond Framework

In June 2021, the Company issued the Green Bond Framework with a particular focus on financing or refinancing projects which fall into the following areas:

- Green buildings
- Energy efficient and sustainable buildings
- Green transportation projects
- Renewable energy projects

The Company has created this Framework in accordance with the Green Bond Principles (GBP), drafted by the International Capital Market Association (ICMA).

Environmental indicators

The Company implements a set of strategic measures and actions in order to reduce its environmental footprint. It aims at improving the energy efficiency of its buildings, preventing and reducing pollution, minimizing the use of resources and emissions, as well as providing ongoing information and training to its people and stakeholders with respect to nurturing an environmentally responsible culture.

The certifications of Prodea Investments Real Estate Asset Portfolio are analyzed as follows:

Current Certifications

Building	Use	Area (m^2)	Certification
KARELA OFFICE PARK, Peania, Attica	Office building	61,672	LEED Gold
Prodea HQ, Athens	Office building	2,912	LEED Gold
NBG IT Center Gerakas, Attica	IT Center	38,518	LEED Gold
SOFIA CITY TOWER, Bulgaria	Mixed use	54,009	BREEAM - Very Good
Total		**157,111**	

Under Certification

Building	Use	Area (m^2)	Certification
Prodea HG (Athens)	Office building	2,912	WELL Gold
ELement (Maroussi, Athens)	Office building	13,894	LEED Platinum
Importex office complex (Syggrou Av., Athens)	Office building	30,873	LEED Gold
MOXY Hotel (Omonia square, Athens)	Hotel	11,370	LEED Gold
Piraeus tower (Piraeus)	Mixed use	34,518	LEED Gold & WELL Gold
Landmark - office building (Nicosia, Cyprus)	Office building	26,628	LEED Gold
The Wave (Syggrou Av. Athens)	Office building	5,924	LEED Gold
HUB 26 (Thessaloniki)	Office building	30,577	LEED Gold
Funnel (Maroussi, Athens)	Office building	14,309	LEED Gold
Total		**170,534**	

The environmental indicators of the Company's self-owned headquarters are monitored to facilitate taking timely measures to achieve their continuous improvement. The aforementioned indicators include:

Energy consumption & CO_2 emissions (Scope 2)		
	2021	**2020**
Energy consumption (kWh)	301,413.70	321,106.20
CO_2 emissions (kg CO_2)[1]	146,854.78	156,449.36

Consumption & CO_2 emissions of corporate vehicles (Scope 1)		
	2021	**2020**
Total kilometres (km)	118,999.00	61,952.00
CO_2 emissions (kg CO_2)[2]	20,592.20	10,137.40

Water consumption (m^3)	
	2021
Water consumption (m^3)	1,357

Waste Management / Recycling	
	2021
Paper	410kg

Further information is presented in the Company's Sustainability Report, published in the third quarter, on an annual basis, starting in 2022.

S – Social: social responsibility

Human resources

The Group's employees are the most important pillar for its successful and sustainable operation and development. The Group ensures the cultivation of a responsible, safe and meritocratic work environment, with no discrimination.

On December 31, 2021, the Group employed 42 employees, out of which 62% were men and 38% were women (December 31, 2020: 40 employees out of which 62% were men and 38% were women).

[1] The indicator is calculated as 0.48722 kgCO_2/kWh, under Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP) (Residual mix 2020).
[2] The CO_2 emissions are calculated based on the emissions (gr / km) of the Company's vehicles.

All amounts expressed in € thousand, unless otherwise stated

Employee distribution by gender and age (Group)						
	2021			2020		
	<30	**30-50**	**51+**	**<30**	**30-50**	**51+**
Men	1	19	6	1	17	7
Women	-	11	5	-	10	5
Total	**1**	**30**	**11**	**1**	**27**	**12**

Attracting and retaining employees

The Group's priority is to attract and retain a skilled and capable workforce, as well as to establish a work environment that offers equal opportunities to all employees. The Group implements procedures which are underpinned by non-discriminatory criteria in matters of recruitment, remuneration, promotion and training, and are free from any form of discrimination regarding gender, nationality, age, marital status and other characteristics.

Training and development

The Company places emphases on the growth and development of human resources, through educational activities and programs that help develop their professional and personal skills. Indicative trainings that were held during 2021 concerned the issues of corporate governance, international accounting standards, real estate market and real estate asset valuations.

Occupational health and safety

The provision of a work environment which safeguards health and safety and enhances the well-being of its people is a key priority for the Group. In this context, the Group complies with the underlying legislation on health and safety at work, while also following international best practice. In particular, the Group commits to and declares the principles of prevention against work accidents or occupational diseases, or against cases of violence and harassment at work.

The Group undertakes measures to protect its employees, ensures the maintenance and monitoring of the safe operation of all corporate facilities and establishes procedures, as well as an occupational health and safety policy. Moreover, it records and monitors relevant performance indicators, such as the following:

Health and safety indicators		
	2020	**2021**
Lost time injury (LTI)	-	-
Lost time injury frequency rate (LTIFR)	-	-
Severity rate (SR)	-	-

WELL corporate policy

Underpinned by a strong emphasis on the health, safety and well-being of employees, the Group has developed a dedicated safe working policy for the Company's own office building. This policy reflects the holistic approach of the Company in this regard, according to the international standard WELL (WELL Building Standard). The latter is a building certification that focuses on humans within the building environment, and brings together practices that promote comfort and well-being, while improving the quality of human life inside buildings.

Social actions

The Company continues to support the society, as well as the local communities in which it operates, through a series of actions and initiatives that contribute to social development and prosperity. Social awareness is not just a part of the Company's corporate strategy but is an important component of its corporate culture.

"Structures of Responsibility" Program

The Company has established a corporate responsibility program entitled "Structures of Responsibility", since 2016, a continuously evolving plan of social actions and interventions. The program aims to improve the infrastructure and operational upgrade of important social structures, using the experience and expertise of the Company's executives, with the aim of substantial social contribution to addressing key social problems, in cooperation with well-known bodies at national and local level.

The program has four main pillars of action, as presented in the adjacent chart:

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 35 of the Annual Financial Report for the year ended December 31, 2021.

PROSPECTS

Management always evaluates the optimization of the performance of the Group's real estate portfolio, including potential sales of assets 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 are the pillars of its development, such as sustainability, investment in bioclimatic office buildings that adopt the principles of Environmental - Society - Governance ("ESG") and taking into account practices to ensure the health and well-being of the users 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 green eLement office building in Maroussi, Northern Athens), or cooperates with developers through participation in joint ventures or by entering into preliminary agreements for the acquisition of properties after the completion of their construction. It is noted that in 2022 the Company will participate in the benchmarking 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.

In relation to the hospitality sector, the Company operates in the sector of luxury resorts in Greece and Cyprus through its participation in "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) and through selective direct investments in the other hospitality categories in Greece and abroad. The Company is also considering its selective positioning in residential development.

Management seeks to maximize the return on the Company's and the Group's investments through active asset management and value creation. This includes the aforementioned effort to optimize the portfolio composition (including sales of mature or non-strategic properties), the acquisition and / or development of modern buildings, the change of use and / or regeneration of mature assets, the leasing of vacant spaces, etc. These actions require a maturity period, with the associated costs (related to direct property related and finance costs), in order to procure new revenues to the Group. The first development projects have already been delivered and others are gradually being completed, resulting in increased rental income and improved profitability in the coming fiscal years.

Finally, in relation to the current geopolitical situation and the energy crisis, the Company's Management closely monitors and evaluates the developments in order to implement any necessary measures and adjust its business plan (if so required) in order to ensure business continuity and the limitation of any adverse effects.

CORPORATE GOVERNANCE

Introduction

Pursuant to Art. 152 of L. 4548/2018, Article 18 of L. 4706/2020, as well as the Hellenic Capital Market Commission Letter with ref. no. 428/ 21/02/2022 to companies with securities listed on the Athens Exchange and the relevant Questions and Answers regarding provisions of Articles 1-24 of L. 4706/2020 on corporate governance, as well as the Guidelines (Part E’) of the HCGC, the Company has included as a specific section of the Board of Directors annual Management Report, the Corporate Governance Statement.
In accordance with the provisions above, the Company’s Corporate Governance Statement includes the following sections:

A. Corporate Governance Code to which the Company is subject and deviations from its Special Practices,
B. Corporate Governance Practices, applied apart from the requirements of current legislation,
C. Composition and operation of the Board of Directors and Other Management, Administrative and Supervisory Bodies,
D. Main characteristics of the Internal Audit and Risk Management System of the Company with regards to the preparation of financial statements process,
E. Suitability Policy and diversity Policy regarding the composition of the management, administrative and supervisory bodies of the Company,
F. Policies ensuring adequate information on all related party transactions
G. Sustainable Development Policy (ESG)

It is noted that the rest of the information required by Article 4 paras. 7 and 8 of L. 3556/2007 and Article 10 para. 1 of European Directive 2004/25/EC are included in the Explanatory Report to the Ordinary General Meeting of Shareholders, constituting a specific section of the annual Management Report of the Company’s Board of Directors.

A. Corporate Governance Code to which the Company is subject - Deviations from its Special Practices

I. The Company has a defined Corporate Governance framework in place, harmonized with Greek legislation and the decisions of the Hellenic Capital Market Commission and into which recognised practices have been incorporated, aiming to transparency and sound operation of the Company and its Group in all its business sectors. Through its corporate structure and governance, the Company aims to dialogue enhancement with its investors for the purpose of achieving the maximisation of its long-term value for its shareholders.

The Company has adopted the Corporate Governance Code of the Hellenic Corporate Governance Council which has been certified by the Hellenic Capital Market Commission as body of recognised competence, in accordance with Article 17 of L. 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905/3-3-2021 of the Board of Directors of the Hellenic Capital Market Commission).

The Corporate Governance Code (hereinafter the “HCGC”) is posted on the Company’s website www.prodea.gr, section: The Company / Corporate Governance/ Corporate Governance Code (Corporate Governance Code).

The Company during the financial year 2021, within which the provisions of Articles 1-24 of L. 4706/2020 entered into force, fully complied with the current legislative framework on corporate governance of companies with securities listed on a regulated market.

II. Taking into consideration that the revised HCGC entered into force as of the entry into force of the provisions of Articles 1-24 of L. 4706/2020, i.e., in July 2021 and the present Corporate Governance Statement was prepared after its first application, the Company deviates or does not apply in their entirety some of its “Special Practices”, as mentioned and justified in a clear and specific manner below, in accordance with the “Comply or Explain” principle.

Special CGC Practice	Justification of Deviation
PART A'	
1.17 At the beginning of each calendar year, the Board of Directors shall adopt a calendar of meetings and an annual action plan, which shall be revised according to the developments and needs of the company, in order to ensure the correct, complete and timely fulfillment of its tasks, as well as the examination of all matters on which it takes decisions.	Convocation and meeting of the BoD when Company needs or the law require so, is easy, so proper and timely fulfilment of the BoD duties and its accurate and complete update on the Company's operation is ensured, without a predetermined plan of action. In any case it is noted that the Company is at the stage of forming an annual meeting plan, as well as an annual plan of action.
2.3.12 and 2.4.11 The term of office of the members of the remuneration and nomination committee shall coincide with the term of office of the Board of Directors, with the possibility of its renewal. In any case, their term of office in the Committee shall not exceed nine (9) years in total.	In accordance with the provisions of the Rules of Operation of the Remuneration and Nomination Committee, the term of office of its members coincides with the term of office of the Board of Directors. Moreover, the majority of the Committee members and particularly three out of the four members of the Remuneration and Nomination Committee are independent, to which, pursuant to the provisions of Article 9 para. 2 subpar. ca, the time limit of their term of office at nine (9) years in total applies.
2.4.14 The contracts of the executive members of the Board of Directors provide that the Board of Directors may require the refund of all or part of the bonus awarded, due to breach of contractual terms or incorrect financial statements of previous years or generally based on incorrect financial data, used for the calculation of this bonus.	The contracts of the executive members of the BoD were concluded prior to the adoption of the HCGC by the Company. However, the Company has a Remuneration Policy in place, within the scope of which the members of the Board of Directors fall and in which the following provision in Paragraph 3.14 is included: "*Any additional or extraordinary remuneration is returned, provided that after its payment it is proven that the performance paid came from actions unfair or incompatible with the application of this Remuneration Policy*". Therefore, this particular Special Practice is covered by the provision of the Remuneration Policy above.
3.3.16 The Board of Directors shall include in the Corporate Governance Statement a brief description of its individual and collective evaluation process, of the committees, as well as a summary of any findings and corrective actions.	This evaluation process is underway and shall be completed within the financial year of 2022. The former evaluation of the BoD and its Committees took place in 2018.
PART B'	
5.3. Sustainability is determined by the impact of the company's activities on the environment and the wider community and is measured on the basis of nonfinancial factors related to the environment, social responsibility and governance (Environmental, Social,	The Company places great importance in the development of its activities in a way that produce value for the environment, society and employees, suppliers and its other associates, having adopted best corporate governance practices ensuring its sustainable development.

All amounts expressed in € thousand, unless otherwise stated

Governance "ESG") which are economically significant (essential) for the company and the collective interests of key stakeholders, such as employees, customers, suppliers, local communities and other important stakeholders.	More information will be provided in the detailed Sustainable Development Report to be published for the financial year 2021, within the year 2022.
5.6 The company adopts and implements a policy on ESG and sustainable development (Sustainability Policy).	The Company had prepared policy drafts on ESG and sustainable development (Sustainability Policy), as well as on matters of Environment, Health & Safety, which, after their review by Management, will be approved and will enter into force in 2022.
5.7 The Board of Directors, in the context of the sustainability policy and, if it has not adopted such, in the framework of its strategy, determines in the annual report the non-financial issues concerning the long-term sustainability of the company and are essential for the company, the shareholders and the stakeholders, as well as how the company handles them.	In the annual report on non-financial matters regarding long-term sustainability of the Company, crucial for the business, the shareholders and interested parties' matters are mentioned, as well as their management by the Company. In the detailed Sustainable Development Report to be published for the financial year 2021 the interested party framework will be described, along with material for these parties matters.
5.8 The Board of Directors describes in the annual report how the interests of the stakeholders in the discussions and decision-making in the Board of Directors have been taken into account.	The Board of Directors takes into account the interests of important interested parties for its discussions and decision making. For example, through the Green Bond Committee the eligibility of projects with regards to their compliance with Green Bond Principles of the International Capital Market Association (ICMA) and the United Nations Sustainable Development Goals is evaluated, in order to defend the Company Investors' interests.
5.9 The Board of Directors binds and monitors the executive administration on matters relating to new technologies and environmental issues.	The Company has established draft policies regarding environmental matters, which after their review by Management, are going to be approved and enter into force in 2022.
5.10 Publications on the management and performance of companies on sustainable development (ESG) issues are available to shareholders and stakeholders. The company may choose to carry out these publications through: (a) independent report / sustainable development report, (b) its financial reports, by incorporating reports into the essential ESG issues; or (c) an integrated report, which identifies how a company creates value through its strategy, corporate governance and performance.	The Company refers to information on sustainable development matters in the annual report on non-financial matters. In the Sustainable Development Report to be published for the financial year 2021, management and performance of the Company on sustainable development matters will be further explained.
PART D'	
9.1 The Board of Directors shall identify the stakeholders that are important to the company, depending on its characteristics and strategy, and to understand their collective interests and how they interact with its strategy.	The Board of Directors through the executive Management of the Company has identified its material interested parties, as well as their main characteristics, which it takes into consideration at the strategy planning of the Company. In the detailed Sustainable Development Report to be published for the financial year 2021 the interested party framework will be described,

	along with the material to them matters and the relevant communication channels with each interested party category.

B. Corporate Governance Practices

The Company within the framework of applying a structured and sufficient corporate governance system, adopts practices ensuring sound corporate governance, structures and polices and processes that create professional behavior and business ethics standards and contribute to the proper functioning of the market and building of trust of its Shareholders, employees, clients and associates.

In particular, the Company, within the framework of its business operation has established the following Committees, which constitute corporate governance practices beyond the provided for in the current legal framework.

B.I. Procurement Committee

Procurement Committee was established by virtue of a BoD resolution and consists of 3 members:

- The CEO of the Company; and
- 2 non-executive BoD members of the Company.

Within the framework of its responsibilities, it evaluates and approves the business feasibility of implementation and the supply expenditure exceeding approval limits assigned to the CEO and to the Chief Financial Officer / Chief Operations Officer by the BoD.

The composition of the Procurement Committee, as determined by the BoD resolution dated 08.06.2021, is the following:

Full Name	Capacity	BoD Position
Spyridon Makridakis son of George	Chairman	Vice Chairman A', Independent non-executive member
Aristotelis Karytinos son of Dimitrios	Member	Vice Chairman B' and CEO (executive member)
Prodromos Vlamis son of Gregory	Member	Independent non-executive member

B.II. Green Bond Committee

Green Bond Committee was established by virtue of a BoD resolution of the Company and operates based on its Rules of Operation which was approved by the BoD.

Green Bond Committee consists of the Chairman and two to four members and at least of the Chief Financial Officer / Chief Operations Officer, Chief Investments Officer and an executive of the Technical Directorate specialised in sustainable development matters whilst an executive from the Financial Directorate and an executive from the Technical Directorate may additionally participate.

The Committee's composition and Secretary are designated by the Board of Directors.

Chairman of the Committee is the Chief Financial Officer / Chief Operations Officer of the Company at the time. The persons holding the above positions in the Company at the Date of preparation of the Corporate Governance Statement and, thus, constituting the Green Bond Committee are the following:

Full Name	Capacity
Thiresia Messari	Chief Financial Officer / Chief Operations Officer, Chairman
Athanasios Karagiannis	Chief Investments Officer, Member
Nikolaos Gkonis	Mechanic specialised in sustainable development matters, Member and Secretary of the Committee

All amounts expressed in € thousand, unless otherwise stated

Andreas Varsamakis	Executive of the Department of Corporate Announcements, Financial Analysis and Cash Management, Member
Dimitrios Georgiopoulos	Technical Director, Member

The responsibilities of the Green Bond Committee are the following:

- Assesses the use of proceeds raised through green bond issuances in order to ensure that they are channeled into projects, meeting the Green Bond Framework criteria (Eligible Green Projects) and complying with the Green Bond Principles of the International Capital Market Association (ICMA), the United Nations Sustainable Development Goals, the Company's internal policies and practices as well as with the applicable regulatory framework.
- Monitors and coordinates:
  i. The keeping of the Eligible Green Register;
  ii. The process of management of proceeds in accordance with the Green Bond Framework;
  iii. The drafting and publication of the Green Bond Investor Report, regarding allocation of the green bond funds, as well as environmental and energy impact indices;
  iv. the issuance of the Company's green bonds and the support of the processes in relation to providing information to investors, in collaboration with the advisors, the green bond assurance providers and the financial institutions.
- Ensures the compliance with the processes set out in the Green Bond Framework.
- Follows up the developments in the green bond market and ensures that the Green Bond Framework is updated as and when appropriate. The Committee meets at least once every three months and, if required by circumstances, more frequently, especially in periods of drafting of the Green Bond Investor Report and preparation for the issuance of the Company's green bonds.

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

C.I. Composition and Operation of the Company's General Meeting

Pursuant to the Company's Articles of Association, the General Meeting is the supreme body of the Company, convened by the Board of Directors and entitled to resolve on any matter of the Company, in which shareholders are entitled to participate, either in person or through a legally authorised representative, in accordance with the currently provided for due process. At the meetings of the General Meeting, the Chairman of the Board of Directors temporarily presides. One or two of the shareholders present or shareholder representatives designated by the Chairman fulfil temporary secretary duties. Shareholders, or some of them, can participate in the General Meeting remotely through audiovisual or other electronic means, if the Board of Directors convening it so resolves. The Board of Directors may at its discretion resolve that the General Meeting will not meet at some place, rather will meet solely through participation of shareholders and other people entitled to participate in it by law, remotely via the electronic means provided for by Article 125 of L. 4548/2018. The Board of Directors determines the details for the implementation of the above, in compliance with current provisions and taking adequate measures so that the provisions of Article 125 para. 1 of L. 4548/2018 or any subsequent provision regulating the same matter are ensured.

C.II. Composition and Operation of the Board of Directors of the Company

According to the Company's Articles of Association, it is managed by a BoD consisting of seven (7) to eleven (11) members, elected by the Ordinary General Meeting, which also determines their term of office.

The composition of the Company's BoD is in accordance with the provisions of Article 5 para. 2 of L. 4706/2020. In particular, by virtue of the General Meeting resolution dated 08.06.2021 a ten-membered Board of Directors was elected with a 3-year term of office, expiring on 07.06.2024 which may be extended until the first Ordinary General Meeting of Shareholders to be convened after the expiration of its term of office. Out of the ten BoD members, four (4) are executive and (6) non-executive, three (3) out of which are independent. Two women participate in the Company's BoD, i.e. percentage not below 25% of the total of its members, in accordance with Article 3 para. 1b of L. 4706/2020.

Independent non-executive members meet the independence requirements, in accordance with the provisions of Article 4 of L. 3016/2002 and Article 9 of L. 4706/2020, from their election until the preparation of the present Corporate Governance Statement.

All amounts expressed in € thousand, unless otherwise stated

Moreover, it is noted that the as above composition of the BoD is harmonised with the provisions of the Suitability Policy of the BoD members, which was prepared in accordance with the provisions of Article 3 of L. 4706/2020 and the guidelines of the Hellenic Capital Market Commission (Circular no. 60/18.9.2020), approved by virtue of the BoD resolution dated 18.05.2021 as well as the Ordinary General Meeting resolution dated 08.06.2021, and is available on the Company's website (https://prodea.gr/cms/uploads/2021/06/376-2703-2021_05_18_gr.pdf). Without prejudice to specific resolutions that can only be passed by the General Meeting by virtue of law or the Articles of Association, all other corporate resolutions may be passed by the BoD. The BoD may assign some of its responsibilities to one or more BoD members, Company employees or third persons.

The current BoD was constituted into body at its meeting on 08.06.2021, when the representation of the Company was also determined in accordance with Article 87 of L. 4548/2018 and Article 10 para.3 of the Company's Articles of Association.

Its composition is:

Full Name	Position in the BoD/Member Capacity
Christophoros Papachristophorou, son of Nikolaos	Chairman, Executive Member
Syridon Makridakis, son of George	Vice Chairman A', Independent Non-Executive Member
Aristotelis Karytinos, son of Dimitrios	Vice Chairman B' and CEO, Executive Member
Thiresia Messari, daughter of Gerasimos	Chief Financial Officer/Chief Operations Officer, Executive Member
Nikolaos Iatrou, son of Michael	Non-Executive Member
Athanasios Karagiannis, son of Dimitrios	Executive Member
Ioannis Kyriakopoulos, son of Polyzois	Non-Executive Member
George Kountouris, son of Evaggelos	Non-Executive Member
Prodromos Vlamis, son of Gregory	Independent Non-Executive Member
Garyfallia Spyriouni, daughter of Vasileios	Independent Non-Executive Member

The BoD has elected out of its members the Chairman, two Vice Chairmen and one CEO.

In case of absence or impediment of the Executive Chairman, the Chairman's non-executive duties, as they derive from law or the Articles of Association, are exercised by Vice Chairman A' and Independent Non-Executive Member, and the Chairman's executive duties are exercised by Vice Chairman B' and CEO – Executive Member.
The operation of the Board of Directors is governed by its Rules of Operation.

C.III. Pursuant to para. 3 of Article 18 of L. 4706/2020 the curricula vitae of the Board of Directors members are below (to which the senior management of the Company, CFO&COO and CIO are included), as well as their main external professional commitments (including material non-executive commitments to companies and non-profit institutions):

1. **Mr Christophoros Papachristophorou** is the Founder and Managing Partner of Invel Real Estate, an investment company established in March 2013 in order to seize investment opportunities in European real estate market by offering investors the ability to co-invest in selected investment opportunities. Invel manages today real estate properties of a value of approximately 3.5 bn Euro in Europe, with robust presence mostly in Italy, Greece and Cyprus. The landmark transaction for Invel was the acquisition of 66% in Prodea Investments from the National Bank of Greece (NBG) in December 2013, which was followed by the acquisition of a share of 32.7% from NBG in June 2019, resulting in the aggregate acquisition of 98,7% of the largest Greek REIC. Mr Papachristophorou, as Chairman of the Board of Directors and the Investment Committee of the Company oversees all strategic decisions. Since 2013, he has played a decisive role in creating a new vision and strategy for the company, while implementing a successful acquisition and financing program which led to significant expansion of the real estate portfolio, diversification of tenants and increase of returns. Notably, reference is made to the recent establishment of MHV Mediterranean Hospitality Venture Ltd, a company aiming at

investing in the hospitality sector, with the most recent acquisition of Parklane, a Luxury Collection Resort & Spa Limassol, the only luxury collection resort in Cyprus. Mr Papachristophorou holds a Bachelor's Degree (B.Sc.) in Economics from the London School of Economics and a Master's Degree in International Economics and Management from University Bocconi, Italy.

2. **Dr Aristotelis Karytinos** is the Chief Executive Officer of Prodea Investments. He possesses long standing experience in investment and banking through key positions both in the public and private sectors. Prior to his current position, Dr Karytinos was the General Manager - Real Estate of the National Bank of Greece Group for 6 years. Before joining the NBG Group, he held senior positions within Eurobank Group, including Head of Group Real Estate, Head of Mortgage Lending and CEO of Eurobank Properties REIC (later known as Grivalia REIC), a company which he led into a successful IPO in 2006 and a subsequent rights issue in 2007, raising in total approximately €450 m. In 2010 he led the team that established NBG PANGAEA REIC which was later merged by way of absorption by PRODEA. Aristotelis Karytinos holds a Doctorate (PhD) in Finance from the University of Warwick, UK and is a Fellow of RICS.

3. **Mrs Thiresia Messari** is the Chief Financial Officer and Chief Operations Officer of the Company and an executive member of its Board of Directors. She has more than 20 years of experience in real estate, having previously held senior positions in the real estate market in the National Bank of Greece and Eurobank groups, playing an active role in the establishment and listing on Athens Exchange of Grivalia Properies REIC, where she served as Head of Finance, Control and Operations. In 2010, she participated in the team that established NBG Pangaea REIC, which was later by PRODEA. She is a graduate of Athens School of Economics (Bsc in Informatics, specializing in analytics, design and management of information systems) with supplementary studies in International Financial Reporting Standards.

4. **Mr Athanasios Karagiannis**, is the Chief Investment Officer of the Company since June 2020. He is member of the Board of Directors and member of the Investment Committee and possesses significant experience in investment activities and real estate market. Before joining the Company, Mr. Karagiannis was part of Invel where he joined in March 2014, after more than 6 years of experience with Deutsche Bank Asset Management, while he started his career in the hospitality and insurance sectors. Mr. Karagiannis holds a Bachelor's Degree (B.Sc.) in Economic Sciences from the University of Athens, an MBA Degree from the Athens University of Economics and Business and a Master's Degree (M.Sc.) in Corporate Real Estate Strategy from Cass Business School.

5. **Mr Ioannis Kyriakopoulos**, is a non-executive member of the Board of Directors of the Company with significant experience in the financial and banking sector. He is General Manager of Group Real Estate of National Bank of Greece and has served as Chief Financial Officer, Deputy General Manager of International Activities of National Bank of Greece and Director of the Financial and Management Accounting Division of the Hellenic Financial Stability Fund. Mr Kyriakopoulos holds a Bachelor's Degree (B.Sc.) in Mathematics and a Bachelor's Degree (B.Sc.) in Economics from the University of Athens and a Master's Degree (M.Sc.) in Statistics and Operational Research from Loughborough University in the United Kingdom. He is non-executive member of the BoD of Hellenic Exchanges - Athens Stock Exchange S.A..

6. **Mr Nikolaos Iatrou**, is a non-executive of the Board of Directors of the Company and has long experience (25 years) in capital markets. Mr. Iatrou co-founded Hellenic Securities S.A., where Mr. Iatrou was Executive Vice-President for 11 years (Corporate Finance, Asset Management και Research). Mr. Iatrou held the position of the Chairman of the Board of Marfin Hellenic Securities, member of the board and the executive committee at Marfin Bank, as well as other top tier positions in the Marfin Group, in Greece and in Cyprus. From 2008 onwards, he has been focusing on corporate debt restructuring, corporate advisory and wealth management. He is Chairman and Chief Executive Officer of Silk Capital Partners investment firm, which is active in the above sectors. He is also a non-executive member of the listed in ASE company OPAP S.A., member of the Board of Hellenic Olympic Committee and Vice President of its Marketing Committee and permanent member of "Filippou Unity of Greece". He holds a Bachelor's Degree (B.Sc.) in Business Administration.

7. **Mr George Kountouris**, is a non-executive member of the Board of Directors and member of the Investment Committee of the Company. He has long standing experience in business administration and real estate, having served as member of boards of directors and investment committees of various companies. He has served as Managing Director and European Partner of DLJ Real Estate Capital Partners of Credit Suisse and a Managing Director and European Co-Head of the Real Estate Private Equity Group of Deutsche Bank. He was an Assistant Director and cofounder of the Real Estate Finance Group at Lazard Brothers & Co Ltd. and Vice President at Salomon Brothers. Mr. Kountouris holds an Engineering Degree from the Athens Polytechnion, an MBA Degree from Harvard Business School and a Doctorate (Ph.D.) in Civil Engineering from MIT.

8. **Dr Spyridon Makridakis**, is an independent non-executive member of the Board of Directors of the Company. Dr. Makridakis is currently a Professor at the University of Nicosia and the director of its Institute For the Future (IFF) and the founder and director of Makridakis Open Forecasting Center (MOFC). In addition, he is an Emeritus Professor at INSEAD, as well as the University of Piraeus. He has served as Chairman of the board of directors of Lamda Development S.A. from 2000 to 2004 and as member of the board of directors of Grivalia Properties REIC from 2005 to 2009. He was the founder and editor in chief of the Journal of Forecasting and the International Journal of Forecasting. He has authored, or co-authored, twenty-seven books and special issues and more than 360 articles. Dr. Makridakis holds a Bachelor's Degree (BBA) in Business/Managerial Economics from the University of Piraeus and an MBA and Doctorate (Ph.D.), both from New York University.

9. **Dr Prodromos Vlamis**, is an independent non-executive member of the Board of Directors of the Company. Dr. Vlamis is currently an Assistant Professor of Financial Analysis, Department of Economics at the University of Piraeus and Associate to the Department of Land Economy, University of Cambridge. In the past, Dr. Vlamis had worked as a Post-doctoral Research Fellow at Harvard University, USA, Senior Research Fellow and Visiting Fellow at the Hellenic Observatory, London School of Economics and Political Science and as Assistant in Finance at the University of Cambridge in Britain. Dr. Vlamis holds a Bachelor's Degree (BA) in International and European Economic Studies from the Athens University of Economics and Business, a Master's Degree (M.Sc.) in Economics, a Master's Degree (MPhil) in Land Economy and a Doctorate (Ph.D.) in Financial Analysis of the Real Estate Market.

10. **Mrs Garyfallia (Litsa) Spyriouni**, is an executive with long standing and profound experience in the financial, tax and auditing sectors in large organisations and on an international level. Today, she is Group Tax Director of the Coca Cola Hellenic Bottling Company (CCH) Group. In the past, she has served as the Group Tax Director of the National Bank of Greece, Senior Tax Partner at the audit firm KPMG, analyst for Citibank and auditor with Peat Marwick Mitchell. Ms Spyriouni is a graduate of the Economic University of Athens (ΑΣΟΕΕ) and a Certified Public Accountant (CPA(GR), ΣΟΕΛ) and has received extensive education in business administration.

Participations of members in companies and organisations outside the Group of the Company.

Full Name	Company – Name of Legal Person	Capacity
Christophoros Papachristophorou	Invel Real Estate Management (Cyprus) Limited	Employment/Directorship
	Invel Real Estate Management Ltd	Directorship
	Invel Real Estate Partners Two Limited	Directorship
	Invel Real Estate Management (Italy) Srl	Directorship
	Invel Lennon Investment Ltd	Directorship
	Invel Real Estate Carry One LLP	LLP Designated Member
	Invel Real Estate Carry Two LLP	LLP Designated Member
	Invel Real Estate Carry Three LLP	LLP Designated Member

	Invel Real Estate Carry Four LLP	LLP Designated Member
	MHV Mediterranean Hospitality Venture Limited [1]	Directorship
	Parklane Hotels Limited	Directorship
Aristotelis Karytinos	Hellenic Fund and Asset Management Association	BoD Vice Chairman B'
	MHV Mediterranean Hospitality Venture Limited [1]	Director
	EPENDYTIKH CHANION S.A.[1]	BoD Chairman
	PIRAEUS TOWER S.A.[1]	BoD Chairman
Nikolaos Iatrou	SILK CAPITAL PARTNERS SA	BoD Chairman & CEO
	H.O.C	Member and Chairman of the Marketing Committee
	OPAP SA	Non-executive BoD Member
	OPAP SA	Member of the Remuneration and Nomination Committee
	TORA WALLET	Non- executive Board Member of Tora Wallet
	FILIPPOU UNIT OF GREECE	BoD member
George Kountouris	Invel Real Estate Management (Cyprus) Limited	Director
	Invel Real Estate Advisors LLP	LLP Designated Member
	Assets & Technologies Limited	Director
	55/57 Cadogan Square Freehold Ltd	Director
Athanasios Karagiannis	Invel Greece SA	CEO
	ANTHOS SA	BoD Chairman
	Thalassa Holdings	BoD Member
	Aphrodite Holdings	BoD Member
	MHV Mediterranean Hospitality Venture Limited [1]	Director
Ioannis Kyriakopoulos	National Bank of Greece	General Manager of the Bank and Group Real Estate
	HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE S.A.	Non-executive BoD Member
	NATIONAL REAL ESTATE ADVISORY SERVICES S.A.	BoD Chairman (subsidiary of the National Bank of Greece Group)
	ETHNIKI KTIMATIKIS EKMETALEFSIS S.A.	BoD Chairman (subsidiary of the National Bank of Greece Group)
	PROTYPOS KTIMATIKI TOYRISTIKI ANONYMOS ETAIREIA SA	BoD Chairman (subsidiary of the National Bank of Greece Group)

[1] JV in which Prodea Investments participates

	KTIMATIKI KATASKEYASTIKI S.A. "EKTENEPOL"	BoD Chairman (subsidiary of the National Bank of Greece Group)
	KADMOS S.A. INDUSTRIAL TOURISM AND HOTEL INVESTMENTS	BoD Chairman (subsidiary of the National Bank of Greece Group)
	DIONYSOS S.A.	BoD Chairman (subsidiary of the National Bank of Greece Group)
	HELLENIC TOURISTIC CONSTRUCTIONS S.A.	BoD Chairman (subsidiary of the National Bank of Greece Group)
	REOCO FRONTIER SINGLE MEMBERED S.A.	BoD Chairman (subsidiary of the National Bank of Greece Group)
Prodromos Vlamis	Hellenic Single Public Procurement Authority (HSPPA)	Regular Member
	Independent Authority for Public Revenue (IAPR)	Regular Member of Management Council
	Risk Management Committee and Investment Committee of Engineers and Public Works Contractors Fund (EPWCF)	Regular Member
Garyfallia Spyriouni	Coca-Cola HBC Holdings BV *	Director
	CC Beverages Holdings II BV *	Director
	Coca-Cola HBC Finance BV *	Director
	Coca-Cola HBC Sourcing BV *	Director
	WABI CCH BV *	Director
	CCB Management Services GmbH *	Prokurist
	Coca-Cola Hellenic Bottling Company Bulgaria AD *	Director
	AS Coca-Cola HBC Eesti *	Supervisory Board Member
	Coca-Cola HBC Greece SAIC *	Director
	Brewinvest S.A. *	Director

** Companies of the Coca-Cola HBC Group*

C. IV. At the date of preparation of the Corporate Governance Statement, the below BoD members and senior Management Executives, held the below shares of Company's issuance:

Mr. A. Karytinos holds 556 shares, representing 0,0002% of the Company's share capital and Th. Messari holds 555 shares, representing 0,0002% of the Company's share capital.

C. V. During the financial year 2021, the Company's BoD held 46 meetings, in which all BoD members participated in person, except for the meetings of 25.02.2021, 18.05.2021 and 22.12.2021, where in the first case the Chairman of the BoD, Mr. Ch. Papachristophorou was represented by virtue of authorisation by Vice Chairman and CEO Mr. A. Karytinos, and the Independent non-executive BoD member, Mr. P. Vlamis was represented by virtue of authorisation by the Independent non-executive BoD member, Mr. S. Makrydakis, in the second case the Independent non-executive BoD member, Mr. S. Makrydakis was represented by virtue of authorisation by the Independent non-executive BoD member, Mr. P. Vlamis and in the third case the Chairman of the BoD, Mr. Ch. Papachristophorou was represented by virtue of authorisation by the Executive BoD member Mrs. Th. Messari.

It is noted that at the BoD meetings, where the half-yearly and annual financial statements of the Company were discussed and approved, all BoD members were present.

In compliance with the HCGC, the Board of Directors monitors and regularly evaluates its efficiency in fulfilling its duties, as well as that of its committees.

The Remuneration Report of the members of the Board of Directors is posted on the Company's website (https://prodea.gr/cms/uploads.pdf).

C.V. Committees of the Board of Directors

C.V.A. Investment Committee

The Investment Committee is a collective body, established by the Company's Board of Directors. The Investment Committee is responsible for making decisions, upon relevant recommendation of the competent (per recommendation subject) Company Sector and for generally establishing the Company's investment strategy, commercial policy and strategic development for the real estate portfolio of the Company, making decisions on the implementation of new investments, cooperation with any investment advisors of the Company, monitoring current investments, the liquidation of current investments with any means appropriate and other relevant activities such as, for example, new leases or renegotiation of current leases.

The Investment Committee consists of five (5) members, including its Chairman, who are appointed by the Board of Directors, based on substantial relevant professional experience and recognition, in accordance with the applicable legislative and regulatory framework (L. 2778/1999, decision 4/452/01.11.2007 of the Hellenic Capital Market Commission, circular 60/2020 of the Hellenic Capital Market Commission). The Chairman of the Investment Committee is appointed by the Board of Directors and reports to it. The term of the members of the Committee coincides with the term of the Board of Directors and may be renewed.

The main duties and responsibilities of the Investment Committee, as well as its overall operation are provided for in its Rules of Operation.

The Investment Committee currently consists of the following persons, as appointed by virtue of the resolution of the Board of Directors of the Company dated 29.06.2021:

Full Name	Capacity	Position in the BoD/Company
Christophoros Papachristophorou, son of Nikolaos	Chairman	Chairman (executive member)
Aristotelis Karytinos, son of Dimitrios	Member	Vice Chairman B' and CEO (executive member)
George Kountouris, son of Evaggelos	Member	Non-executive member
George Constantinides, son of Ioannis	Member	Outsourced
Athanasios Karagiannis, son of Dimitrios	Member	Executive member

During the financial year 2021, the Investment Committee held 24 meetings, in which all its members have participated in person.

C.V.B. Audit Committee

The Audit Committee has been established in accordance with the provisions of current legislation in order to assist the BoD in fulfilling its supervisory duties with regards to:

a. Safeguarding the integrity of the financial reporting process, supervising the timely preparation of complete, reliable and accurate financial statements, which reflect the financial situation of the Company and the Group.

b. Ensuring the independent, objective and efficient conduct of internal and external audits of the Company and facilitation of the communication between the auditors and the Board of Directors.

c. Ensuring and supervising the development and implementation of an appropriate and efficient Internal Audit System for the Company and its Group.

All amounts expressed in € thousand, unless otherwise stated

d. Supervising the efficiency and performance of the Internal Audit Unit, Compliance Unit and Risk Management Unit.
e. Ensuring and supervising the compliance with the institutional, regulatory and legal framework governing the operation of the Company and its Group.

Pursuant to the applicable legal framework and its Rules of Operation, the Committee may be: either a) a BoD committee, consisting solely of non-executive BoD members, or b) an independent committee, consisting of non-executive BoD members and third persons, or c) an independent committee, consisting solely of third persons.

The Committee consists of at least three (3) members, which are appointed by the BoD, when it is its Committee, or by the General Meeting of the Company's shareholders when it is an independent committee, as per the above distinctions. The type of the Committee, the term of office, the exact number and capacity of its members are determined by the General Meeting of the Company's shareholders prior to the election of the specific persons staffing it. The members of the Committee are in their majority independent of the Company as per applicable legislation.

The Chairman of the Audit Committee reports to the Board of Directors of the Company, is independent of the Company and appointed by the members of the Committee at its meeting regarding its constitution into body. The Chairman of the Committee may appoint its Vice Chairman. The Chairman of the Audit Committee and the Chairman of the BoD cannot be the same person.

The members of the Committee have sufficient knowledge of the Company's business and in general necessary knowledge, skills and experience for the adequate fulfilment of its duties. At least one member of the Audit Committee, who is independent of the Company, with sufficient knowledge and experience in auditing or accounting, is required to attend the Committee meetings relating to the approval of the Company's financial statements. Proper information and training are provided to each member at its appointment and on an ongoing basis.

The current Audit Committee of the Company, the type, term and composition of which were determined by virtue of the resolution of the resolution of the Ordinary General Meeting of the Company's shareholders dated 08.06.2021, consists of four (4) BoD members, three (3) out of which are independent non-executive BoD members, pursuant to the independence criteria of Article 4 of L. 3016/2002 and Article 9 of L. 4706/2020, one (1) of which having the capacity of Chairman of the Audit Committee, and the fourth is a non-executive BoD member. Therefore, the majority of the regular Committee members are independent members, in accordance with the provisions of para. 1(d) of Article 44 of L. 4449/2017.

The members of the Audit Committee were appointed within the above framework by the BoD of the Company at its meeting of 08.06.2021 and the Audit Committee constituted into body at its meeting on 08.06.2021 as follows:

Full Name	Capacity	Position in the BoD
Spyridon Makridakis, son of George	Chairman	Vice Chairman A', Independent non-executive member
Ioannis Kyriakopoulos, son of Polyzois	Member	Non-executive member
Prodromos Vlamis, son of Gregory	Member	Independent non-executive member
Garyfallia Spyriouni, daughter of Vasileios	Member	Independent non-executive member

As certified in the Company's BoD resolution dated 08.06.2021 that appointed the above members of the Audit Committee, each member meets the requirements of Article 44 of law 4449/2017 and of the Audit Committee Rules of Operation. In particular, the members of the Audit Committee as a whole have knowledge of the Company's business, i.e. Real Estate investments, and in their majority are independent of the Company, within the meaning of the provisions of Article 4 of L. 3016/2002 and paras. 1 and 2 of Article 9 of L. 4706/2020. Two of its members, Mr. Ioannis Kyriakopoulos and Mrs. Garyfallia Spyriouni have adequate knowledge in auditing and/or accounting.

Mrs. Garyfallia Spyriouni, as independent of the Company within the meaning of the provisions of Article 4 of L. 3016/2002 and Article 9 of L. 4706/2020, is the member of the Audit Committee that will be obligatorily present in its meetings regarding the approval of the financial statements.

The term of office of the above Audit Committee was determined by the GM of 08.06.2021 for three years, starting at their election by the General Meeting of the Company's shareholders and extending until the subsequent Ordinary General Meeting after the expiration of its term.
The Audit Committee has rules of operation, which provides in detail for its composition, responsibilities and operation and is posted on the Company's website (Audit Committee Regulation), in accordance with applicable legislation.

Within the framework of its responsibilities in accordance with current legislation and its Rules of Operation, the Committee met twenty-one (21) times during 2021. All of its members participated in the Committee meetings and its resolutions are reflected in the relevant minutes, signed by all of its members. There was no disagreement on any item.

It is noted that apart from the meetings, the member of the Committee are in regular contact and cooperate closely and in a coordinated manner with the senior Management of the Company, the Chief Internal Audit Officer, the Independent Valuators and Statutory Auditors of the Company, the company "ERNST & YOUNG (HELLAS) STATUTORY AUDITORS ACCOUNTANTS S.A" (hereinafter "ERNST & YOUNG (HELLAS)"), which was appointed by the Ordinary General Meeting of the Company's shareholders of June 8th 2021.

Brief description of the work and activities of the Audit Committee is included in its Annual Activity Report, which has been distinctively integrated in the Annual Consolidated Financial Report of the Company

C.V.C. Remuneration and Nomination Committee
The Board of Directors has set the Remuneration and Nomination Committee as responsible for all matters regarding remuneration, benefits and incentives granted to the members of the Board of Directors, the CEO, the General Director and any Deputy of theirs, the senior management executives of the Company, as well as the Chief Officers of Internal Audit Unit, Compliance and Risk Management.

Work of this Committee is also to identify and recommend to the BoD persons suitable for the BoD membership to fill vacant posts of its members, including the CEO and the Chairman of the BoD, in accordance with the Suitability Policy of the members of the Company's BoD.

The operation of the Remuneration and Nomination Committee is governed by individual Rules of Operation which is posted on the Company's website (Human Resources and Remuneration Committee-Regulation) in accordance with current legislation.

The Chairman of the Remuneration and Nomination Committee reports to the Company's Board of Directors.

The purpose of the Committee is to assist the BoD in fulfilling its duties regarding attracting, maintaining, utilisation and growth of senior management executives of high professional and moral level, developing a fair framework of objective evaluation and fair reward of executive performance, creating and maintaining a consistent system of values and motives and ensuring compliance of planning and implementing of the Remuneration Policy of the Company and the relevant processes with the legislative and regulatory framework. The Committee is responsible for determining and monitoring the implementation of the main policies of the Company with regards to finding, maintaining, evaluating and rewarding the members of the BoD and its Senior Management Executives, as well as with regards to the process of selecting and appointment of persons suitable for the BoD membership. In particular, it monitors and submits recommendations to the Board of Directors relevant to the following policies and processes:

- Suitability Policy of the members of the BoD
- Remuneration Policy (adhering to Articles 109 to 112 of L.4548/2018)
- Evaluation and supervision process of the members of the Board of Directors and its Committees
- Identification process of persons suitable for the BoD membership.

All amounts expressed in € thousand, unless otherwise stated

The composition of the Remuneration and Nomination Committee was determined by virtue of the resolution of the Company's BoD dated 08.06.2021 as follows:

Full Name	Capacity	Position in the BoD
Spyridon Makridakis, son of George	Chairman	Vice Chairman A', Independent non-executive member
Ioannis Kyriakopoulos, son of Polyzois	Member	Non-executive member
Prodromos Vlamis, son of Gregory	Member	Independent non-executive member
Garyfallia Spyriouni, daughter of Vasileios	Member	Independent non-executive member

During the financial year 2021, the Remuneration and Nomination Committee had one meeting, in which all members were present. Its resolutions are reflected in the relevant minutes, which are signed by all its members. There was no disagreement on any matter.

Regarding the activities of the Remuneration and Nomination Committee it is noted that the Committee at its meeting addressed matters within its competence and in particular:
a. Submission for approval by the Ordinary General Meeting of the Company's shareholders of the remuneration for the year 2020 to the members of the Board of Directors and the members of the Investment Committee, taking into consideration the relevant preapproval from the Ordinary General Meeting of the Company's shareholders that took place on 13 April 2020.
b. Submission for preapproval from the Ordinary General Meeting of the Company's shareholders of the annual gross remuneration for the year 2021 and the monthly gross remuneration from 01.01.2022 until the Ordinary General Meeting of the year 2022 to the members of the Board of Directors and the members of the Investment Committee.
c. Submission of recommendation to the Ordinary General Meeting for the approval of payment to the BoD and its Committees' members and the staff of the Company, of a remuneration of recognition of their contribution to the results and course of business of the Company for the financial year 2020, through distribution of profits (from the balance of net profits to be distributed for the year 2020 of the Company, taking into consideration the distributable retained earnings and after deduction of the reserve and distribution of annual dividend), in accordance with the provisions of the Remuneration Policy adopted and implemented by the Company.

D. Internal Audit System and Risk Management of the Company regarding the preparation of Individual and Consolidated Financial Statements

Internal Audit System – Introduction
The BoD has established appropriate policies, so that the conduct of the internal audit of the Company is efficient and has established the Audit Committee to supervise the implementation of such policies.

The Audit Committee supervises internal financial audits of the Company and monitors the efficiency of the internal audit and risk management systems of the Company.

The internal audit system of the Company includes the first, second and third line of defense as provided for by the Three Lines Model.

Risk Management Unit and Compliance Unit constitute the second line of the Company, which support the development of processes and safeguards and contribute to their monitoring, which are developed and implemented by the first line, the business units. The Internal Audit Unit of the Company constitutes the third line. This Unit operates in the manner defined by the Code of Conduct and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, L. 4706/2020 and the relevant decisions of the Hellenic Capital Market Commission and has its relevant Rules of Operation. The Internal Audit Unit reports to the Board of Directors through the Audit Committee.

Compliance Unit
Compliance is conducted by the Compliance Unit of the Company. The Compliance Officer is responsible for safeguarding his/her independence and preventing conflicts of interests at the exercise of his/her duties.

The Compliance Officer supervises and reviews the implementation of the policies and procedures established by the Management of the Company and that fall within the framework of responsibilities of Compliance.
The Company has established an Operating Regulation of the Compliance Unit in which the responsibilities of the Unit and the reporting lines are outlined in detail.

Risk Management Unit
The Company has established a Risk Management Unit which is distinguished operationally and hierarchically from the business units and portfolio management operations of the Company.

The implementation of strategy and the Risk Management Policy as these are formed by the Management of the Company is the main mission of the Risk Management Unit.

The Company has established Operating Regulation of the Risk Management Unit in which the responsibilities of the Unit and the reporting lines are outlined in detail.

Internal Audit Unit
Internal Audit in the Company constitutes an independent and objective certifying and consulting organisational unit, aiming to adding value and monitoring and improving the Company's operations. Internal Audit aims to actively contribute to the achievement of the strategic purposes of the Company adopting a systematic and professional approach in evaluating and improving the corporate governance system, the risk management framework and the internal audit system of the Company.

Internal Audit of the Company aims to safeguard and strengthen the value of the Company, operating with perception and providing objective safeguard based on risk analysis as well as consulting services. The Chief Internal Audit Unit Officer is appointed by the BoD which is responsible for his/her replacement, reports to the Audit Committee and is administratively subject to the CEO.

The Company has established Rules of Operation of the Internal Audit Unit, in which the responsibilities of the Unit are included in detail as well as those of its chief and the report lines.

Main characteristics of the Internal Audit System regarding the preparation of Individual and Consolidated Financial Statements
In order to safeguard the good reputation and reliability of the Company and the Group companies before the Shareholders, clients, investors and supervisory and other independent authorities, the Company sees to the constant enhancement and reinforcement of the Internal Audit System ("IAS") at Group level. IAS is all auditing mechanisms and processes covering on an ongoing basis every activity and contributes to the efficient and safe operation of the Company and the Group.
Company's IAS aims to safeguarding the following main purposes:

- Consistent implementation of the Group's business strategy, efficient utilisation of resources available.
- Identification and addressing of any kind of risks taken, including operational risk.
- Ensuring completeness and reliability of the data and information required for the accurate and timely definition of the financial situation of the Group and the preparation of reliable financial statements submitted to Greek authorities.
- Compliance with national legislation (e.g., L. 2778/199, L. 4706/2020) regulating the operation of the Company and the Group, including internal principles and processes, informational systems and code of conduct.
- Adopting international corporate governance best practices and principles.
- Preventing and avoiding errors and irregularities which could put the reputation and interests of the Company, the Shareholders and counterparties transacting with it at risk.

The Board of Directors of the Company, supported by its Committees, within the framework of reviewing the corporate strategy and main business risks, adopts suitable policies aiming to safeguarding sufficient and efficient

IAS for the Company and the Group. The Management is responsible for developing and integrating suitable auditing mechanisms and processes depending on the nature of works and risks taken, evaluation of weaknesses arising and taking necessary corrective measures.

Risk Management Framework
The Company and the Group aim to the adoption of practices regarding risk management taking into account all relevant guidelines and supervisory requirements.

Risk management operations are operationally and hierarchically distinguished from the business units and the portfolio management operations of the Company. In any case, the Company applies risk management systems for identifying, assessing, managing and monitoring all relevant risks regarding the investment strategy that the Company has decided to follow. The risk management systems are re-evaluated by the Company at least once annually and are readjusted, when necessary. The Company implements proper, justified and regularly updated due diligence process for finding, choosing and executing investments. Moreover, it applies proper processes of risk assessment in stress tests.

The risk management framework of the Group and the Company consists of various components. For example, the Audit Committee, as established by the Board of Directors, monitors the efficiency of the internal audit systems, risk management and compliance with the legal and regulatory operational framework, financial notifications and informs the Board of Directors thereof. The Audit Committee is also in regular cooperation with the auditor, the internal auditor and the Chief Compliance and Risk Management Officer. By virtue of its resolution dated 30 November 2018, the BoD of the Company appointed Mrs. Nikoletta Zoi as Chief Internal Audit Officer of the Company, who fully undertook her duties from 01.01.2019.

Code of Professional Ethics and Conduct
The Company has entered into force a Code of Professional Ethics and Conduct, which inter alia provides for safeguards for the protection of the Company and its Group's reputation and assets.

Informational systems
The Company operates informational systems for supporting its corporate purposes.

Monitoring
Reports are regularly (at least on a three-month basis) submitted to the Management of the Company, the Audit Committee and the Board of Directors regarding the Group's activities and its financial performance.
The Audit Committee supervises the financial reporting process and assists the Board of Directors on relevant matters. In particular, the Audit Committee has responsibilities with regards to the financial statements and relevant notifications of the Group and Company such as, but not limited to:

- monitors the processes of preparing the annual and three-monthly consolidated and individual financial statements of the Company, as well as any other financial notifications published;
- reviews the consolidated and individual financial statements prior to their submission for approval to the Board of Directors and expresses its opinions to it;
- supervises matters of compliance of the Company with its regulatory obligations;
- cooperates with the auditor and the internal audit, in order to evaluate the efficiency of the Company's works and submits recommendations for the improvement of the monitoring framework, as required.

E. Suitability Policy and Diversity Policy in the composition of administrative, management and supervisory bodies of the Company
The Company has established a Suitability Policy of the members of the Board of Directors, which is part of the Corporate Governance System of the Company.

Its purpose is to attract and maintain capable persons, ensuring proper and efficient administration in favor of the Company, as well as all interested parties and aiming to the implementation of all its strategic purposes.

The Policy has been prepared in accordance with L. 4706/2020 and circular no. 60/18.09.2020 of the Hellenic Capital Market Commission, with subject: "Guidelines for the Suitability Policy of Article 3 of L. 4706/2020".Based

on current legal and regulatory framework the Company will see that the members of its Board of Directors continuously have:
a) professional skills, knowledge, qualifications, independence of judgement, reputation and experience, in order to be able to exercise administration with consistency and sound judgement and;
b) sufficient repute and integrity.

The Policy ensures qualitative staffing, more efficient operation and achievement of the role of the Company's BoD based on the overall strategy, as well as medium and long-term business purposes of the Company aiming to ensuring and promoting its interests.

The Company has adopted diversity principles and criteria within the framework of evaluating the suitability of candidates prior to their election as BoD members, which are analysed in the Suitability Policy.

Moreover, matters of diversity in the composition of the administrative, management and supervisory bodies of the Company are provided for in the Code of Professional Ethics and Conduct that the Company has adopted. Based on the above Code, inter alia, discretionary treatment based on gender, age or other characteristics is not allowed. The same principle is also adhered to with respect to the composition of the administrative, management and supervisory bodies of the Company, taking however the regulatory framework to which the Company is subject into account, due to which particular suitability criteria must be met by, inter alia, the BoD members of the Company. In general, it is standard Company practice to grant equal opportunities of growth and promotion with the sole criterion of suitability.

F. Policies ensuring adequate information on all related party transactions
The Company has established specific Policy and Process of related party transactions within the framework of harmonisation with the provisions of Article 14 of L. 4706/2020 and the obligations arising from Articles 99 to 101 of L. 4548/2018 regarding identification, monitoring and notifying the Company's related party transactions.

The Company within the framework of its activities may execute capital, as well as commercial related party transactions.

The relevant process applies to the Company and its Greek Group subsidiaries. For the Company's related party transactions special contracts with terms not affected by their "intra-group" and overall corporate relationship, rather protect the Company and shareholders' interests (arm's length transactions) are executed and all necessary legislative requirements, including those of Articles 99 et. seq. of L.4548/2018 are adhered to. Company's related party transactions, as well as guarantee and security provision to third persons in favor of these parties, within the meaning of Articles 99-101 of L.4548/2018 are allowed and valid solely upon their approval by the Board of Directors or the General Meeting (as per the Law) and provided the requirements of L. 4548/2018 are met. The above restriction applies with some exceptions which are analysed in the process.

Additionally, the Company has included and provided for a process regarding identification and monitoring of related party transactions, all competent bodies involved, such as the Financial Directorate and Internal Audit Unit, notifications that must take place and approval of related party transactions.

G. SUSTAINABLE DEVELOPMENT POLICY

The Company has prepared a draft Sustainable Development Policy, which will be approved and enter into force in 2022. Apart from that, within the framework of its operation it adopts principles and takes actions to improve its financial, environmental and social performance.

Its actions are developed in the following (main) fields:

- **Promotion of the employees' health, safety and well-being**

The Company invests in work well-being of its employees and formation of a safe and healthy work environment seeing to their health and safety. Characteristic proof of the above position of the Company is the fact that the

process of certification of its new offices with the international system "WELL Building Standard" for the health and well-being of the users is underway and a relevant policy has already been adopted.
The Company has prepared and adopted a Policy on combating violence and harassment at Work and a Policy on complaint management for acts of violence and harassment and violation of the Code of Professional Ethics and Conduct.

- **Employee growth**

The Company respects and promotes diversity of its employees irrespective of gender, age, ethnicity or any other distinction, promotes equality in treatment and fair growth of the employees granting equal opportunities of growth to both men and women. Moreover, the Company supports the constant training of its employees and seeks systematic growth and improvement of their skills and, thus, competitiveness. It is updated on the carrying out of professional training programs and training seminars and encourages the participation of its employees in them, depending on the needs at the time and their position.

- **Compliance and Business Ethics**

The constant promotion of business ethics and compliance constitute a critical pillar of the operation of the Company since it builds trust and reliability with the interested parties and protects and maintains its corporate reputation.

The Company's policies on matters of business ethics and combatting of corruption include among others a Code of Professional Ethics and Conduct, Code of Corporate Governance, GDPR Policies and Whistleblowing Policy.

- **Environment**

The Company has responsible business operation, which is compatible with the United Nations Sustainable Development Goals – SDGs, as it recognises the critical role of the private sector in achieving the goals for a better future for all.
Regarding qualitative characteristics, the Company takes into consideration parameters constituting pillars of its growth, such as sustainability, investing in bioclimatic office buildings adopting the principles of Environmental and Social Governance («ESG») and adopts practices safeguarding health and well-being of the employees.
It is noted that the Company in light of the constant improvement of the environmental impact of its business operation, monitors systematically the developments in the legislative framework both at national and European level, through its participation in conferences and bodies of international recognition.

- **Social Contribution**

In 2021, the Company continued the implementation of the corporate responsibility program titled "Structures of Responsibility", that it adopted in 2016, and constitutes a constantly progressive social action and intervention program. The improvement of infrastructure and operational upgrade of essential social structure was chosen as action sector of the program and essential part of programming, using the experience and expertise of the Company's executives, aiming to the substantial social contribution and addressing crucial social problems in cooperation with well renowned bodies at national and local level. More information on sustainable development matters is included in section CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT of the Management Report of the Board of Directors of the Company. The Company will publish a separate sustainable development report in 2022.

Athens, March 21, 2022

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

Annual Activity Report of the Audit Committee of the Company "Prodea Real Estate Investment Company Société Anonyme"

This Activity Report of the Audit Committee (hereinafter "Committee") of the Company "Prodea Real Estate Investment Company Société Anonyme" with the distinctive title «Prodea Investments» (hereafter «Company») refers to the financial year 2021 (01.01.2021 – 31.12.2021) and has been prepared in accordance with the provisions of Article 44 of L. 4449/2017 as amended by Article 74 of L. 4706/2020. The purpose of this report is to present a brief but overall picture of the Committee's work, during the financial year 2021.

1. Purpose and Responsibilities

Main purpose of the Audit Committee is to assist the Board of Directors in fulfilling its supervisory obligation regarding: a) safeguarding the integrity of the financial reporting process and information through the timely preparation of reliable financial statements, b) ensuring independent, objective and efficient conduct of internal and external audits of the Company, c) ensuring and supervising the compliance of the Company with the legal, institutional and regulatory framework that govern its operation and d) ensuring and supervising the growth and implementation of a suitable and efficient Internal Audit System.

The responsibilities and operation of the Committee for the fulfilment of its purpose are described in detail in its current Rules of Operation, which has been posted on the Company's website (https://prodea.gr/etairiki-diakyvernsi/epitropi-elegchou) in accordance with current legislation.

2. Composition

The current Committee, the type, term of office and composition of which were determined by virtue of the resolution of the Ordinary General Meeting of the Company's Shareholders dated 8 June 2021, is a committee of the Company's Board of Directors, consisting of four (4) members of the Board of Directors. Moreover, three (3) of the Committee members are independent non-executive members of the Board of Directors, in accordance with the independence criteria of Article 9 of L. 4706/2020, one (1) of whom is the Chairman of the Committee, while the fourth member is a non-executive member of the Board of Directors.

The members of the Committee were appointed by the Company's Board of Directors at its meeting on 8 June 2021 and the Committee constituted into body at its meeting on 8 June 2021 as follows:

Committee Members	Capacity	Position in the Board of Directors
Spyridon Makridakis	Chairman	Vice Chairman A', Independent Non-Executive Member
Ioannis Kyriakopoulos	Member	Non-executive member
Prodromos Vlamis	Member	Independent non-executive member
Garyfallia Spyriouni	Member	Independent non-executive member

Each member of the Committee meets the requirements provided for by the current regulatory framework necessary for its appointment in the Committee.

In particular, the members of the Committee have sufficient knowledge in the Company's business, i.e., investments in Real Estate, while in their majority they are independent of the Company, within the meaning of the provisions of paras. 1 and 2 of Article 9 of L. 4706/2020.

Out of the Committee members, Mr. Ioannis Kyriakopoulos and Mrs. Garyfallia Spyriouni have adequate knowledge in auditing and/or accounting and Mrs. Garyfallia Spyriouni, being independent of the Company, is the member that will be obligatorily present in the Committee meetings regarding approval of the financial statements.

Curricula vitae of the members of the Committee have been posted on the Company's website (https://prodea.gr/etairiki-diakyvernsi/dioikitiko-symvoulio).

The term of office of the Committee above was determined by the Ordinary General Meeting of Shareholders of 08 June 2021 for three years, starting from its members' appointment by the General Meeting of the Company's Shareholders and extending until the subsequent Ordinary General Meeting.

3. Meetings

Within the framework of its responsibilities in accordance with current legislation and its Rules of Operation, the Committee met twenty-one (21) times during 2021. All of its members participated in the Committee meetings and its resolutions are reflected in the relevant minutes, signed by all its members. There was no disagreement on any item.

It is noted that apart from the meetings, the members of the Committee are in regular contact and cooperate closely and in a coordinated manner with the senior Management of the Company, the Chief Internal Audit Officer, the Independent Valuators and the Statutory Auditors of the Company, the company "ERNST & YOUNG (HELLAS) STATUTORY AUDITORS S.A" (hereinafter "ERNST & YOUNG (HELLAS)"), which was appointed by the Ordinary General Meeting of the Company's shareholders of June 8th 2021.

4. Activities of the Committee for the year 2021

The Committee at the above meetings, dealt with matters within its competence and in particular:

A. Financial Statements and Financial Reporting process

- Monitored, reviewed and evaluated the process of financial reporting preparation and informed the Board of Directors on any of its findings and/or recommendations for improving the process.
- Cooperated with the competent executives of the Financial Services Directorate of the Company and the Statutory Auditors, in order to be informed and confirm the adequacy and efficiency of the processes of preparing the financial statements, the investment report and any other financial notifications published.
- Reviewed and evaluated the annual and periodical, individual and consolidated financial statements and financial reports in accordance with applicable accounting standards, regarding their accuracy, completeness and consistency, prior to their submission to the Board of Directors for approval and recommended their approval to the Board of Directors. In accordance with the above, the Committee confirmed the Company's compliance with the relevant laws and regulations, governing the preparation and notification of the financial statements.
- Received, reviewed and evaluated the half-yearly and annual investment reports of the Company and recommended their approval to the Board of Directors.
- Received from the Financial Services Directorate the Annual Activity Report 2020 in order to inform on its works, organisation, adequacy of knowledge, experience and training of its executives as well as resource efficiency for the timely and accurate preparation of the Financial Statements.

B. External Audit

- Was updated by the external auditors on the annual program of statutory audit of the financial statements of the Company and the Group for the year 2021 prior to its implementation, and evaluated it, certifying that this would cover the major audit fields and systems on financial reporting, taking into consideration the main sectors of business and financial risk of the Group.
- Within the framework of monitoring the process and conduct of statutory audit of the individual and consolidated financial statements of the Company, received from the statutory auditor of the Company ERST & YOUNG (HELLAS) and evaluated the Supplementary Report with the results of the statutory audit that took

place, confirming that it met the specific requirements of Article 11 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014. On these matters, the statutory auditors assured the Committee that, from their audit, they did not find risks of material error in the individual and consolidated financial statements, due to either fraud or error nor was there a finding having material impact on the financial statements and smooth operation of the Company.

- Met with the statutory auditors of the Company prior to the publication of the annual and half-yearly financial report and the half-yearly investment reports, on which relevant clarifications were given in response to questions of the Committee members.
- Confirmed that throughout the term of the statutory auditors, they have remained independent of the Company and the Group.
- Reviewed and monitored the suitability of provision by the external auditor of non-auditing services to the Company and the Group companies. Within this framework, it received from the statutory auditor of the Company a written notification on the nature, extent and remuneration of non-auditing services provided to the Company and the Group for the financial year 2021.
- Recommended to the Board of Directors, by submitting relevant recommendation, the alteration of the Statutory Auditors of the Company and the appointment of the auditing company "ERNST & YOUNG (HELLAS) Statutory Auditors S.A." as statutory auditor for the financial year 2021. Moreover, the Committee submitted relevant recommendation to the Company's Board of Directors for the determination of the aggregate remuneration of the auditing company ERNST & YOUNG (HELLAS) for the financial year 2021.
- Updated the Board of Directors on the external audit results.

C. Internal Audit System and Internal Audit

Within the same framework, the Committee:

- Monitored and reviewed the proper operation of the Internal Audit Unit in accordance with international standards on professional implementation of internal audit, as well as applicable legal and regulatory framework and evaluated its work, adequacy and efficiency, without breaching its independence.
- Was informed in writing on the annual auditing program of the year 2021 of the Internal Audit Unit. The Committee, prior to the implementation of the program, evaluated it, taking into consideration the main sectors of business and financial risks as well as the results of the previous internal audits and expressed its opinion.
- Received from the Internal Audit Unit, reviewed and evaluated the three-monthly activity reports of the Unit, as well as the reports on the audits conducted based on the approved annual audit program. Moreover, the Committee informed the Board of Directors on their content, communicating its opinions thereon.
- Was informed by the Internal Audit Unit on the progress of corrective actions regarding previous audits' identified weaknesses.
- Evaluated the main risks and uncertainties of the Company mainly through the programming of the internal and external audit work.
- Reviewed and approved the Internal Audit Unit Rules of Operation, which in turn submitted for approval to the Board of Directors.

D. Other matters

- Evaluated the proper formation of distributable profits and the adequacy of cash for distribution of dividend and submitted relevant recommendation to the Board of Directors.
- Recommended to the Board of Directors the revision of its Rules of Operation in accordance with the provisions of L. 4706/2020.

The Committee recognises the constant and timely update that its members receive from the Internal Audit Unit in every meeting regarding the conduct of internal audits, their progress and results ensuring compliance of the Company with the required processes.

In accordance with the above, the Committee found the adequate and constant update from the internal and external audit of the Company through their notes and suggestions, for ensuring the smooth operation of the Company.

The cooperation of the Committee with the Company's Management, the Chief Internal Audit Officer and the Statutory Auditors was completely satisfactory and no problem in its operation arose.

5. SUSTAINABLE DEVELOPMENT POLICY

The Company has prepared a Sustainable Development Policy, which will be approved and enter into force in 2022. Apart from that, within the framework of its operation it adopts principles and takes actions to improve its financial, environmental and social performance.

Athens, 17 March 2022,

The Chairman	The members
Spyridon Makridakis	Ioannis Kyriakopoulos
	Prodromos Vlamis
	Garyfallia Spyriouni

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, 2021 amounted to €692,390 thousand, divided into 255,494,534 ordinary registered shares, with voting rights, of nominal value of €2.71 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, 2021:

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 shareholdings 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 performed by CASTLELAKE L.P. on its own, in its capacity as investment 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. Karytinos 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 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 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, March 21, 2022

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

ERNST & YOUNG (HELLAS)
Certified Auditors-Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Building a better working world

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION 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

Opinion

We have audited the accompanying separate and consolidated financial statements of "Prodea Real Estate Investment Company Société Anonyme" (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2021, the separate and consolidated income statement and statement of other comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of "Prodea Real Estate Investment Company Société Anonyme" and its subsidiaries (the Group) as at December 31, 2021 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in 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 remained independent of the Company and Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the separate and consolidated financial statements of the current period. This matter and the related risks of material misstatement was 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 this matter.

Our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Building a better working world

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Property (on a separate and consolidated basis)	
Investment Property (including investment properties classified as assets held for sale) represent approximately the 80% of the Group's total assets and the 60% of the Company's total assets. Their fair value, as of December 31, 2021, amounts to Euro 2,282 million for the Group and Euro 1,397 million for the Company. The Investment Property portfolio consists of offices, shops and other commercial property, hotels, warehouses, plots of land, residential and other special purpose properties. We have identified the valuation of Investment Property as a key audit matter due to the large number of the Group's investment properties for which the data used in valuation methods are inherently significant and subjective. The evaluation of the judgments and estimates applied by Management for the valuation of the numerous investment properties of the Group and the Company requires significant audit work and support from specialized professionals in valuations of our firm, given the significant number of properties of various categories and location with various lease agreements. Therefore, the evaluation of the above judgments and estimates required significant audit effort. The specific judgments and estimates that required the auditor's attention and support from our firm's valuation specialists included the following: • Assumptions about rental income from future leases • Estimation for vacancies • Estimation about the discount rate used in the discounted cash flows • Estimation about the comparative method, direct capitalization method and residual method • Estimation for the exit yields used for the properties under valuation • Judgment about the weight given between the discounted cash flows method and the market comparable method or direct capitalization method or residual method. The disclosures related to the fair value of the investment properties are presented in Notes 2.8 – "Investment property", 4.1 – "Critical Accounting Estimates and Judgements" and 6 – "Investment Property" of the consolidated and separate financial statements.	The audit procedures performed, among others, are as follows: We gained understanding of the procedures and methodologies that the Group and the Company follows of for the valuation of the Investment Property. We assessed the professional competence, the independence, the objectivity, and the experience of the independent valuers used by Management. We also evaluated the ability and professional experience of the Company's and the Group's personnel in valuation matters. We assessed whether the valuation techniques and methodologies applied by Management and independent valuers are consistent with the generally accepted valuation techniques for investment properties. With the support of the valuation experts of our firm, we evaluated the judgements and estimates applied by Management and independent valuers to determine the fair value of Investment Property. Further, our audit procedures included: • We traced on a sample basis the details of the investment properties included in the separate and consolidated financial statements with the accounting records of the Company and its subsidiaries and with the corresponding information included in the Asset Declaration Statement of the Company, and/or with the corresponding purchase agreements of the properties and/or with the corresponding lease agreements. • We traced the fair values of the investment properties included in the separate and consolidated financial statements with those that are included in the corresponding valuation reports issued by the independent valuers, as of December 31, 2021. • We examined on a sample basis whether significant information about the properties used in the valuations by the independent valuers (specifically the contractual rental income and the area in square meters of the leased properties) are in line with the corresponding agreements. • We compared the fair values of the investment properties as at December 31, 2021 with the corresponding values at December 31, 2020, or with the acquisition value for properties acquired in 2021, and for the most significant variations in fair values, and we evaluated Company's and Group's assessment that are reasonable based on market trends. • We assessed for a sample of investment properties the market related judgements and estimates used by the independent valuers (including discount rates, exit yields, direct capitalization rates, comparative sales and rental data used).

	• We assessed the assumptions related to the weight factor given between the valuation methods (discounted cash flows method, market comparable method, direct capitalization method, residual method). • We validated, for a sample of investment properties, the mathematical accuracy of the independent valuers' calculations made for the fair value estimation. Finally, we assessed the adequacy of the disclosures which are included in the Notes 2.8 – "Investment property", 4.1 – "Critical Accounting Estimates and Judgements" and 6 – "Investment Property" of the separate and consolidated financial statements.

Other Matter

The financial statements of the Company for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on April 29, 2021.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management 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, management 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 management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Company's and the 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, as incorporated in Greek Law, 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, as incorporated in Greek Law, 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 the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s 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 the 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 the 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 separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. 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 that matter that was of most significance in the audit of the separate and consolidated financial statements of the current period and is therefore the key audit matter.

Building a better working world

<u>**Report on Other Legal and Regulatory Requirements**</u>

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 and 153 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2021.

c) Based on the knowledge and understanding concerning "Prodea Real Estate Investment Company Société Anonyme" and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2021, are disclosed in note 36 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 8, 2021.

5. Rules of Procedure

The Company has in place Rules of Procedure, the context of which is in accordance with the provisions of article 14 of Law 4706/2020.

6. Reasonable Assurance report on the European Single Electronic Format

We have examined the digital files of the company "Prodea Real Estate Investment Company Société Anonyme", prepared in accordance with the European Single Electronic Format ("ESEF") as defined in the EU Delegated Regulation 2019/815, as amended by the EU Delegated Regulation 2020/1989 of the European Commission (hereinafter referred to as "the ESEF Regulation"), that comprise an XHTML file (549300XDXYOF57JOFT72-2021-12-31-el.xhtml) which includes the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, and an XBRL file (549300XDXYOF57JOFT72-2021-12-31-el.zip) with the appropriate tagging of the aforementioned consolidated financial statements.

Regulatory Framework

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the Interpretative Communication of the European Commission 2020/C 379/01 dated 10 November 2020, as required by Law 3556/2007 and the relevant communications of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework").

This Framework provides, among others, the following requirements:

- all annual financial reports should be prepared in XHTML format.
- for the consolidated financial statements prepared in accordance with International Financial Reporting Standards, the financial information in the income statement and statement of other comprehensive income, the statement of financial position, the statement of changes of equity and the statement of cash flows should be marked-up (XBRL tags), according to the Taxonomy of ESEF (ESEF Taxonomy), as applicable. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the ESEF Regulatory Framework provide appropriate criteria for us to express a reasonable assurance conclusion.

Responsibilities of Management and Those Charged With Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of the digital files that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to plan and perform this assurance engagement in accordance with the Decision 214/4/11-02-2022 of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guiding instructions to auditors in connection with their assurance engagement on the European Single Electronic Format (ESEF) of public issuers in regulated Greek markets", as issued by the Institute of Certified Public Accountants of Greece on February 14, 2022 (hereinafter referred to as "ESEF Guiding Instructions"), in order to obtain reasonable assurance that the separate and consolidated financial statements prepared by management in accordance with ESEF comply, in all material respects, with the ESEF Regulatory Framework.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, and we have fulfilled our other ethical independence responsibilities in accordance with Law 4449/2017 and the EU Regulation 537/2014.

The assurance engagement we performed, in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than an Audit or Review of Historical Financial Information", is limited to the objectives included in the ESEF Guiding Instructions. Reasonable assurance is a high level of assurance, but it is not a guarantee that this reasonable assurance engagement will always detect a material misstatement with respect to non-compliance with the requirements of the ESEF Regulatory Framework when it exists.

Conclusion

Based on the procedures performed and the evidence obtained, we express the conclusion that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML file format (549300XDXYOF57JOFT72-2021-12-31-el.xhtml), as well as the required XBRL files (549300XDXYOF57JOFT72-2021-12-31-el.zip) with relevant tagging on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the ESEF Regulatory Framework.

Athens, 21, March 2022

The Certified Auditor Accountant

ANDREAS HADJIDAMIANOU
S.O.E.L. R.N. 61391
ERNST &YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
CHIMARRAS 8B, 151 25 MAROUSSI
SOEL REG. No. 107

All amounts expressed in € thousand, unless otherwise stated

		Group		Company	
	Note	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
ASSETS					
Non-current assets					
Investment property	6	2,279,958	1,918,015	1,395,169	1,332,779
Investments in subsidiaries	9	-	-	462,559	378,716
Investments in joint ventures	10	104,972	15,995	87,296	11,924
Property and equipment	7	10,632	10,929	10,450	10,740
Intangible assets		17	51	17	51
Other long-term assets	11	19,563	20,519	16,939	47,997
Total non-current assets		**2,415,142**	**1,965,509**	**1,972,430**	**1,782,207**
Current assets					
Trade and other assets	12	98,695	76,182	100,739	68,614
Inventories	13	35,316	-	4,517	-
Cash and cash equivalents	14	304,632	104,842	256,632	73,243
Restricted cash	15	579	81,069	579	81,069
		439,222	**262,093**	**362,467**	**222,926**
Assets held for sale	16	2,104	221,800	2,104	63,906
Total current assets		**441,326**	**483,893**	**364,571**	**286,832**
Total assets		**2,856,468**	**2,449,402**	**2,337,001**	**2,069,039**
SHAREHOLDERS' EQUITY					
Share capital	17	692,390	766,484	692,390	766,484
Share premium	17	15,890	15,890	15,970	15,970
Reserves	18	360,603	355,484	358,981	354,263
Other equity	19	-	(7,403)	-	-
Retained Earnings		327,197	235,232	211,318	161,683
Equity attributable to equity holders of the parent		**1,396,080**	**1,365,687**	**1,278,659**	**1,298,400**
Non-controlling interests	20	129,659	37,612	-	-
Total equity		**1,525,739**	**1,403,299**	**1.278.659**	**1,298,400**
LIABILITIES					
Long-term liabilities					
Borrowings	21	1,049,750	299,017	974,227	249,780
Retirement benefit obligations	22	149	323	149	323
Deferred tax liability	24	14,099	13,349	-	-
Other long-term liabilities		6,583	6,134	4,039	3,911
Total long-term liabilities		**1,070,581**	**318,823**	**978,415**	**254,014**
Short-term liabilities					
Trade and other payables	23	55,382	29,505	21,908	19,901
Borrowings	21	203,380	602,838	56,978	495,729
Current tax liabilities		1,386	1,072	1,041	995
		260,148	**633,415**	**79,927**	**516,625**
Liabilities directly associated with assets held for sale	16	-	93,865	-	-
Total short-term liabilities		**260,148**	**727,280**	**79,927**	**516,625**
Total liabilities		**1,330,729**	**1,046,103**	**1,058,342**	**770,639**
Total equity and liabilities		**2,856,468**	**2,449,402**	**2,337,001**	**2,069,039**

Athens, March 21, 2022

The Vice-Chairman B' of the BoD and CEO	The CFO / COO	The Class A' Accountant / Finance Manager
Aristotelis Karytinos	Thiresia Messari	Paraskevi Tefa

All amounts expressed in € thousand, unless otherwise stated

	Note	Group From 01.01. to 31.12.2021	Group From 01.01. to 31.12.2020	Company From 01.01. to 31.12.2021	Company From 01.01. to 31.12.2020
Continuing operations					
Revenue	26	134,204	133,897	94,534	102,334
		134,204	**133,897**	**94,534**	**102,334**
Net gain / (loss) from the fair value adjustment of investment property	6	96,723	(7,573)	71,339	299
Result from disposal of Investment property	6	197	4,748	132	4,748
Direct property related expenses	28	(14,925)	(7,990)	(8,703)	(4,300)
Property taxes-levies	27	(10,087)	(9,915)	(6,821)	(7,719)
Personnel expenses	29	(7,797)	(11,893)	(7,613)	(11,762)
Depreciation of property and equipment and amortisation of intangible assets	7	(556)	(464)	(530)	(439)
Net change in fair value of financial instruments at fair value through profit or loss		-	4	-	-
Net impairment loss on financial assets		(62)	(1,888)	(218)	(535)
Net impairment loss on non - financial assets	13	(2,640)	-	(671)	-
Gain from disposal of subsidiaries	9	-	-	19,168	-
Gain from acquisition in a subsidiary	9	321	-	6,932	-
Other income		2,031	922	6,763	12,553
Other expenses	30	(10,056)	(8,970)	(5,397)	(6,851)
Corporate Responsibility		(336)	(554)	(336)	(554)
Operating Profit		**187,017**	**90,324**	**168,579**	**87,774**
Share of profit of joint ventures	10	20,216	3,902	-	-
Negative goodwill from acquisition of subsidiaries	8	8,846	-	-	-
Interest income		882	2,422	2,213	4,559
Finance costs	31	(38,658)	(31,442)	(32,231)	(26,252)
Profit before tax		**178,303**	**65,206**	**138,561**	**66,081**
Taxes	32	(3,222)	(2,260)	(1,993)	(1,999)
Profit for year from continuing operations		**175,081**	**62,946**	**136,568**	**64,082**
Discontinued operations					
Gain / (Loss) from discontinued operations	16	6,611	(9,213)	-	-
Profit for the year		**181,692**	**53,733**	**136,568**	**64,082**
Attributable to:					
Non-controlling interests		3,804	(3,845)	-	-
Company's equity shareholders		177,888	57,578	136,568	64,082
		181,692	**53,733**	**136,568**	**64,082**
Earnings per share (expressed in € per share) - Basic and diluted from continuing operations	33	0.67	0.25		
Earnings / (Losses) per share (expressed in € per share) - Basic and diluted from discontinuing operations	33	0.03	(0.02)		
Earnings per share (expressed in € per share) - Basic and diluted from continuing and discontinued operations	33	0.70	0.23		

Athens, March 21, 2022

The Vice-Chairman B' of the BoD and CEO	The CFO / COO	The Class A' Accountant / Finance Manager
Aristotelis Karytinos	Thiresia Messari	Paraskevi Tefa

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Profit for the year	**181,692**	**53,733**	**136,568**	**64,082**
Other comprehensive income / (loss):				
Items that may not be reclassified subsequently to profit or loss:				
Revaluation reserve	-	(1,318)	-	144
Reassessment of net liability / asset after taxes	54	(14)	54	(14)
Other	(22)	-	-	-
Total of items that may not be reclassified subsequently to profit or loss	**32**	**(1,332)**	**54**	**130**
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	77	86	-	-
Total of items that may be reclassified subsequently to profit or loss	**77**	**86**	**-**	**-**
Other comprehensive income/(loss) for the year	**109**	**(1,246)**	**54**	**130**
Total comprehensive income for the year	**181,801**	**52,487**	**136,622**	**64.212**
Attributable to:				
Non-controlling interests	3,804	(4,430)	-	-
Company’s equity shareholders	177,997	56,917	136,622	64,212
	181,801	**52,487**	**136,622**	**64,212**
Total comprehensive income / (loss) for the year attributable to Company’s equity shareholders arises from:				
Continuing operations	171,054	62,983	136,622	64,212
Discontinued operations	6,943	(6,066)	-	-
	177,997	**56,917**	**136,622**	**64,212**

Athens, March 21, 2022

The Vice-Chairman B’ of the BoD and CEO	The CFO / COO	The Class A’ Accountant / Finance Manager
Aristotelis Karytinos	Thiresia Messari	Paraskevi Tefa

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, 2020		**766,484**	**15,890**	**347,531**	**(8,869)**	**297,408**	**1,418,444**	**42,465**	**1,460,909**
Other comprehensive loss for the year		-	-	(661)	-	-	**(661)**	(585)	**(1,246)**
Profit / (Loss) for the year		-	-	-	-	57,578	**57,578**	(3,845)	**53,733**
Total comprehensive income / (loss) after tax		**-**	**-**	**(661)**	**-**	**57,578**	**56,917**	**(4,430)**	**52,487**
Transfer to reserves	18	-	-	8,614	-	(8,614)	**-**	-	**-**
Dividend distribution 2019	25					(75,371)	**(75,371)**	(471)	**(75,842)**
Temporary dividend distribution 2020	25	-	-	-	-	(35,769)	**(35,769)**	-	**(35,769)**
Put option held by non-controlling interests	19	-	-	-	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**
Balance January 1, 2021		**766,484**	**15,890**	**355,484**	**(7,403)**	**235,232**	**1,365,687**	**37,612**	**1,403,299**
Other comprehensive income for the year		-	-	109	-	-	**109**	-	**109**
Profit for the year		-	-	-	-	177,888	**177,888**	3,804	**181,692**
Total comprehensive income/ (loss) after tax		**-**	**-**	**109**	**-**	**177,888**	**177,997**	**3,804**	**181,801**
Transfer to reserves	18	-	-	5,010	-	(5,010)	-	-	-
Dividend distribution 2020	25	-	-	-	-	(54,165)	**(54,165)**	(436)	**(54,601)**
Temporary dividend distribution 2021	25	-	-	-	-	(28,104)	**(28,104)**	-	**(28,104)**
Share capital decrease	17	(74,094)	-	-	-	-	**(74,094)**	-	**(74,094)**
Put option held by non-controlling interests	19	-	-	-	7,403	-	**7,403**	-	**7,403**
Partial disposal of shareholding in subsidiaries		-	-	-	-	30	**30**	55,776	**55,806**
Acquisition of Non-controlling interests		-	-	-	-	1,364	**1,364**	(6,072)	**(4,708)**
Shareholder's transactions of non-controlling interests						(38)	**(38)**	38	**-**
Acquisition of subsidiaries		-	-	-	-	-	**-**	38,735	**38,735**
Share capital increase of non-controlling interests		-	-	-	-	-	**-**	202	**202**
Balance December 31, 2021		**692.390**	**15.890**	**360,603**	**-**	**327,197**	**1,396,080**	**129,659**	**1,525,739**

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
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	18	-	-	8,288	(8,288)	**-**
Dividend distribution 2019	25	-	-	-	(75,371)	**(75,371)**
Temporary dividend distribution 2020	25	-	-	-	(35,769)	**(35,769)**
Balance December 31, 2020		**766,484**	**15,970**	**354,263**	**161,683**	**1,298,400**
Balance January 1, 2021		**766,484**	**15,970**	**354,263**	**161,683**	**1,298,400**
Other comprehensive income for the year		-	-	54	-	**54**
Profit for the year		-	-	-	136,568	**136,568**
Total comprehensive income after tax		**-**	**-**	**54**	**136,568**	**136,622**
Transfer to reserves	18	-	-	4,664	(4,664)	**-**
Dividend distribution 2020	25	-	-	-	(54,165)	**(54,165)**
Temporary dividend distribution 2021	25	-	-	-	(28,104)	**(28,104)**
Share capital decrease	17	(74,094)	-	-	-	**(74,094)**
Balance December 31, 2021		**692,390**	**15,970**	**358,981**	**211,318**	**1,278,659**

All amounts expressed in € thousand, unless otherwise stated

	Note	From 01.01. to 31.12.2021	31.12.2020
Cash flows from operating activities			
Profit before tax from continuing operations		178,303	65,206
Loss before tax from discontinued operations		6,409	(14,640)
Adjustments for:			
- Provisions for employee benefits		(119)	32
- Depreciation of property and equipment & amortisation of intangible assets	7	556	4,787
- Net (gain) / loss from the fair value adjustment of investment property	6	(96,703)	5,267
- Interest income		(882)	(2,422)
- Finance costs	16,31	39,768	34,396
- Net change in fair value of financial instruments at fair value through profit or loss		-	(4)
- Net impairment loss on financial assets		205	2,153
- Net impairment loss on non-financial assets		3,663	7,073
- Result from disposal of investment property		(197)	(4,748)
- Gain from disposal of investment in subsidiaries	16	(6,133)	-
- Gain from acquisition of subsidiaries		(321)	-
- Negative goodwill from acquisition of subsidiaries		(8,846)	-
- Share of profit of joint ventures		(20,302)	(3,902)
- Other		1	(77)
Changes in working capital:			
- Decrease in receivables		2,628	1,616
- Decrease of inventories		(12,545)	1,907
- Increase / (Decrease) in payables		(8,723)	4,326
Cash flows from operating activities		76,762	100,970
Interest paid		(28,239)	(28,029)
Tax paid		(2,464)	(2,561)
Net cash flows from operating activities		**46,059**	**70,380**
Cash flows from / (used in) investing activities			
Acquisition of investment property	6	(29,038)	(31,563)
Subsequent capital expenditure on investment property	6	(21,049)	(9,567)
Proceeds from disposal of investment property		76,204	143,390
Purchases of property and equipment and intangible assets	7	(558)	(3,219)
Disposal of property and equipment		-	14
Prepayments and expenses related to future acquisition of investment property	12	(8,622)	(13,019)
Proceeds from disposal of subsidiaries	9	20,646	-
Acquisitions of subsidiaries (net of cash acquired)	8	(5,018)	(505)
Acquisition of investment in joint ventures	10	(3,980)	(918)
Acquisition of additional shareholding in subsidiaries	9	(20,033)	-
Participation in share capital increase of investment in joint ventures	9, 10	(69,162)	(590)
Proceeds from share capital decrease of joint ventures	10	31,019	-
Dividends received from equity method investments		135	13
Interest received		27	2,420
Net cash flows from / (used in) investing activities		**(29,429)**	**86,456**
Cash flows from / (used in) financing activities			
(Increase)/Decrease of restricted cash	15	80,995	(80,995)
Decrease of share capital		(74,094)	-
Proceeds from share capital increase of subsidiaries		203	48
Proceeds from the issuance of bond loans and other borrowed funds	21	608,439	154,590
Expenses related to the issuance of bond loans and other borrowed funds		(10,836)	(304)
Repayment of borrowings		(342,895)	(80,634)
Dividends paid	25	(82,739)	(111,746)
Net cash flows from / (used in) financing activities		**179,073**	**(119,041)**
Net increase / (decrease) in cash and cash equivalents		**195,703**	**37,795**
Cash and cash equivalents at the beginning of the year		108,973	71,174
Effect of foreign exchange currency differences on cash and cash equivalents		(44)	4
Cash and cash equivalents at the end of the year	14	**304,632**	**108,973**

All amounts expressed in € thousand, unless otherwise stated

	Note	From 01.01. to 31.12.2021	31.12.2020
Cash flows from operating activities			
Profit before tax		138,561	66,081
Adjustments for:			
- Provisions for employee benefits		(119)	32
- Depreciation of property and equipment & amortisation of intangible assets	7	530	439
- Net (gain) / loss from the fair value adjustment of investment property	6	(71,339)	(299)
- Interest income		(2,213)	(4,559)
- Finance costs	31	32,231	26,252
Net impairment loss on financial assets		218	535
- Net impairment loss on non-financial assets		671	-
- Result from disposal of investment property		(132)	(4,748)
- Gain from disposal of investment in subsidiaries		(19,168)	-
- Gain from acquisition of subsidiaries		(6,932)	-
- Other		14	16
Changes in working capital:			
- (Increase) / Decrease in receivables		(10,380)	9,323
- (Increase) / Decrease of Inventories		(4,517)	-
- Increase / (Decrease) in payables		(58)	1,127
Cash flows from operating activities		57,367	94,199
Interest paid		(21,460)	(22,968)
Tax paid		(1,948)	(1,977)
Net cash flows from operating activities		**33,959**	**69,254**
Cash flows from / (used in) investing activities			
Acquisition of investment property	6	(11,931)	(31,563)
Subsequent capital expenditure on investment property	6	(2,661)	(1,945)
Proceeds from disposal of investment property		76,035	143,390
Purchases of property and equipment and intangible assets	7	(206)	(1,651)
Prepayments and expenses related to future acquisition of investment property	12	(8,622)	(13,019)
Acquisition of subsidiaries	8	(14,680)	(509)
Proceeds from disposal of subsidiaries	9	23,854	-
Acquisition of additional shareholding in subsidiaries	9	(20,033)	-
Acquisition of investment in joint ventures	10	(3,980)	(918)
Participation in subsidiaries' capital increase and Investment in joint ventures	9	(118,706)	(14,387)
Proceeds from investment's capital decrease in joint ventures	10	31,019	-
Interest received		23	2,398
Net cash flows from / (used in) investing activities		**(49,888)**	**81,796**
Cash flows from / (used in) financing activities			
(Increase)/Decrease of restricted cash	15	80,995	(80,995)
Decrease of share capital		(74,094)	-
Proceeds from the issuance of bond loans and other borrowed funds	21	607,000	153,450
Expenses related to the issuance of bond loans and other borrowed funds		(10,451)	(296)
Repayment of borrowings		(321,864)	(70,651)
Dividends paid	25	(82,268)	(111,140)
Net cash flows from / (used in) financing activities		**199,318**	**(109,632)**
Net increase / (decrease) in cash and cash equivalents		**183,389**	**41,418**
Cash and cash equivalents at the beginning of the year		73,243	31,825
Cash and cash equivalents at the end of the year	14	**256,632**	**73,243**

All amounts expressed in € thousand, unless otherwise stated

NOTE 1: General Information

"Prodea Real Estate Investment Company Société Anonyme" (hereinafter "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 Chrisospiliotissis 9 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, 2021, the Group's and the Company's number of employees was 42 and 41, respectively (December 31, 2020: 607 employees for the Group and 39 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 Cyprus Tourism Development Company Limited, 100% subsidiary of MHV Mediterranean Hospitality Venture Limited (herein «MHV»), which as of December 31, 2021 are Investment in joint ventures (Note 10).

The current Board of Directors has a term of three years which expires on June 7, 2024 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 8, 2021 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
Spyridon G. Makridakis	Professor at University of Nicosia & Emeritus Professor at INSEAD Business School	Vice-Chairman A' - Independent - Non Executive Member
Aristotelis D. Karytinos	Vice-Chairman, CEO	Vice-Chairman B' - Executive Member
Thiresia G. Messari	CFO / COO	Executive Member
Athanasios D. Karagiannis	CIO	Executive Member
Nikolaos M. Iatrou	Economist	Non Executive Member
Ioannis P. Kyriakopoulos	General Manager of Group Real Estate of National Bank of Greece	Non Executive Member
Georgios E. Kountouris	Economist	Non Executive Member
Prodromos G. Vlamis	Assistant Professor at University of Piraeus	Independent - Non Executive Member
Garifallia V. Spiriouni	Group Tax Director of Coca-Cola HBC Group	Independent - Non Executive Member

These consolidated and separate Financial Statements have been approved for issue by the Company's Board of Directors in March 21, 2022 and 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

2.1 Basis of preparation

The financial information of the Group and the Company for the year ended December 31, 2021 (the "Financial Statements") have been prepared in accordance with the International Financial Reporting Standards "IFRS" as endorsed by the European Union (the "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 2.4.1).

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.

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 MHV Mediterranean Hospitality Venture Limited (hereinafter "MHV") 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. On April 1, 2021, MHV was set under common control and the results of the first semester of 2021 have been presented as discontinued operations. In addition, on August 11, 2021, AH was set under common control and the entity 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 12.1% of the Group's annualized rents as of December 31, 2021. 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 63.9% of the Group's annualized rents as of December 31, 2021 have not been affected by COVID-19.

From January 2021 Greek government, in the context of the support to the affected businesses, imposed a mandatory 40% reduction 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 July 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 the year ended December 31, 2021 amounted to €2,935 for the Group and €1,351 for the Company, including the compensation from the Greek government of the 60% of the monthly rent for businesses that remain closed by state order for the year ended December 31, 2021 amounted to €1,244 for the Group and €1,175 for the Company (Note 26).

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

Prodea's presence in the hospitality sector is mainly in Cyprus through MHV and AH. This is the business sector and jurisdiction in which the Group operates that was mostly affected by the pandemic and the hotels continued to be underperformed during 2021. In order to support the affected companies, the Cypriot government announced a subsidy plan for the employees' salaries of those companies and a state sponsorship to cover the operating expenses of those companies.

As mentioned above, in the Statement of Income for the year ended December 31, 2021, the results of the companies MHV and AH are presented as discontinued operations until the date that was set under common control.

Assessment of the fair value of the Investment Property of the Group

According to the current legislation for REICs, the valuations of the properties are performed by independent valuers. The valuations as of December 31, 2021 were performed by 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 "HVS Hospitality Consulting Services S.A." for the properties outside Italy 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, it is noted the pandemic and the measures taken to deal with it continue to affect the economy and the real estate market worldwide. However, with the exception of properties belonging to hospitality sector or properties with use directly affected by the hospitality sector, it is considered that at the valuation date, the real estate markets are operating for the most part and trading volumes and other relevant data are sufficient to provide market data on which valuations can be based. Based on the above, the relevant valuations have not been prepared on the basis of "material valuation uncertainty", as defined in the RICS Valuation - Global Standards and International Valuation Standards.

In the case of properties belonging to hospitality sector or properties with use directly affected by the hospitality sector, the market continues to face unprecedented situations at the valuation date, as a result of COVID-19 and a lack of relevant / sufficient market data on which to base valuations. As a result, the relevant 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, the values of these properties are going through a period during 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. In this context, recognizing the possibility of rapid changes in market conditions as a result of measures to control the spread of COVID-19, the assessors emphasize the importance of the assessment date.

The valuation methods from last year have not been modified with the exception of property with commercial use in Bulgaria, which at the current reporting date was valuated using the discounted cash flow method (DCF) and the comparative method, while the previous reporting date was valued at the discounted cash flow method (DCF) and the method of cost of replacement. The above modification has no impact on the fair value of the property. It is also noted that the estimates take into account the impact of COVID-19 on real estate at the date of the assessment.

The investment of funds which is noted in the market, in combination with the reduction of interest rates and the comparatively higher returns offered by the Greek real estate market has led to a squeeze in the returns of prime real estate and especially for these who can provide guaranteed and stable income from tenants with adequate creditworthiness of reliable employees, such as the NBG, Sklavenitis SA, the Greek State, etc. At the same time, the market records a lack of a suitable investment product with the aforementioned characteristics. The above concerns a large part of the portfolio of stores, which in addition was not obliged to shut down as part of the measures against COVID-19.

Regarding the offices, in addition to the above, there is a large increase in demand, especially for high quality buildings and / or bioclimatic buildings, while dragging the office market in general.

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. However, in the second semester of 2021, the hospitality market generally performed better than the previous year, while the impact of COVID-19 is expected to gradually decrease even more the next period, due to the evolution of vaccination of the population and relative relaxation of the measures.

Logistics are in increasing demand, which has led to a squeeze on their returns and in some cases an increase in rents.

The 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 and in the other countries in which the Group operates may affect the values of the Group's investment properties in the future. In this context, the 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 this context, on July 2, 2021 the Board of Directors of the Company approved the issuance of a Green common bond loan amounting to up to €300,000 through a public offering in Greece. On July 16, 2021 the public offering was completed and 300,000 intangible common bonds of the Company were made available with a nominal value of € 1.00 each (Note 21). In addition, within July 2021, the Company entered into bond agreements amounting to up to €280,000 with Alpha Bank S.A. and amount up to €100,000 with the National Bank of Greece SA (Note 21). Finally, 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.

<u>Credit Risk</u>

No significant losses are expected as lease agreements are agreed with clients - tenants with sufficient creditworthiness. As mentioned above, 63.9% 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 the year ended December 31, 2021, due to the pandemic, amounts to €2,935 for the Group and €1,351 for the Company (2.2% and 1.4% over the revenue of the Group and the Company, respectively) taking into account the compensation from the Greek government of the 60% of the monthly rent for the businesses that remain closed by state order for the year ended December 31, 2021, amounted to €1,244 for the Group and €1,175 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 Information about current geopolitical developments and the impact of energy crisis

Regarding the war in Ukraine and the current energy crisis, the Company's Management closely monitors and evaluates the developments in order to implement any necessary measures and adjust its business plan (if so required) in order to ensure business continuity and the limitation of any adverse effects.

The Company recognizes the increase in the construction cost of real estate as the main point of potential concern. However, the Group has limited exposure to real estate development projects in relation to the total size of the investment portfolio, with the majority of those projects being in an advanced stage of completion. At the same time, there has been an increasing trend in the levels of rents in the sectors of the Greek real estate market in which the Company and the Group operate; as a result any increase in construction costs is expected to be balanced to a certain extent by the increased rental income. Therefore, the impact is not expected to be material to the Group's overall performance. Regarding the commencement of new development projects, the Company is on standby mode, evaluating the situation before embarking on new works.

Regarding the inflationary pressure, the company's rental income is mostly linked to an adjustment (rent review) clause in relation to the change in the consumer price index.

At this stage it is not possible to predict the general impact that a prolonged energy crisis and increase in prices in general may have on the financial situation of the Group's customers.

Finally, the Company will be intensifying its efforts to implement "green" energy investments in relevant properties (eg installation of photovoltaic systems on the rooftops of logistics buildings) in order to reduce the energy costs of its lessees through the decrease of their dependence on conventional sources of energy.

Finally, the Company will be intensifying its efforts to implement "green" energy investments in relevant properties (eg installation of photovoltaic systems on the rooftops of logistics buildings) in order to reduce the energy costs of its lessees through the decrease of their dependence on conventional sources of energy.

During the year ended December 31, 2021, the activity and the results of the Group and the Company have not been affected by the energy crisis. Management is monitoring and assessing the situation.

2.4 Adoption of International Financial Reporting Standards (IFRSs)

2.4.1 New standards, amendments and interpretations to existing standards applied from 1 January 2021:

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments).** In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The adoption of this amendment did not have any material impact on the Financial Statements of the Group and the Company.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment).** The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:
  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  - There is no substantive change to other terms and conditions of the lease.

The adoption of this amendment did not have any material impact on the Financial Statements of the Group and the Company.

2.4.2. New standards and amendments to existing standards effective after 2021:

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU and is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These amendments have not yet been endorsed by the EU and is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments).** The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:
  - **IFRS 3 Business Combinations** (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **IAS 16 Property, Plant and Equipment** (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **IAS 37 Provisions, Contingent Liabilities and Contingent Assets** (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
  - **Annual Improvements 2018-2020** make minor amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**.

These amendments are not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IFRS 16 Leases - Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment).** The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment has not yet been endorsed by the EU and is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments).** The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The amendments is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments).** The Amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The amendments is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments):**
The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The amendments have not yet been endorsed by the EU and is not anticipated to have any material impact in the Financial Statements of the Group and the Company.

2.5 Consolidation

2.5.1 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.

2.5.2 Non-controlling interests

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

2.5.3 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 noncontrolling 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.

2.5.4 Loss/ Gaining 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 noncontrolling 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.

In case of acquisition of an additional percentage in investment in joint ventures, which leads to acquisition of control, the Group measures the existing participation at a fair value taking into account the consideration of the transaction. The result, profit or loss, from the remeasurement at fair value is recorded in the income statement for the current year.

2.5.5 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.

2.5.6 Investments in subsidiaries in separate Financial Statements

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

2.5.7 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.

2.5.8 Investments in joint ventures

Join venture is a joint agreement by which the parties which have common control have rights to the net assets of the venture. Common control is the contractually agreed joint exercise of control of an agreement, which exists only when the decisions on the relevant activities require the unanimous consent of the parties exercising joint control. The estimates used to determine joint control are similar to those required to determine control over subsidiaries.

The Group's investments in joint ventures are presented according to the equity method. Based on this method, the investments in joint ventures are presented in the statement of financial position at cost plus the percentage of the Group's participation in the changes of their net position after the initial acquisition date.

The profits or losses of the joint ventures after the acquisition date attributable to the Group are recognized in the consolidated income statement. Any change in the other total comprehensive income of these joint ventures is presented as part of the other total comprehensive income of the Group. Unrealized gains or losses arising from transactions of the Group and the joint ventures are eliminated at the percentages of the Group's participation in them.

If a joint venture uses accounting policies different from those of the Group for similar transactions and events in similar circumstances, appropriate adjustments are made to the financial statements of the associate or joint venture to apply the equity method. The financial statements of the joint ventures are prepared for the same reporting period as the parent company.

If the Group's share in the losses of a joint venture is equal to or exceeds the carrying amount of the investment, the Group ceases to recognize its share of further losses, unless it has incurred legal or presumptive liabilities or has made payments on behalf of the joint venture.

Following the application of the equity method, the Group applies the requirements of the relevant IFRSs to determine whether it should recognize any additional impairment losses in respect of its net investment in the joint venture. The Group performs an impairment test at the end of each period by comparing the recoverable amount of the investment in the associate or joint venture with its book value and recording the difference in the income statement for the period.

The participations in associates or joint ventures in the financial position of the Company are valued at acquisition cost less any accumulated impairment losses.

2.6 Business Combinations

2.6.1 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.

2.6.2 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.

2.6.3 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.

2.6.4 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.

2.6.5 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.

2.6.6 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.

2.7 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.

2.8 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 Company and the Group and are either leased or are exploited 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.

2.9 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 – 10 years
Motor vehicles: up to 10 years
Other tangible assets: 5 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

The accounting policy concerns the year ended December 31, 2020, as within the year 2021 the disposal of part of the Company's participation in the companies Aphrodite Hills Resort Limited and MHV Mediterranean Hospitality Venture Limited was completed and the companies were set under common control.

2.10 Intangible Assets

Goodwill

Goodwill is measured as the excess of (a)the sum of the consideration transferred, the amount of any noncontrolling 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 noncontrolling 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 minus any accumulated recognized impairment.

The accounting policy concerns the year ended December 31, 2020, as within the year 2021 the disposal of 15% of the Company's participation in the companies Aphrodite Hills Resort Limited was completed and the company was set under common control.

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. The accounting policy concerns the year ended December 31, 2020, as within the year 2021 the disposal of 15% of the Company's participation in the companies Aphrodite Hills Resort Limited was completed and the company was set under common control.

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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 Dividend Distribution

Dividends on ordinary shares are recognized as a liability in the period in which they are approved by the Company's 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.

2.18 Trade and Other Payables

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

2.19 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.

2.20 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.

2.21 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 32). 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.

2.22 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.

Defined benefit obligation
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.

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 Related Party Transactions

Related parties include the company's shareholders (Note 35), 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 of the Company and the Group's subsidiaries, 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.

2.28 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.

2.29 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.

2.30 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.

2.31 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 relates 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, 2021 and December 31, 2020 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 21).

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 six months. If the reference rate changed by +/-1.00% the effect on the Group's results is estimated to be a decrease by €4,518 and an increase by €nil, 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 (2021: 40.7%, 2020: 45.0 % 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 12.

All amounts expressed in € thousand, unless otherwise stated

c) Inflation Risk

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future. The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of longterm 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, 2021 and 2020 is as follows:

Group:

December 31, 2021	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	1,399	45,758	186,720	148,964	379,771	1,536,350	**2,298,962**
Other long-term liabilities	-	-	-	716	732	5,135	**6,583**
Trade and other payables	990	23,993	17,406	-	-	-	**42,389**
Total	**2,389**	**69,751**	**204,126**	**149,680**	**380,503**	**1,541,485**	**2,347,934**

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	-	-	-	344	2,063	3,727	**6,134**
Trade and other payables	2,782	4,392	9,947	-	-	-	**17,121**
Total	**86,130**	**10,253**	**449,553**	**138,803**	**200,906**	**99,715**	**985,360**

Company:

December 31, 2021	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	-	35,522	46,598	142,120	338,569	1,499,492	**2,062,301**
Other long-term liabilities	-	-	-	146	331	3,562	**4,039**
Trade and other payables	426	3,620	11,925	-	-	-	**15,971**
Total	**426**	**39,142**	**58,523**	**142,266**	**338,900**	**1,503,054**	**2,082,311**

All amounts expressed in € thousand, unless otherwise stated

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	-	-	-	107	435	3,369	3,911
Trade and other payables	969	3,650	8,671	-	-	-	13,290
Total	**83,208**	**8,994**	**440,985**	**36,055**	**162,067**	**83,633**	**814,942**

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, 2021 and 2020 respectively, are used for determining the related undiscounted cash flows.

3.2 Capital Risk Management

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

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

The table below presents the gearing ratio as at December 31, 2021 and 2020:

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Borrowings	1,253,130	901,855	1,031,205	745,509
Total assets	2,856,468	2,449,402	2,337,001	2,069,039
Gearing ratio	**43.9%**	**36.8%**	**44.1%**	**36.0%**

Under the terms of the borrowing facilities of the Group, the Group is required to comply, among other, with certain financial covenants. It is noted that throughout the year ended December 31, 2021 the Group was in compliance with this obligation.

3.3 Fair Value Estimation of Financial Assets and Liabilities

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

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

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

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

All amounts expressed in € thousand, unless otherwise stated

- *Financial instruments 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, 2021 and December 31, 2020, respectively:

December 31, 2021		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	1,253,130	**1,253,130**

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

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

As at December 31, 2021 and December 31, 2020, the carrying value of cash and cash equivalents, restricted cash, 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, 2021 and were similar to those used in the preparation of consolidated and separate financial statements for the year ended December 31, 2020.

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

4.1. Critical Accounting Estimates and Judgments

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

Estimate of fair value of the Group's investment property:

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 last valuation of the Group's properties was performed at December 31, 2021 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force. The valuation methods from last year have not been modified with the exception of property with commercial use in Bulgaria, which at the current reporting date was valuated using the discounted cash flow method (DCF) and the comparative method, while the previous reporting date was valued at the discounted cash flow method (DCF) and the method of cost of replacement. The aforementioned change has not any impact in the fair value of the property. In the case of properties belonging to hospitality sector or properties with use directly affected by the hospitality sector, the market continues to face unprecedented situations at the valuation date, as a result of COVID-19 and a lack of relevant / sufficient market data on which to base valuations, as analyzed in Note 2.2.

NOTE 5: Segment Reporting

The Group has recognized the following operational segments:

Business Segments:

- Retail / big boxes,
- Bank Branches,
- Offices,
- Other (include logistics, hotels, archives, petrol stations, parking spaces, land plots, residential properties and other properties with special use).

Geographical Segments:

- Greece
- Italy
- Cyprus
- Other countries[1]

Information per business segment and geographical segment for the year ended December 31, 2021 and December 31, 2020 is presented below:

[1] In segment Other Countries include Romania and Bulgaria.

All amounts expressed in € thousand, unless otherwise stated

A) Business Segments of Group

Year ended December 31, 2021	Retail / big boxes	Bank Branches	Offices	Other	Total
Continuing operations					
Rental Income	25,260	35,284	63,387	8,139	**132,070**
Other	785	40	946	363	**2,134**
Total Segment Revenue	**26,045**	**35,324**	**64,333**	**8,502**	**134,204**
Net gain / (loss) from the fair value adjustment of investment property	15,132	11,201	63,371	7,019	**96,723**
Result from disposal of investment property	4	128	-	65	**197**
Direct property related expenses & Property taxes-levies	(6,130)	(2,365)	(12,504)	(4,013)	**(25,012)**
Net impairment loss on financial assets	77	-	203	(303)	**(23)**
Net impairment loss on non-financial assets	-	-	(2,640)	-	**(2,640)**
Other income	730	-	1,008	143	**1,881**
Total Segment Operating profit	**35,858**	**44,288**	**113,771**	**11,413**	**205,330**
Unallocated operating income					**471**
Unallocated operating expenses					**(18,784)**
Operating Profit					**187,017**
Unallocated interest income					**882**
Unallocated finance costs					**(32,774)**
Allocated finance costs	(1,535)	-	(1,988)	(2,361)	**(5,884)**
Unallocated income					**29,062**
Profit before tax					**178,303**
Deferred taxes	(341)	(3)	306	(651)	**(689)**
Unallocated taxes					**(2,533)**
Profit for the period from continuing operations					**175,081**
Allocated gain/(loss) from discontinued operations	(269)	-	(5)	8,608	**8.334**
Unallocated loss from discontinued operations					**(1,723)**
Profit for the period					**181,692**
Segment Assets as at December 31, 2021					
Assets	487,668	443,969	1,136,259	304,042	**2,371,938**
Unallocated Assets					**484,530**
Total Assets					**2,856,468**
Segment Liabilities as at December 31, 2021					
Liabilities	46,323	1,401	131,744	73,376	**252,844**
Unallocated Liabilities					**1,077,885**
Total Liabilities					**1,330,729**
Non-current assets additions as at December 31, 2021	60,501	31	133,360	45,072	**238,964**

All amounts expressed in € thousand, unless otherwise stated

Year Ended December 31, 2020	Retail / big boxes	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

B) Geographical Segments of Group

Year ended December 31, 2021	Greece	Italy	Cyprus	Other Countries	Total
Continuing operations					
Rental Income	95,776	18,892	10,281	7,121	**132,070**
Other	1,284	850	-	-	**2,134**
Total Segment Revenue	**97,060**	**19,742**	**10,281**	**7,121**	**134,204**
Net gain/(loss) from the fair value adjustment of investment property	95,326	(768)	2,201	(36)	**96,723**
Result from disposal of investment property	132	65	-	-	**197**
Direct property related expenses & Property taxes-levies	(16,020)	(6,159)	(2,599)	(234)	**(25,012)**
Net impairment loss on financial assets	(1,275)	103	1,149	-	**(23)**
Net impairment loss on non-financial assets	(2,640)	-	-	-	**(2,640)**
Other income	-	1,742	139	-	**1,881**
Total Segment Operating profit	**172,583**	**14,725**	**11,171**	**6,851**	**205,330**
Unallocated operating income					**471**
Unallocated operating expenses					**(18,784)**
Operating Profit					**187,017**
Unallocated interest income					**882**
Unallocated finance costs					**(32,774)**
Allocated finance costs	(4,785)	-	-	(1,099)	**(5,884)**
Unallocated non-operating income					**29,062**
Profit before tax					**178,303**
Deferred taxes	-	-	(400)	(289)	**(689)**
Unallocated taxes					**(2,533)**
Profit for the period from continuing operations					**175,081**
Allocated gain from discontinued operations			8,334		**8,334**
Unallocated loss from discontinued operations					**(1,723)**
Profit for the period					**181,692**
Segment Assets as at December 31, 2021					
Assets	1,630,784	397,806	239,896	103,452	**2,371,938**
Unallocated Assets					**484,530**
Total Assets					**2,856,468**
Segment Liabilities as at December 31, 2021					
Liabilities	185,256	20,650	9,610	37,328	**252,844**
Unallocated Liabilities					**1,077,885**
Total Liabilities					**1,330,729**
Non-current assets additions as at December 31, 2021	98,668	139,127	1,062	107	**238,964**

All amounts expressed in € thousand, unless otherwise stated

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	**2,224,702**
Unallocated Assets					**224,700**
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

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), trade & other assets and other long-term assets.
(c) Unallocated assets include property and equipment, software, equity method investments, investment in joint ventures, cash and cash equivalents, restricted cash, other long-term and current assets.
(d) Unallocated liabilities as of December 31, 2021 and December 31, 2020 mainly include borrowings amounted to €1,066,601 and €747,996 respectively.

Concentration of customers

Among the largest tenants of the Group, namely the National Bank of Greece (NBG), Sklavenitis, Greek State, Cosmote and Italian State, only the NBG represents more than 10% of the Group's rental income. Rental income for the year ended 31 December 2021 from NBG amounted to €53,789, ie 40.7% (31 December 2020: €60,283, ie 45.0%). NBG's rental income is included in the operating segments Bank Branches (€34,391), Offices (€18,404) and Other (€994) and in the geographical segment Greece.

NOTE 6: Investment Property

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Balance at the beginning of the year	**1,918,015**	**2,090,040**	**1,332,779**	**1,437,264**
Additions:				
- Direct acquisition of investment property	41,446	32,208	11,940	32,208
- Acquisitions through business combinations	105,610	-	-	-
- Acquisitions of subsidiaries other than through business combinations (Note 8)	71,033	1,550	-	-
- Subsequent capital expenditure on investment property	20,875	9,567	2,661	1,945
- 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	(21,550)	(132,429)	(21,446)	(132,429)
- Transfer to Assets held for sale (Note 14)	(2,104)	(67,826)	(2,104)	-
- Transfer to Assets held for sale (Note 14)	49,910	-	-	-
Net gain / (loss) from the fair value adjustment of investment property	96,723	(5,267)	71,339	299
Balance at the end of the year	**2,279,958**	**1,918,015**	**1,395,169**	**1,332,779**

On January 22, 2021, the Company concluded the acquisition of 47 parking spaces with a total area of 507.6 sq.m. on a property located at 44 Kifisias Avenue, Maroussi, Attica. The consideration for the acquisition of the property amounted to €367 (excluding acquisition costs of €19) 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 with a total area of 2.4 thousand sq.m. located at 377 Syggrou Avenue, Athens. The consideration for the acquisition of the property amounted to €3,100 (excluding acquisition costs of €64) 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.

On February 25, 2021, the company Picasso Fund acquired a property used as offices and parking spaces in Milan, Italy, of a total area of 13 thousand sq.m., the greatest part of which is already leased to creditworthy tenants. The consideration for the acquisition of the property amounted to €19,000 (excluding acquisition costs of €620) 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 of €11,400 paid after the year ended 2021 (note 23). To secure the deferred payment, Picasso Fund submitted to the seller an irrevocable letter of guarantee issued by Intesa Sanpaolo S.p.A. and the Company undertook the obligation to compensate the issuing bank, for any amount that it will be obliged to pay to the seller of the property, in case of forfeiture of the letter of guarantee.

On March 26, 2021, 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). 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 fair value of the properties at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €105,610 (Note 8).

On July 15, 2021 the subsidiary company Prodea Immobiliare S.R.L. acquired a 4* hotel in Milan, Italy, of a total area of €16 thousand sq.m. The consideration for the acquisition of the property amounted to €9,500 (excluding acquisition costs of € 387) while its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €9,110.

On July 23, 2021 the Company acquired the remaining 51% of the shares of Panterra SA. Real Estate Development and Utilization (hereinafter "Panterra"). Upon completion of the acquisition, the Company holds 100% of the shares of Panterra. Panterra owns two under construction office buildings on Syggrou Avenue, Lagoumitzi and Evridamantos Streets in Athens, for one of which a binding preliminary agreement has been signed for its sale (inventory) while the second is an investment property. The consideration for the acquisition of Panterra shares was calculated based on net asset value of the company and amounted to €15,324 (Note 8), taking into account the agreed price for the investment property which amounted to €20,029. The fair value of the investment property at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €21,087.

On July 23, 2021, the Company concluded the acquisition of a complex of two leased Logistics Centers in Aspropyrgos, Attica, through the acquisition of 100% of the shares of the company "New Metal Expert M.S.A." (hereinafter "New Metal"), for which the Company had sign a preliminary agreement on June 1, 2020. Their total area amounts to 23.8 thousand sq.m. The consideration for the acquisition of shares of New Metal was calculated based on the net asset value of the company and amounted to €12,483 (Note 8) taking into account the agreed price for the buildings which amounted to €14,554. The fair value of the building at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €16,157.

On August 5, the Company acquired a property for industrial and storage use in Oinofyta, Viotia , with a total area of 28,2 thousand sq.m., for which the Company signed a contract on July 16, 2021. The consideration for the acquisition amounted to €8,250 (excluding acquisition costs of € 140) while its fair value at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €8,288.

Following to the Share Purchase Agreement of May 6, 2021, which the Company had signed with LAMDA DEVELOPMENT S.A., on December 17, 2021 the Company concluded the acquisition of 100% of the shares of the company “LAMDA ILIDA OFFICE S.M.S.A”. ILIDA OFFICE S.M.S.A, according to the notarial preliminary agreement dated 09.10.2018 has acquired the possession and the occupation of the office building "ILIDA BUSINESS CENTER" at 6-8 Agisilaou Street in Maroussi. The transfer of ownership took place on 11.03.2022 with the signing of the final acquisition contract (Note 37). "ILIDA BUSINESS CENTER" is a Class A office building with a total superstructure area of 11,750 sq.m. and 277 parking spaces. The consideration amount for the acquisition of the shares of ILIDA OFFICE S.M.S.A. was calculated based on the net asset value of the company and amounted to €10,886 (Note 8) taking into account the agreed price for the investment property which amounted to €38,129. The fair value of the property at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €40,871.

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 June 18, 2021 the Company completed the disposal of two properties in Greece. The total consideration amounted to €18,778 and their book value at the date of the disposal amounted to €18,780. On September 30, 2021 the Company completed the disposal of a property in Greece. The total consideration for the sale amounted to €2,400 and its book value at the date of the disposal amounted to €2.270. On November 22,2021 the Company completed the disposal of a property in Thessaloniki. The total consideration for the sale amounted to €400 and its book value at the date of the disposal amounted to €396. Finally, on November 22,2021 the Company signed a preliminary agreement for the disposal of a property in Thessaloniki. In this context, the Company received an advance payment of €220 which was recorded in the line trade and other payables in Statement of Financial Position of the Group and the Company for the year ended December 31,2021 (note 23).

The Group’s borrowings which are secured on investment property are stated in Note 21.

All amounts expressed in € thousand, unless otherwise stated

The Group's and Company'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, 2021 and December 31, 2020. 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 year 2021, there were no transfers into and out of Level 3.

Country	**Greece**			**Italy**			**Romania**		**Cyprus**			**Bulgaria**		**31.12.2021**
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 01.01.2021	**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**	**1,918,015**
Additions:														
Direct Acquisition of investment property	-	3,549	8,390	-	19,620	9,887	-	-	-	-	-	-	-	**41,446**
Acquisitions through business combinations	-	-	-	59,490	36,720	9,400	-	-	-	-	-	-	-	**105,610**
Acquisition of investment property excluding business combination	-	56,434	14,599	-	-	-	-	-	-	-	-	-	-	**71,033**
Subsequent capital expenditure on investment property	332	14,050	1,314	695	2,895	420	15	88	-	-	1,062	-	4	**20,875**
Disposal of Investment Property	(10,516)	(10,930)	-	-	-	(104)	-	-	-	-	-	-	-	**(21,550)**
Transfers among segments	619	(4,895)	4,276	-	-	-	-	-	-	-	-	-	-	**-**
Transfer to Assets held for sale	(759)	-	(1,345)	-	-	-	-	-	-	-	-	-	-	**(2,104)**
Transfer from Assets held for sale	-	-	-	4,090	45,820	-	-	-	--	-	-	-	-	**49,910**
Net gain / (loss) from the fair value adjustment of investment property	28,175	59,596	7,555	(3,650)	3,955	(1,073)	16	(17)	1,939	(275)	537	(147)	112	**96,723**
Fair value at 31.12.2021	**737,823**	**701,963**	**105,870**	**70,245**	**252,150**	**70,270**	**1,261**	**5,561**	**100,989**	**46,030**	**91,307**	**9,453**	**87,036**	**2,279,958**

[1] The segment "Other" in Greece includes logistics, hotels, archives, petrol stations, parking spaces and other properties with special use.
[2] The segment "Other" in Italy relates to hotel, land plot, residential properties and other properties with special use.
[3] The segment "Other" in Cyprus relates to logistics, hotels, land plot 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**	**Total**	**Total**	**Total**
Segment	**Retail / big boxes**	**Bank Branches**	**Retail / big boxes**	**Bank Branches**	**Bank Branches**	**Retail / big boxes**	**Retail big boxes & high street retail**	**31.12.2021**	**Retail / big boxes**	**Bank Branches**
Level	3	3	3	3	3	3	3			
Fair value at 01.01.2021	**276,960**	**443,012**	**6,070**	**3,550**	**1,230**	**99,050**	**9,600**	**839,472**	**391,680**	**447,792**
Additions:										
Acquisitions through business combinations	-	-	59,490	-	-	-	-	**59,490**	**59,490**	**-**
Subsequent capital expenditure on investment property	316	16	695	-	15	-	-	**1,042**	**1,011**	**31**
Disposal of Investment Property	(396)	(10,120)	-	-	-	-	-	**(10,516)**	**(396)**	**(10,120)**
Transfers among segments	5,961	(5,342)	-	-	-	-	-	**619**	**5,961**	**(5,342)**
Transfer to Assets held for sale	(759)	-	-	-	-	-	-	**(759)**	**(759)**	**-**
Transfer from Assets held for sale	-	-	4,090	-	-	-	-	**4,090**	**4,090**	**-**
Net gain / (loss) from the fair value adjustment of investment property	17,010	11,165	(3,670)	20	16	1,939	(147)	**26,333**	**15,132**	**11,201**
Fair value at 31.12.2021	**299,092**	**438,731**	**66,675**	**3,570**	**1,261**	**100,989**	**9,453**	**919,771**	**476,209**	**443,562**

All amounts expressed in € thousand, unless otherwise stated

The segment "Other" is further analysed as below:

Country	Greece			Italy		Cyprus			Total	Total		
Segment	**Logistics**	**Hotels**	**Other**	**Hotels**	**Other**	**Logistics**	**Hotels**	**Other**	**31.12.2021**	**Logistics**	**Hotels**	**Other**
Level	3	3	3	3	3	3	3	3				
Fair value at 01.01.2021	**34,822**	**26,113**	**10,146**	**-**	**51,740**	**8,172**	**35,972**	**45,564**	**212,529**	**42,994**	**62,085**	**107,450**
Additions:												
Direct acquisitions investment properties	3,967	-	4,423	9,887	-	-	-	-	**18,277**	**3,967**	**9,887**	**4,423**
Acquisitions through business combinations	-	-	-	-	9,400	-	-	-	**9,400**	**-**	**-**	**9,400**
Acquisitions other than through business combinations	14,599	-	-	-	-	-	-	-	**14,599**	**14,599**	**-**	**-**
Subsequent capital expenditure on investment property	1,262	51	1	-	420	-	1,060	(2)	**2,796**	**1,262**	**1,111**	**423**
Disposal of Investment Property	-	-	-	-	(104)	-	-	-	**(104)**	**-**	**-**	**(104)**
Transfers among segments	-	1,818	2,458	-	-	-	-	-	**4,276**	**-**	**1,818**	**2,458**
Transfer to Assets held for sale	-	-	(1,345)	-	-	-	-	-	**(1,345)**	**-**	**-**	**(1,345)**
Net gain / (loss) from the fair value adjustment of investment property	7,943	602	(990)	(607)	(466)	235	(287)	589	**7,019**	**8,178**	**(292)**	**(867)**
Fair value at 31.12.2021	**62,593**	**28,584**	**14,693**	**9,280**	**60,990**	**8,407**	**36,745**	**46,155**	**267,447**	**71,000**	**74,609**	**121,838**

All amounts expressed in € thousand, unless otherwise stated

	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**	**1,918,015**

[1] The segment "Other" in Greece includes logistics, hotels, student housing, archives, petrol stations and parking spaces.
[2] The segment "Other" in Italy relates to land plot and residential property.
[3] The segment "Other" in Cyprus relates to logistics, hotels, land plot 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	31.12.2020	Total	Total
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**	**Retail big boxes & high street retail**	**Bank Branches**
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**	**392,463**	**489,105**
Additions:										
Direct acquisition of investment property	4,620	-	-	-	-	-	-	**4,620**	**4,620**	**-**
Acquisitions other than through business combinations	1,443	-	-	-	-	-	-	**1,443**	**1,443**	**-**
Subsequent capital expenditure on investment property	64	-	59	-	-	4	-	**127**	**127**	**-**
Disposal of Investment Property	(384)	(42,092)	-	-	-	-	-	**(42,476)**	**(384)**	**(42,092)**
Transfers among segments	(1,488)	1,633	-	-	-	2,360		**2,505**	**872**	**1,633**
Transfer to Held for sale	-	-	(4,090)	-	-	(2,290)	-	**(6,380)**	**(6,380)**	**-**
Net gain / (loss) from the fair value adjustment of investment property	871	(850)	(295)	(30)	26	(856)	(801)	**(1,935)**	**(1,081)**	**(854)**
Fair value at 31.12.2020	**276,960**	**443,012**	**6,070**	**3,550**	**1,230**	**99,050**	**9,600**	**839,472**	**391,680**	**447,792**

All amounts expressed in € thousand, unless otherwise stated

The segment “Other” is further analysed as below:

Country	**Greece**			**Italy**	**Cyprus**			**Total**	**Total**		
Segment	**Logistics**	**Hotels**	**Other**	**Other**	**Logistics**	**Hotel**	**Other**	**31.12.2020**	**Logistics**	**Hotels**	**Other**
Level	3	3	3	3	3	3	3				
Fair value at 01.01.2020	**23,126**	**32,749**	**9,561**	**52,890**	**8,206**	**35,871**	**60,901**	**223,304**	**31,332**	**68,620**	**123,352**
additions:											
Direct acquisition of investment property	10,206	-	-	-	-	-	-	**10,206**	**10,206**	**-**	**-**
Acquisitions other than through business combinations	-	-	107	-	-	-	-	**107**	**-**	**-**	**107**
Subsequent capital expenditure on investment property	-	20	4	451	-	441	-	**916**	**-**	**461**	**455**
Transfer from tangible fixed assets	-	-	-	-	-	-	800	**800**	**-**	**-**	**800**
Transfers among segments	-	(5,960)	(340)	-	-	-	(10,780)	**(17,080)**	**-**	**(5,960)**	**(11,120)**
Transfer to stocks	-	-	-	-	-	-	(4,120)	**(4,120)**	**-**	**-**	**(4,120)**
Transfer to Held for sale	-	-	-	-	-	-	(830)	**(830)**	**-**	**-**	**(830)**
Net gain / (loss) from the fair value adjustment of investment property	1,490	(696)	814	(1,601)	(34)	(340)	(407)	**(774)**	**1.456**	**(1,036)**	**(1,194)**
Fair value at 31.12.2020	**34,822**	**26,113**	**10,146**	**51,740**	**8,172**	**35,972**	**45,564**	**212,529**	**42,994**	**62,085**	**107,450**

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area for December 31, 2021:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail / big boxes	299,092	15%-20% market approach and 80%-85% discounted cash flows (DCF)	1,626	6.27% - 10.43%	5.25% - 9.25%
Greece	Bank Branches	438,731	15%-20% market approach and 80%-85% DCF	1,984	6.78% - 10.35%	5.50% - 9.00%
Greece	Offices	701,963	15%-20% market approach and 80%-85% DCF	3,813	7.08% - 9.85%	5.90% - 8.50%
Greece	Storage spaces	62,593	15%-20% market approach and 80%-85% DCF	383	8.37% - 9.81%	7.25% - 8.50%
Greece	Hotels	28,584	0%-15%-20% market approach and 80%-85%-100% DCF	-	9.03% - 11.01%	7.75% - 8.50%
Greece	Other[1]	14,693	0%-15%-20% market approach and 80%-85%-100% DCF	274	8.37% - 13.33%	7.25% - 10.00%
Italy	Retail / big boxes	66,675	0% market approach and 100% DCF	484	6.20% - 10.00%	5.15% - 8.75%
Italy	Bank Branches	3,570	0% market approach and 100% DCF	18	6.55%	5.15%
Italy	Offices	252,150	0% market approach and 100% DCF	1,650	5.95% - 10.40%	5.15% - 7.60%
Italy	Hotels	9,280	0% market approach and 100% DCF	-	9.50%	7.00%
Italy	Other[2]	51,000	0% market approach and 100% residual method	-	6.40%	-
Italy	Other[3]	470	0% market approach and 100% direct capitalization method	2	-	4.60%
Italy	Other[4]	9,520	0% market approach and 100% DCF	52	4.00% - 8.60%	7.15%
Romania	Bank Branches	1,261	15% market approach and 85% DCF	12	9.25% - 10.75%	7.50% - 9.00%
Romania	Offices	5,561	15% market approach and 85% DCF	32	9.24% - 9.25%	7.50%
Cyprus	Retail / big boxes	100,989	15%-20% market approach and 80%-85% DCF	500	6.65% - 8.15%	5.00% - 6.50%
Cyprus	Offices	46,030	0%-20% market approach and 80%-100% DCF	238	7.15% - 8.14%	5.50% - 6.50%
Cyprus	Storage spaces	8,407	20% market approach and 80% DCF	42	7.40% - 7.65%	5.75% - 6.00%
Cyprus	Hotels	36,745	0% market approach and 100% DCF	-	9.25% - 9.90%	8.00%
Cyprus	Other[5]	46,155	0% -20% market approach and 80%-100% DCF or 0% market approach and 100% residual method	100	6.90% - 16.82%	5.25% - 9.00%
Bulgaria	Retail / big boxes	9,453	0% market approach and 100% DCF	158	10.54%	8.50%
Bulgaria	Offices	87,036	20% market approach and 80% DCF	548	9.60%	7.50%
		2,279,958				

[1] The segment “Other” in Greece include archives, petrol stations, parking spaces and other properties with special use.
[2] The segment “Other” in Italy relates to land plot.
[3] The segment “Other” in Italy relates to residential property.
[4] The segment “Other” in Italy relates to parking spaces and other properties with special use.
[5] The segment “Other” in Cyprus relates to land plot 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 December 31, 2020:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail / big boxes	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	Storage spaces	34,822	15%-20% market approach and 80%-85% DCF	221	8.89% - 9.86%	8.00% - 8.50%
Greece	Hotels	26,113	0%-15% market approach and 85%-100% DCF	-	8.32% - 10.33%	7.25% - 9.00%
Greece	Other[1]	10,146	15%-20% market approach and 80%-85% DCF	80	8.64% - 10.33%	8.25% - 9.00%
Italy	Retail / big boxes	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	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	Storage spaces	8,172	15%-20% market approach and 80%-85% DCF	41	5.25% - 6.47%	5.25% - 6.25%
Cyprus	Hotels	35,972	0% market approach and 100% DCF	-	9.45% - 10.40%	8.25%
Cyprus	Other[4]	45,564	20% market approach and 80%- DCF or 0% market approach and 100% residual method	102	5.00% - 11.06%	4.85% - 10.00%
Bulgaria	Retail / big boxes	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%
		1,918,015				

[1] The segment "Other" in Greece include student housing, archives, petrol stations and parking spaces.
[2] The segment "Other" in Italy relates to land plot.
[3] The segment "Other" in Italy relates to residential property.
[4] The segment "Other" in Cyprus relates to land plot 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 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, 2021 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) and jointly the companies "P. Danos & Associates" (representative of BNP Paribas) and "Athinaiki Oikonomiki EPE" (representative of Jones Lang LaSalle) and the company "HVS Hospitality Consulting Services S.A." for the properties outside Italy and the company "Jones Lang LaSalle S.p.A." for the properties in Italy. The impact of COVID-19 in the valuations of the properties as of December 31, 2021 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. The method of income and more specifically the method of discounted cash flows (DCF) is considered the most appropriate for investment properties whose value depends on the income they produce, such as the properties of the portfolio.

Especially, for the valuation of Group's properties in Greece, Cyprus and Romania, the DCF method was used in all properties, except for one property 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 market approach. For the weighing of the two methods 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 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 80% for the DCF method and 20% 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, while the property is under development thus the other methods are considered as less appropriate.

For the properties in Italy, which constitute commercial properties (offices and retail) hotels and other properties, the independent valuers used two methods, the DCF method and the market approach, as shown in the table above. For the property located at Via Vittoria12, in Ferrara, 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 reflect 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 gain from fair value adjustment of investment property amounting to €96,723 for the Group and €71,339 for the Company (December 31, 2020: net loss of €7,573 for the Group and net gain of €299 for the Company) (excluding the loss of €20 as of December 31, 2021 and the gain of €2,306 of December 31, 2020 from discontinued operations (Note 16)).

Were the discount rate as at December 31, 2021, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €115,666 or higher by €127,720, respectively.

Were the capitalization rate as at December 31, 2021 used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €72,122 or higher by €88,138, respectively.

Were the sale price per square meter of the future development of residencies as at December 31, 2021 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 €18,800 higher or €18,800 lower, respectively.

Were the construction cost per square meter of the future development of residencies as at December 31, 2021 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 €11,800 or higher by €11,800 respectively.

Were the sales price/rental value of the development as at December 31, 2021, 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 €60,400 higher or negative, respectively.

Were the construction cost of the development as at December 31, 2021, 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 €52,500 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, 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)**
Transfer to assets held for sale (Note 14)	-	(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**
Cost or Fair value								
Balance at January 1, 2021	**9,375**	**-**	**9**	**1,704**	**66**	**1**	**597**	**11,752**
Additions	**157**	-	-	52	-	-	-	**209**
Additions through acquisition of subsidiary (Note 8)	-	-	-	**-**	-	-	17	**17**
Other	**-**	-	-	**-**	**-**	**-**	3	**3**
Balance at December 31, 2021	**9,532**	**-**	**9**	**1,756**	**66**	**1**	**617**	**11,981**
Accumulated depreciation								
Balance at January 1, 2021	**(111)**	-	**(9)**	**(552)**	**(14)**	**-**	**(137)**	**(823)**
Depreciation charge	(135)	-	-	(286)	(10)	-	(91)	**(522)**
Additions through acquisition of subsidiary (Note 8)	-	-	-	-	-	-	(4)	**(4)**
Balance at December 31, 2021	**(246)**	**-**	**(9)**	**(838)**	**(24)**	**-**	**(232)**	**(1,349)**
Net book value at December 31, 2021	**9,286**	**-**	**-**	**918**	**42**	**1**	**385**	**10,632**

All amounts expressed in € thousand, unless otherwise stated

The category "Land and buildings - Hotel & Other Facilities" for 2020 comprises of the properties of Aphrodite Hills Resort Limited and The Cyprus Tourism Development Company Limited. The above companies as of December 31, 2020 were classified as held for sale. On April 1, 2021 the sale of the 45% of MHV, which owns the 100% of the shares of CTDC, and on August 11,2021 the sale of the 15% of Aphrodite Hills Resort were completed and thus both companies are included in the Investments in Joint Ventures (Note 10 & Note 16).

Company	Land and buildings (Administrative use)	Motor vehicles	Fixtures and equipment	Right-of-use Asset	Total
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**
Cost					
Balance at January 1, 2021	**9,375**	**9**	**1,694**	**448**	**11,526**
Additions	159	-	49	-	**206**
Balance at December 31 2021	**9,532**	**9**	**1,743**	**448**	**11,732**
Accumulated depreciation					
Balance at January 1, 2021	**(111)**	**(9)**	**(546)**	**(120)**	**(786)**
Depreciation charge	(135)	-	(283)	(78)	**(496)**
Balance at December 31 2021	**(246)**	**(9)**	**(829)**	**(198)**	**(1,282)**
Net book value at December 31, 2021	**9,286**	**-**	**914**	**250**	**10,450**

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

The borrowings of the Group and the Company are secured on land and buildings of the Company and the Group (Note 21).

All amounts expressed in € thousand, unless otherwise stated

NOTE 8: Acquisition of Subsidiaries (business combinations and asset acquisitions)

(a) Business Combinations

On March 26, 2021, 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). 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 acquisition was accounted for as a business combination. Therefore, all transferred assets and liabilities of CI Global were valued at fair value.

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

	26.03.2021
ASSETS	
Investment Property	105,610
Cash and cash equivalents	5,363
Other assets	1,417
Total assets	**112,390**
LIABILITIES	
Borrowings	(35,823)
Other liabilities	(4,571)
Total liabilities	**(40,394)**
Fair value of acquired interest in net assets	**71,996**
Non-controlling interests over the Fair value of acquired net assets	(38,735)
Negative Goodwill	(8,846)
Total purchase consideration	**24,415**

Source: Unaudited financial information

The consideration for the acquisition of CI Global amounted to €24,415 out of which amount €11,259 was in cash and amount €13,156 in share exchange in the context of the acquisition of the 20% of the shares of the company Picasso (Note 9). The consideration was lower than the fair value of the net assets acquired of amount €33,261 and the gain (negative goodwill) amounted to €8,846 was recognized directly in the Income Statement for year ended December 31, 2021 in line "Negative goodwill from acquisition of subsidiaries". The acquisition's expenses up to December 31, 2021 amounted to €1,154 of which an amount of €917 was recognized in the "Other direct expenses related to investment properties" of the Income Statement for the year ended 31 December 2021 and an amount of €237 was recognized in " Other direct expenses related investment properties "of the Income Statement for the year ended 31 December 2020.

The acquired subsidiary contributed €5,051 in the revenue and loss of €356 in the Group's results for the year from the day of its acquisition until December 31, 2021. If the above acquisition had occurred on January 1, 2021, with all other variables held constant, Group's revenue for the year ended December 31, 2021 would have been €135,902 and Group's profit from continuing operations for the year ended December 31, 2021 would have been €173,598.

(b) Asset acquisitions

On July 23, 2021, the Company acquired the remaining 51% of the shares of the company Panterra S.A. (hereinafter "Panterra"). Upon completion of the acquisition, the Company holds 100% of the shares of Panterra. Panterra owns two office buildings under construction on Syggrou Avenue, Lagoumitzi and Evridamantos Streets in Athens, for one of which a binding preliminary agreement has been signed for its sale (inventory) while the second is an investment property. The consideration for the acquisition of New Metal amounted to €15,324 (taking into account Panterra's liabilities and receivables). The above acquisition was accounted for as an assets acquisitions.

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

All amounts expressed in € thousand, unless otherwise stated

	23.07.2021
ASSETS	
Investment property (Note 6)	18,305
Reserves	22,781
Cash and cash equivalents	3,616
Other assets	1,222
Total assets	**45,924**
LIABILITIES	
Borrowings	(5,012)
Other liabilities	(10,864)
Total liabilities	**(15,876)**
Fair value of acquired asset	**30,048**
Fair value of acquired asset (51%)	15,324
Total purchase consideration (51%)	**15,324**

Source: Unaudited financial information

On July 13, 2021 the Company completed the acquisition of 100% of the shares of the company New Metal Expert (hereinafter “New Metal”). The company owns two leased Storage spaces and Distribution Centers, with a total area of 23.8 thousand sq.m., in Aspropyrgos, Attica. The consideration for the acquisition of New Metal amounted to €12,483 (taking into account New Metal's liabilities and receivables). Of the total consideration amount, €7,030 was paid in advance (Note 12), €3,794 was paid on the same day and €1,659 was recognized as a liability. The above acquisition was accounted for as an assets acquisitions.

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

	23.07.2021
ASSETS	
Investment property (Note 6)	14,599
Cash and cash equivalents	20
Other assets	1,124
Total assets	**15,743**
LIABILITIES	
Borrowings	(2,401)
Other liabilities	(859)
Total liabilities	**(3,260)**
Fair value of acquired asset	**12,483**
Total purchase consideration	**12,483**

Source: Unaudited financial information

Following to the Share Purchase Agreement of May 6, 2021, which the Company had signed with LAMDA DEVELOPMENT S.A., on December 17, 2021 the Company concluded the acquisition of 100% of the shares of the company “LAMDA ILIDA OFFICE S.M.S.A”. ILIDA OFFICE S.M.S.A, according to the notarial preliminary agreement dated 09.10.2018 has acquired the possession and the occupation of the office building "ILIDA BUSINESS CENTER" at 6-8 Agisilaou Street in Maroussi. The transfer of ownership took place on 11.03.2022 with the signing of the final acquisition contract (Note 37). "ILIDA BUSINESS CENTER" is a Class A office building with a total superstructure area of 11,750 sq.m. and 277 parking spaces. The consideration amount for the acquisition of the shares of ILIDA OFFICE S.M.S.A. was calculated based on the net asset value of the company and amounted to €10,886 taking into account the assets and the liabilities. The fair value of the property at the date of acquisition, according to the valuation performed by the independent statutory valuers, amounted to €40,871. The above acquisition was accounted for as an asset acquisition.

All amounts expressed in € thousand, unless otherwise stated

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

	23.07.2021
ASSETS	
Investment property (Note 6)	38,129
Cash and cash equivalents	663
Other assets	10,700
Total assets	**49,492**
LIABILITIES	
Borrowings	(37,927)
Other liabilities	(679)
Total liabilities	**(38,606)**
Fair value of acquired asset	**10,886**
Total purchase consideration	**10.886**

Source: Unaudited financial information

NOTE 9: Investments in Subsidiaries

			Group		Company	
Subsidiaries	**Country of Incorporation**	**Unaudited tax years**	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Karolou Touristiki S.A.	Ελλάδα	2016 –2021	100,00%	100,00%	100,00%	100,00%
Anaptixi Fragokklisia Real Estate S.A.	Ελλάδα	2018 – 2021	100,00%	100,00%	100,00%	100,00%
Irinna Ktimatiki S.A	Ελλάδα	2017 – 2021	100,00%	100,00%	100,00%	100,00%
ILDIM M. IKE	Ελλάδα	2018 – 2021	100,00%	100,00%	100,00%	100,00%
MILORA M.IKE	Ελλάδα	2019 – 2021	100,00%	100,00%	100,00%	100,00%
New Metal Expert M.A.E.	Ελλάδα	2018 – 2021	100,00%	-	100,00%	-
Panterra S.A Investments	Ελλάδα	2019 – 2021	100,00%	-	100,00%	-
ILIDA OFFICE S.M.S.A.	Ελλάδα	2018 – 2021	100,00%	-	100,00%	-
Egnatia Properties S.A.	Ρουμανία	2016 – 2021	99,96%	99,96%	99,96%	99,96%
PNG Properties EAD	Βουλγαρία	2017 – 2021	100,00%	100,00%	100,00%	100,00%
I & B Real Estate EAD	Βουλγαρία	2016 – 2021	100,00%	100,00%	100,00%	100,00%
Quadratix Ltd.	Κύπρος	2016 – 2021	100,00%	100,00%	100,00%	100,00%
Lasmane Properties Ltd.	Κύπρος	2016 – 2021	100,00%	100,00%	100,00%	100,00%
Aphrodite Springs Public Limited	Κύπρος	2015 – 2021	96,22%	60,00%	96,22%	60,00%
CYREIT AIF Variable Investment Company Plc	Κύπρος	2018 – 2021	88,23%	88,23%	88,23%	88,23%
Letimo Properties Ltd.(2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Elizano Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Artozaco Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Consoly Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Smooland Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Threefield Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Bascot Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Nuca Properties Ltd. (2)	Κύπρος	2017 –2021	88,23%	88,23%	-	-
Vanemar Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Alomnia Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Kuvena Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Azemo Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-

All amounts expressed in € thousand, unless otherwise stated

Ravenica Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Wiceco Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Lancast Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Rouena Properties Ltd. (2)	Κύπρος	2017 –2021	88,23%	88,23%	-	-
Allodica Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Vameron Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Orleania Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Primaco Properties Ltd. (2)	Κύπρος	2016 – 2021	88,23%	88,23%	-	-
Arleta Properties Ltd. (2)	Κύπρος	2017 – 2021	88,23%	88,23%	-	-
Panphila Investments Limited	Κύπρος	2021	100,00%	-	100,00%	-
Nash S.r.L.	Ιταλία	2016 – 2021	100,00%	100,00%	100,00%	100,00%
Prodea Immobilaire SrL.	Ιταλία	2020 – 2021	97,56%	80,00%	97,56%	80,00%
Picasso Lux S.a.r.l. SICAF-RAIF(1)	Λουξεμβούργο	-	80,00%	-	80,00%	-
Picasso Fund(3)	Ιταλία	2016 – 2021	80,00%	100,00%	-	100,00%
CI Global RE S.a.r.l. SICAF-RAIF(1)	Λουξεμβούργο	-	80,00%	-	80,00%	-
Tarvos Fund (4)	Ιταλία	2016 – 2021	80,00%	-	-	-
Euclide S.r.l. (4)	Ιταλία	2016 – 2021	80,00%	-	-	-

(1) *The Company owns 80% of the share capital of the companies Picasso Lux S.a.r.l. SICAF-RAIF and CI Global RE S.a.r.l. SICAF-RAIF representing 46.2% of the economic rights of those companies.*

(2) *These companies are 100% subsidiaries of the company CYREIT AIF Variable Investment Company Plc.*

(3) *The company Picasso Fund is 100% subsidiary of Picasso Lux S.a.r.l. SICAF-RAIF.*

(4) *The companies Tarvos Fund and Euclide S.r.l. are 100% subsidiaries of the company* CI Global RE S.a.r.l. SICAF-RAIF.

The subsidiaries are consolidated with the full consolidation method.

The financial years 2016 up to 2020 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 2021 has not been completed and is not anticipated to incur significant tax liabilities other which has been already presented in the Financial Statements.

The financial years 2018 up to 2020 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.S.A. has not been audited for tax purposes from the Greek tax authorities and consequently the tax obligations for this year are not considered as final. 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 and 2020 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 2021 has not been completed and is not anticipated to incur significant tax liabilities other which has been already presented in the Financial Statements.

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.

Below is presented an analysis of the cost of investments in subsidiaries as it is presented in the Company's Statement of Financial Position as of December 31, 2021 and December 31, 2020:

All amounts expressed in € thousand, unless otherwise stated

Cost of Investment	31.12.2021	31.12.2020
Nash S.r.L.	52,870	52,510
Picasso Fund	-	80,753
Egnatia Properties S.A.	20	20
Quadratix Ltd.	10,802	10,802
Karolou Touristiki S.A.	4,147	4,147
PNG Properties EAD	441	151
Lasmane Properties Ltd.	13,710	13,210
Anaptixi Fragokklisia Real Estate S.A.	22,200	17,400
Irina Ktimatiki S.A.	11,174	11,174
I & B Real Estate EAD	40,142	40,142
Aphrodite Springs Public Limited	7,109	2,400
CYREIT AIF Variable Investment Company Plc	140,437	140,437
ILDIM M.S.A.	3,012	3,012
Prodea Immobiliare SrL	10,093	1,000
MILORA M.S.A.	1,558	1,558
New Metal Expert M.S.A.	15,183	-
Panterra S.A Investments	51,938	-
ILIDA OFFICE S.M.S.A.	10,886	-
Panphila Investments Limited	100	-
Picasso Lux S.a.r.l. SICAF-RAIF	41,512	-
CI Global RE S.a.r.l. SICAF-RAIF	25,225	-
Total	**462,559**	**378,716**

On February 9, 2021 the Company contributed an amount of €8,500 as capital contribution in the company Picasso Fund.

On March 17, 2021 the Company contributed an amount of €48 as capital contribution in the subsidiary Prodea Immobiliare SrL. On July 13, 2021 Prodea Immobilaire increased its shares capital by €8,996 which was fully covered by the Company, as a result the Company's participation in Prodea Immobiliare to reach the 97.56%. On December 13, 2021 the Company contributed a share capital of €49 to the subsidiary Prodea Immobilaire S.r.L.

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 amounting to €89,253 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 €65,518 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 €24,415 (Note 8). 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. In this context, the Company received an amount of €10,329 while the remaining net amount of €30,774 is included in trade receivables in the Statement of Financial Position of the Group and the Company as of December 31, 2021 (Note 12). The gain for the Company from the disposal of 20% of the shares of Picasso Fund amounted to €17,178 and is included in the item “Gain from disposal of subsidiaries” in the Income Statement for the year ended December 31, 2021.

On April 1, the sale of 45% of the Company's stake in MHV Mediterranean Hospitality Venture Limited (hereinafter “MHV”) and in The Cyprus Tourism Development Company Limited, a 100% subsidiary of MHV was completed (Note 10).

On April 7, 2021, the Company acquired an additional percentage (36.22%) for a consideration of €4,709 in its subsidiary Aphrodite Springs Public Limited. Upon completion of the transaction, the Company holds 96.22% of the share capital of Aphrodite Springs Public Limited.

On April 29, 2021, the General Meeting of Shareholders of PNG Properties EAD decided to increase its share capital by €290 (BGN 567,191) with the issue of 567,191 new shares with a nominal value of BGN 1.

During 2021 the Company contributed an amount of €360 to its subsidiary Nash S.r.L. as capital contribution.

On June 17, 2021 the General Meeting of Shareholders of Lasmane Properties Ltd. took the decision to increase the share capital of the company by €300 by issuing 300,000 new shares with a nominal value of € 1 each. On September 30, 2021 the General Meeting of Shareholders of Lasmane Properties Ltd. took the decision to increase the share capital of the company by €200 with the issue of 200,000 new shares with a nominal value of € 1 each.

On July 19,2021 the Company contributed an amount of €810 to its subsidiary CI Global as capital contribution.

On July 23,2021 the Company completed the acquisition of 100% of the company shares of the company New Metal Expert M.S.A. (hereinafter "New Metal"). The company owns two leased Storage spaces and Distribution Centers, with a total area of 23.8 thousand sq.m., in Aspropyrgos, Attica. The consideration of the company amounted to €12,483 (Note 8). On the same day, the General Meeting of New Metal, the sole partner, decided to increase the company's share capital by €2,700 by issuing 270,000 shares with a nominal value of € 10 each.

On July 23, 2021 the Company acquired the remaining 51% of the shares of Panterra SA. Real Estate Development and Utilization (hereinafter "Panterra"), which owns two under construction office buildings on Syggrou Avenue, Lagoumitzi and Evridamantos Streets in Athens. The Company already owned 49% of the shares of Panterra and the cost of participation in the books of the Company amounted to €7,791, taking into account the share capital increase of the company which was decided by the Extraordinary General Meeting of Panterra Shareholders on May 17, 2021 and for which the Company had paid an amount of €2,058 in proportion to its participation in the share capital of Panterra. At the date of the transaction, the 49% of the shares held by the company were measured at fair value (€14,724), based on the Company's policy. The profit due to the remeasurement at a fair value of €6,932 was recorded in the item " Gain from acquiring control in subsidiary " in the Statement of Income for the year ended December 31, 2021. The consideration for the acquisition of 51% of amounted to €15,324 (Note 8(b)).

On August 11, 2021, the sale of 15% of the Company's stake in Aphrodite Hills Resort Limited was completed (Note 10).

On October 26, 2021, the company Panphila Investments Limited was established in Cyprus. The Company holds 100% of the shares in the amount of €100. On December 28, 2021, Panphila entered into a purchase agreement with The Cyprus Tourism Development Company Ltd, a 100% subsidiary of MHV, and four individuals to acquire a 17-storey office tower under development with two underground car parks (2) levels, with a total gross area of 26.4 thousand sq.m. After the completion of the office tower and its delivery to the Company, the relevant title deed will be issued in its name. The consideration amount will be determined based on the provisions of the purchase agreement and will be paid in instalments if specific conditions are met.

On November 29, 2021 the Extraordinary General Meeting of Shareholders of the company Frangokklisia Akiniton Real Estate S.A. decided to increase its share capital by €4,800 by issuing 48,000 new ordinary shares at €100 each (amount in €).

Following to the Share Purchase Agreement of May 6, 2021, which the Company had signed with LAMDA DEVELOPMENT S.A., on December 17, 2021 the Company concluded the acquisition of 100% of the shares of the company “LAMDA ILIDA OFFICE S.M.S.A”. ILIDA OFFICE S.M.S.A, according to the notarial preliminary agreement dated 09.10.2018 has acquired the possession and the occupation of the office building "ILIDA BUSINESS CENTER" at 6-8 Agisilaou Street in Maroussi. The transfer of ownership took place on 11.03.2022 with the signing of the final acquisition contract (Note 37). "ILIDA BUSINESS CENTER" is a Class A office building with a total superstructure area of 11,750 sq.m. and 277 parking spaces. The consideration amount for the acquisition of the shares of ILIDA OFFICE S.M.S.A. was calculated based on the net asset value of the company and amounted to €10,886 (Note 8).

All amounts expressed in € thousand, unless otherwise stated

On December 29, 2021 the Extraordinary General Meeting of Shareholders of the company Panterra S.A. decided to increase its share capital by €21,890 by issuing 2,189,000 new ordinary shares at €10 each (amount in €) which were paid.

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

Note 10: Investments in joint ventures

			Group		Company	
Investments in joint ventures	**Country**	**Unaudited tax years**	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
EP Chanion S.A.	Greece	2016 – 2021	40%	40%	40%	40%
RINASCITA S.A.	Greece	2018 – 2021	35%	35%	35%	35%
PIRAEUS TOWER S.A.	Greece	2020 - 2021	30%	30%	30%	30%
MHV Mediterranean Hospitality Venture Limited	Cyprus	2018 - 2021	25%	-	25%	-
OYRANIA Investments S.M.S.A.	Greece	2020 – 2021	35%	-	35%	-
IQ HUB S.M.S.A.	Greece	2019 – 2021	35%	-	35%	-

On April 1, the sale of 45% of the Company's stake in MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited, a 100% subsidiary of MHV, was completed (Note 9). Upon completion of the sale, MHV is a joint venture. The consideration amounted to €26,803 of which €12,073 was collected on the same day while the remaining amount of €14,730 will be collected in accordance with the terms of the purchase agreement and has been recorded in the trade receivables in the Financial Statement of the Group and the Company as of 31 December 2021 (Note 12). The sale of MHV resulted in a profit for the Company amounting to a total €1,990 (gain of €995 from the disposal of the investment and gain of €995 from the remeasurement of the remaining investment in fair value, which represents the deemed cost of the remaining investment in joint ventures) which was recorded in the item " Gain from disposal of subsidiaries " in the Income Statement of the Company for the year ended December 31, 2021.

On April 7, 2021, the shareholders of MHV approved the share capital increase of the company for a total amount of €143,449 for the implementation of its business plans. The Company, in the context of the share capital increase of MHV, on the same day paid an amount of €64,552, in proportion to its percentage participation 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 the Park Tower consisting of 20 luxury apartments in Limassol Cyprus. The consideration for the acquisition of Parklane Hotels Limited was lower than the fair value of the assets acquired and the negative goodwill of €15,766, in proportion to the Company's investment in MHV, is included in the profit from the investment in MHV of €11,415. Additionally, on May 12, 2021 MHV acquired 100% of the shares of Porto Heli Hotel & Marina S.A., owner of the hotel Nikki Beach Resort & Spa in Greece.

On August 11, 2021, the sale of 15% of the Company's participation in Aphrodite Hills Resort Limited was completed. The total consideration for the transfer of 15% of the participation and the transfer of the proportionate of the shareholder loan (15%) amounted to €8,000, of which €1,452 was collected on the same day, €1,452 will be collected in accordance with the terms of the agreement and has been recorded in the long term assets in the Statement of Financial Position as of December 31, 2021 (Note 11), while an amount of €5,095 relates to the transfer of 15% of the shareholder loan.

On October 6, 2021, the acquisition of 35% of the shares of the companies OURANIA Investment M.A.E. and IQ HUB M.A.E. was completed, for a price of €1,374 and €2,606, respectively. The company OURANIA Investment M.A.E. is owner of land plots in Thessaloniki in which a bioclimatic group of offices with a total area of approximately 25.2 thousand sq.m. will be constructed. The company IQ HUB M.A.E. is the owner of a plot of land in Maroussi in which a bioclimatic group of offices with a total area of approximately 14.3 thousand sq.m. will be constructed.

In the context of the reorganization of the Company's investments in the hotel sector and particularly in the management of luxury hotel properties in the Mediterranean region, a joint decision was made with the other shareholders of Aphrodite Hills Resort Limited, the contribution to MHV of all Aphrodite Hills Limited, as well as the transfer of loans granted to it by its shareholders. The contribution was completed on November 11, 2021. The shareholders of both companies (contributor and acquirer) are the same, with the same participation percentages. From the absorption there are expected synergies, simplifications and rationalisation of the operating model and the share structure of MHV.

On December 17, 2021, the General Meeting of Shareholders of MHV decided to reduce the share capital of the company by €69,000, through the liquidation of 69,000 redeemable preferred shareholders worth €1 each. In addition, on the same date the General Meeting of Shareholders of MHV decided the increase of the share capital of the company by €69 with the issue 69,000 new registered shares with a nominal value of € 1 (amount in €) and a issue price of €689 (amount in €). On December 31, 2021 the Company in proportion to its participation in the share capital of MHV received amount of €31,019.

In addition, on December 17, 2021, the General Meeting of Shareholders of MHV decided to reduce the share capital of the company by €25,000, through the liquidation of 25,000 redeemable preferred shareholders worth €1 each, with a simultaneous increase of the share capital of the company by €25 with the issue 25,000 new registered shares with a nominal value of €1 (amount in €) and a issue price of €249 (amount in €). The Company, in proportion to its participation in the reduction of the share capital of MHV has recorded an amount of €11,250 as trade and other assets (Note 12) of the Statement of Financial Position of the Group and the Company for the year ended December 31, 2021, while the amount of €11 has been recorded as trade and other payables (Note 23) in the Statement of Financial Position of the Group and the Company for the year ended December 31, 2021.

On December 29, 2021, the General Meeting of Shareholders of MHV decided to increase the share capital of the company by €156 by issuing 156 new preferred shares with a nominal value of €1 (amount in €) and a issue price of €999 (amount in €). The Company, in proportion to its participation in the share capital of MHV, has been recorded an amount of €45 as trade and other payables (Note 23) in the Statement of Financial Position of the Group and the Company for the year ended December 31, 2021.

On December 29 and December 30, 2021, the shareholders of MHV decided to increase the share capital of the company to a total amount of €128,496. The Company did not participate to this increase. The participation in MHV is 25% as of 31 December 2021.

On December 31,2021 the Extraordinary General Meeting of Shareholders of Ourania Investment M.A.E. decided to increase the share capital of the company by €1,600 with the issue of 32,000 new registered shares with a nominal value of €10 (amount in €) and an issue price of €50 (amount in €). The Company, in proportion to its participation in the share capital of Ourania Investment M.A.E. paid an amount of €140 and an amount of €420 has been recorded to trade payables in the Statement of Financial Position of the Group and the Company for the year ended December 31, 2021.

On December 31,2021 the Extraordinary General Meeting of Shareholders of PIRAEUS TOWER A.E. decided to increase the share capital of the company by €4,700 by issuing 47,000 new registered shares with a nominal value of €10 (amount in €) and a sale price of €100 (amount in €). The Company, in proportion to its participation in the share capital of PIRAEUS TOWER A.E. paid an amount of €1,410.

All amounts expressed in € thousand, unless otherwise stated

On December 31,2021 the Extraordinary General Meeting of Shareholders of RINASCITA SA decided to increase the share capital of the company by €2,120 with the issue of 21,200 registered shares with a nominal value of €10 (amount in €) and an issue price of €100 (amount in €). The Company, in proportion to its participation in the share capital of RINASCITA SA paid an amount of €742.

On December 31,2021 the Extraordinary General Meeting of Shareholders of OP Chania SA decided to increase the share capital of the company by €650 with the issue of 13,000 new registered shares with a nominal value of €10 (amount in €) and a sale price of €50 (amount in €). The Company, in proportion to its participation in the share capital of OP Chania SA paid an amount of €260.

Cost of investments

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Investments in joint ventures				
EP Chanion S.A.	4,869	3,533	4,180	3,920
Panterra S.A.	-	10,182	-	5,733
RINASCITA S.A.	2,947	1,356	2,143	1,401
PIRAEUS TOWER S.A.	2,483	924	2,280	870
MHV Mediterranean Hospitality Venture Limited	86,208	-	74,153	-
OURANIA Investment M.A.E	2,644	-	1,934	-
IQ HUB M.A.E.	5,821	-	2,606	-
Total	**104,972**	**15,995**	**87,296**	**11,924**

As of December 31, 2021, the Group’s share of profit of joint ventures amounted to €20,216 as analysed below:

- Gain of €11,415 from MHV
- Gain of €639 from Aphrodite Hills Resort Limited (until the date of contribution)
- Gain of €2,162 from Panterra S.A. (until the date of the remaining acquisition participation)
- Gain of €850 from RINASCITA S.A.
- Gain of €149 from PIRAEUS TOWER S.A.
- Gain of €1,076 from EP CHANION S.A.
- Gain of €3,215 from IQ HUB M.A.E
- Gain of €710 from OURANIA INVESTMENT M.A.E

NOTE 11: Other long-term Assets

The decrease in other long-term receivables of the Company as of December 31, 2021 in comparison to December 31,2020 is mainly due to the transfer of the loan granted by the Company to the company Aphrodite Hills Resort Limited in MHV (note 10) (31 December 2020: €20,083) and the reclassification to trade and other assets of the loan granted by the Company to the subsidiary PNG Properties which it is terminated in November 2022 (December 31, 2020: €10,971) (Note 12).

As at 31 December 2021 the Other long-term receivables of the Group and the Company include the following: a) an amount of €5,095 relates to the transfer of 15% of the shareholder loan to Aphrodite Hills Resort Limited on August 11, 2021 (note 10) and the accrued income from interest amount of €91. b) consideration amount of €1,452 for the sale of 15% of the Company’s share in Aphrodite Hills Resort Limited on August 11, 2021 (note 10).

As at 31 December 2021 the Other long-term receivables of the Group and the Company include an amount of €5,965 as an advance payment for a future acquisition of a company, in which include in Trade and other assets at the year ended December 31, 2021 (note 12).

All amounts expressed in € thousand, unless otherwise stated

As at 31 December 2021 the Other long-term receivables of the Group and the Company include deposits of €1,394 Which are secured based on the loan agreements until the end of their maturity dates (31 December 2020: €1,959 for the Group και €564 for the Company respectively).

As at 31 December 2021 the Other long-term receivables of the Group and the Company include amounts of €11,267 for the Group and €10,157 for the Company, respectively (31 December 2020: €11,507 for the Group και €10,384 for the Company respectively) which are related to leases based on a part of leased agreements. The accounting treatment, in accordance with the relevant accounting standards, expects their partial amortization during each lease.

NOTE 12: Trade and Other Assets

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Trade receivables	58,959	65,790	51,172	59,489
Trade receivables from related parties (Note 35)	17	9	17	9
Receivables from Greek State	8,368	3,491	2,645	2,083
Prepaid expenses	5,072	584	4,274	383
Other receivables	17,756	8,969	15,936	7,560
Other receivables from related parties (Note 35)	11,250	-	27,575	-
Less: Provisions for expected credit loss	(2,727)	(2,661)	(880)	(910)
Total	**98,695**	**76,182**	**100,739**	**68,614**

At each balance sheet date, the Group and the Company carry out an impairment test using the general model as detailed in paragraph 2.14 of the accounting policies.

The Management of the Group and the Company, evaluating the risks related to the collection of the above trade and other receivables, decided to record a provision of expected credit loss. From the record of the provision of expected credit loss a loss of €66 and a gain of €30 were recognized for the Group and the Company respectively. These amounts are included in the line "Net loss from impairment of financial assets" of the Income Statement for the year ended December 31, 2021.

As at 31 December 2021 the trade receivables of the Group and the Company include the following:

- An amount of €30,774 which relates to the remaining consideration amount from the disposal of 20% of the stake in Picasso Lux (Note 9) and,
- An amount of €14,730 which relates to the remaining consideration amount from the disposal of 45% of the Company's participation in MHV (Note 10) and an amount of €395 which relates to accrued interest under the purchase agreement. The total amount was collected on February 11, 2022.

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. The aforementioned amount was received on April 27, 2021.

As at 31 December 2021 the other receivables from related parties of the Group and the Company include the following:

- An amount of €11,367 which relates to a loan granted by the Company to the subsidiary PNG Properties and it is terminated in November 2022. As at 31 December 2020 the receivable of € 10,971 was included in other long term receivables (Note 11).
- An amount of €11,250 which relates to the Company's receivable from the reduction of MHV share capital (Note 10). The amount was collected on February 11, 2022.
- An amount of €4,958 paid by the Company to the subsidiary Aphrodite Springs in exchange for a share capital increase.

All amounts expressed in € thousand, unless otherwise stated

The Group's and the Company's trade receivables as of December 31, 2021 include an amount of €793 and €647, respectively, (December 31, 2020: €207 for the Group and €165 for the Company, respectively) 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.

The prepaid expenses of the Group and the Company on December 31, 2021 include an amount of €3,546 which concerns the interest of the next interest-bearing period of the Company's green bond loan of €300,000 based on the provisions of the loan agreement.

Company's receivables from Greek State mainly relate to capital accumulation tax of €1,752 paid by the Company at 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 Company's Management, based on the opinion of its legal counsels and the fact that on May 27, 2020 the Company received the amount of €5,900 related to capital accumulation tax paid by the Company on April 14, 2010 considers that the reimbursement of the remaining amount is virtual certain.

The analysis of other receivables is as follows:

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Prepayments for the acquisition of companies	14,585	7,030	14,585	7,030
Other	3,171	1,939	1,351	530
Total	**17,756**	**8,969**	**15,936**	**7,560**

The increase of the prepayments for acquisition of companies of the Group and the Company on December 31, 2021 compared to December 31, 2020 is due to an advance payment of €5,965 which on December 31, 2020 was included in the long-term receivables and an additional advance for acquisition of companies amounting to €8,620 which was paid within the first half of 2021. On July 23, 2021, the acquisition of the company New Metal was completed, for which an advance payment of € 7,030 had been paid within 2020 (Note 8).

NOTE 13: Inventories

	Group	Company
	31.12.2021	**31.12.2021**
Land under development	4,517	4,517
Building (Offices) under construction	33,439	-
Impairment of inventories	(2,640)	-
Total	35,316	4,517

On June 30,2021 the Company acquired a land plot in Elliniko, Attica, with a total area of 2.6 thousand sq.m. in which luxury residentials with modern specifications is aimed to be developed based on the principles of sustainability. The consideration of the acquisition of the land plot amounted to €4,400, while its fair value at the date of the acquisition, according to the valuation performed by the independent statutory valuers, amounted to €4,563. The fair value of the land on December 31, 2021 amounts to €4,589.

The company Panterra, 100% subsidiary of the Company (Note 8B), owns an office building under construction on Syggrou Avenue, Lagoumitzis and Evridamantos Streets in Athens, for which a binding preliminary agreement has been signed for its sale. Its fair value as at 31 December 2021 amounts to €30,799.

All amounts expressed in € thousand, unless otherwise stated

The impairment of inventories amounting to €2,640 and it is recorded under "Net loss from impairment of non-financial assets" of the Income Statement for the year ended 31 December 2021.

NOTE 14: Cash and Cash Equivalents

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Cash in hand	4	2	1	1
Sight and time deposits	304,628	104,840	256,631	73,242
Total	**304,632**	**104,842**	**256,632**	**73,243**

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

As of December 31, 2021, sight and time deposits of the Group and the Company include pledged deposits amounted to €7,063 and €2,163, respectively (December 31, 2020: €6,362 for the Group and €2,546 for the Company, respectively), in accordance with the provisions of the loan agreements.

Reconciliation to cash flow statement	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Cash in hand	4	2	1	1
Sight and time deposits	304,628	104,840	256,631	73,242
Cash and cash equivalents associated with assets held for sale (Note 14)	-	4,131	-	-
Total	**304,632**	**108,973**	**256,632**	**73,243**

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, 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, 2021 comprise of three properties of the Company in Greece. On December 31,2020 the assets held for sale 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, 2021 comprise of the company Aphrodite Hills Resort Limited and its subsidiaries, as well as the results of the year ended December 31, 2021 for companies MHV Mediterranean Hospitality Venture Limited and The Cyprus Tourism Development Company Limited, until the date of their disposal.

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 (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. Upon the completion of the transaction, MHV is presented as an investment in joint venture (Note 10). 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 for the transfer of 15% of the Company's participation in Aphrodite Hills Resort Limited to Papabull Investments Limited (company of YODA Group) for a consideration of €8,000. Aphrodite Hills owns 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 The approval by the Commission for the Protection of Competition of the Republic of Cyprus was received on June 23, 2021 and the transaction was completed on August 11, 2021. Upon the completion of the transaction, Aphrodite Hills Resort Limited is presented as an investment in joint venture (Note 10).

All amounts expressed in € thousand, unless otherwise stated

As of December 31, 2021 the property owned by the indirect subsidiary Picasso Fund located at 5 Cavour Street, in Rome, Italy, was reclassified from asset as held for sale to the Investment Property in the Group's Statement of Financial Position as of December 31, 2021 (Note 6), since the criteria under IFRS 5 are no longer met.

Properties of the Company in Greece
On July 23, 2021, the competent bodies of the Company resolved on the initiation of the process for the sale of three properties of the Company in Greece. The properties are available for immediate sale and the sale is highly probable. In this context, the Company on November 22, 2021, signed a preliminary agreement for the disposal of one of the properties in Thessaloniki which is expected to be completed by June 2022. Additionally on February 21, 2022, the disposal of one of the properties in Florina was completed (Note 37). The fair value of the properties as at December 31, 2021 amounts to €2,104. The investment properties are included in the functional sectors "Retail" and "Other" and in the geographical sector "Greece".

Condensed income statement of discontinued operations [1]

	Group	
	From 01.01. to	
	31.12.2021	**31.12.2020**
Revenue	15,607	22,470
	15,607	**22,470**
Net gain / (loss) from the fair value adjustment of investment property	(20)	2,306
Direct property related expenses	(114)	(596)
Property taxes-levies	(29)	(8)
Personnel expenses	(3,097)	(8,556)
Depreciation of property and equipment and amortisation of intangible assets	-	(4,323)
Consumables used	(484)	(1,305)
Net change in real estate inventories	(4,384)	(4,366)
Net impairment gain / (loss) on financial assets	(143)	(264)
Net impairment loss on non-financial assets	(1,023)	(7,073)
Gain from disposal of subsidiaries	6,133	-
Other income	1,113	74
Other expenses	(6,126)	(10,118)
Operating Profit / (Loss)	**7,433**	**(11,759)**
Share of profit of equity method investments	86	73
Finance costs	(1,110)	(2,954)
Loss before tax	**6,409**	**(14,640)**
Taxes	202	5,427
Gain / (Loss) for the year from discontinued operations	**6,611**	**(9,213)**
Attributable to:		
Non-controlling interests	(354)	(4,024)
Company's equity holders	6,965	(5,189)

All amounts expressed in € thousand, unless otherwise stated

Other comprehensive loss for the year from discontinued operations	(22)	(1,462)
Total comprehensive income / (loss) for the year from discontinued operations	**6,589**	**(10,675)**

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

Cash flows from discontinued operations

	From 01.01. to	
	31.12.2021	**31.12.2020**
Net cash inflows / (outflows) from operating activities	3,359	1.080
Net cash inflows / (outflows) from investing activities	(372)	(1,772)
Net cash inflows / (outflows) from financing activities	(3,910)	(3,277)
Net cash inflows/(outflows)	**(923)**	**(3,969)**

NOTE 17: Share Capital & Share Premium

			Group	Company
	No of Shares	**Share Capital**	**Share Premium**	
Balance at December 31, 2020	**255,494,534**	**766,484**	**15,890**	**15,970**
Decrease of Share Capital	-	(74,094)	-	-
Balance at December 31, 2021	**255,494,534**	**692,390**	**15,890**	**15,970**

The total paid up share capital of the Company as of December 31,2021 amounted to €692,390 divided into 255,494,534 ordinary shares with voting rights with a par value of €2.71 per share. The total paid up share capital of the Company as of December 31,2020 amounted to €766,484 divided into 255,494,534 ordinary shares with voting rights with a par value of €3.00 per share.

On July 6, 2021 the Extraordinary General Meeting of the Company's shareholders resolved on the decrease of the share capital of the Company by €74,094 with a decrease of the nominal value of each of the 255,494,534 ordinary shares with voting rights with a par value from €3.00 per share to €2.71 per share. The main purpose of that is the repayment of the share capital through cash to the shareholders.

The Company does not hold own shares.

NOTE 18: Reserves

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Statutory reserve	35,896	30,886	34,798	30,134
Special reserve	323,987	323,987	323,987	323,987
Other reserves	720	611	196	142
Total	**360,603**	**355,484**	**358,981**	**354,263**

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.

All amounts expressed in € thousand, unless otherwise stated

NOTE 19: Other Equity

The Other Equity of the Group as at 31 December 2020 includes an amount of €7,403 which related to a liability, which was recognized directly in the Equity of the Group, and arise from a put option of the shareholders of non-controlled interests to sell to the Company 36.22% of the shares owned by Aphrodite Hills Resort Limited and Aphrodite Springs Public Limited (put option). The Company (call option) had a corresponding right to acquire the above shares. On April 7, 2021, an agreement was signed between the Company and the minority shareholder, based on which these put options were terminated.

NOTE 20: Non-controlling interests

The Group's non-controlling interests amount to €129,659 as of December 31, 2021 (December 31, 2020: €37,612), arising from the companies Aphrodite Hills Resort Limited (AHRL), Aphrodite Springs Public Limited (ASPL), CYREIT AIF Variable Investment Company Plc (CYREIT), Prodea Immobiliare, Picasso Lux S.a.r.l. SICAF-RAIF (Picasso Lux) and CI Global RE S.a.r.l. SICAF-RAIF (CI Global).

They represent 3,78% of ASPL equity, 11.77% of CYREIT equity, 2,44% of Prodea Immobiliare equity and 53.8% of Picasso Lux and CI Global equity.
As of December 31, 2020, non-controlling interests include Aphrodite Hills Resort Limited (AHRL) and MHV Mediterranean Hospitality Venture Limited (MHV), part of which were sold in 2021 and now constitute investments in joint ventures (Note 10). Non-controlling interests represent 40% of AHRL equity and 10% of MHV equity.

The basic financial data of these companies are presented below. The amounts disclosed for each subsidiary are before inter-company eliminations:

Statement of financial position as of December 31, 2021	**CYREIT**	**Picasso Lux**	**CI Global**	**Other companies**	
Non-current assets	172,403	225,015	107,389	34,280	
Current assets	13,429	15,759	3,707	467	
Long-term liabilities	4,966	291	921	3,273	
Short-term liabilities	1,125	112,406	37,532	5,206	
Equity	**179,741**	**128,077**	**72,643**	**26,268**	
Equity attributable to non-controlling interests	21,155	68,905	38,734[1]	866	**129,659**

Statement of financial position as of December 31, 2020	**AHRL**	**CYREIT**	**Other companies**	
Non-current assets	74,101	169,833	85,434	
Current assets	37,348	12,106	6,214	
Long-term liabilities	80,180	4,616	12,076	
Short-term liabilities	20,931	2,120	2,432	
Equity	**10,338**	**175,203**	**77,140**	
Equity attributable to non-controlling interests	4,135	20,621	12,856	**37,612**

[1] Equity attributable to non-controlling interests does not include an amount of €1,000 contributed by the shareholders in a special reserve in proportion to their nominal participation in the share capital of CI Global.

All amounts expressed in € thousand, unless otherwise stated

Income statement for the year ended December 31, 2021	AHRL[1]	CYREIT	Picasso Lux	CI Global	Other[2] companies
Revenue	15,335	8,680	11,275	5,051	542
Profit / (Loss) for the year	**(875)**	**8,239**	**6,351**	**(356)**	**(711)**
Profit / (Loss) for the year attributable to non-controlling interests	(350)	970	3,417	(192)	(41)
Dividend paid to non-controlling interests	-	471	-	-	-

Income statement for the year ended December 31, 2020	AHRL	CYREIT	Other companies
Revenue	19,403	8,660	3,117
Profit / (Loss) for the year	**(10,562)**	**4,954**	**900**
Other comprehensive income /(loss) for the year	(1,463)	-	-
Loss for the year attributable to non-controlling interests	**(4,225)**	**583**	**(204)**
Dividend paid to non-controlling interests	(585)	-	-

Cash flow statement for the year ended December 31, 2021	CYREIT	Picasso Lux	CI Global	Other companies
Net cash flows from / (for) operating activities	5,925	4,567	(24)	(200)
Net cash flows from / (for) investing activities	-	(33)	(3,302)	(8,889)
Net cash flows from / (for)from financing activities	(3,735)	(2,625)	64	9,106
Net increase / (decrease) in cash and cash equivalents	**2,190**	**1,909**	**(3,262)**	**17**

Cash flow statement for the year ended December 31, 2020	AHRL	CYREIT	Other companies
Net cash flows from / (for) operating activities	3,143	3,799	(2,284)
Net cash flows from / (for) investing activities	(1,008)	-	(764)
Net cash flows from / (for)from financing activities	(3,277)	(8,679)	240
Net decrease in cash and cash equivalents	**(1,142)**	**(4,880)**	**(2,808)**

NOTE 21: Borrowings

All borrowings have variable interest rates, with the exception of the ''green'' bond which has a fixed rate. 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 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%.

On July 2, 2021 the Board of Directors of the Company decided the issuance of a "green" common bond loan for a maximum amount €300,000 and minimum amount €250,000 with a duration of seven (7) years and the placement of the bonds through a public offer in Greece and the listing to trading of the bonds in the Fixed Income Segment of the Regulated market of the Athens Exchange. The purpose of the bond is mainly the financing of sustainable investments in real-estate as well as for the repayment of an existing lending facility in relation to a sustainable (green) real estate property, pursuant to the evaluation criteria of the Green Bond Framework adopted by the Company, based on the Green Bond Principles of the International Capital Market Association (ICMA) (as of June 2018) and within the context of article 22 of Law 2778/1999, as in force. Following the completion of the public offer

[1] Includes the results of the company Aphrodite Hills Resort Limited (AHRL) up to August 11, 2021, the date on which it ceased to be a subsidiary (Note 10).
[2] Includes the results of the company MHV up to March 31, 2021, the date on which it ceased to be a subsidiary (Note 10).

All amounts expressed in € thousand, unless otherwise stated

on July 16, 2021, 300,000 dematerialized common bearer bonds of the Company with a nominal value of €1,000 each (amount in euro) have been placed and as a result funds of €300,000 have been raised, which was disbursed on July 20, 2021. The bonds bear an interest of 2.3% p.a and is fixed. According to the terms of the loan, on July 29, 2021 the Company proceeded with the fully repayment of the bond loan dated 20.02.2018 of an amount of €55,977. The outstanding loan capital of the bond loan amounts to €300,000 as of December 31, 2021.

As of July 5, 2021 the company Picasso Fund received the approval from the competent financial institution for the extension of the maturity date of its loans, which would expire on June 30, 2021, until the December 31, 2022, with effective date June 30, 2021.

On July 29, 2021, the Company proceeded with the signing of a bond loan agreement for an amount up to €280,000 with Alpha Bank S.A. The bond loan has a six-years maturity bearing interest of 3-month Euribor plus a margin of 2.55% per annum. The proceeds of the loan will be used for the repayment of existing borrowings, to serve the general business needs of the Company and for new investments. On September 23, 2021, an amount of €222,000 was disbursed, out of which an amount of €170.357 was utilized the same for the repayment of existing borrowings.

On July 29, 2021, the Company proceeded with the signing of a bond loan agreement for an amount up to €100,000 with National Bank of Greece S.A. The bond loan has a five-years maturity bearing interest of 3-month Euribor plus a margin of 2.5% per annum. The proceeds of the loan will be used to serve the general business needs of the Company and for new investments. Until December 31,2021, an amount of €60,000 was disbursed.

In the context 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**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Long-term				
Bond loans	1,004,541	249,780	974,227	249,780
Other borrowed funds	45,209	49,237	-	-
Long-term borrowings	**1,049,750**	**299,017**	**974,227**	**249,780**
Short-term				
Bond loans	32,798	445,704	31,958	445,704
Other borrowed funds	170,582	157,134	25,020	50,025
Short-term borrowings	**203,380**	**602,838**	**56,978**	**495,729**
Total	**1,253,130**	**901,855**	**1,031,205**	**745,509**

The decrease of the Group's short-term borrowings as of December 31, 2021 compared to December 31, 2020 is mainly due to:

- In the Statement of Financial Position as of December 31, 2020 in short-term borrowings are included loans of the Company of an amount of €362,618, 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 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

All amounts expressed in € thousand, unless otherwise stated

December 31, 2021 the outstanding balances of these loans are included in the long-term borrowings in the Statement of Financial Position of the Group and the Company.

- As of December 31, 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 disposal of eighteen properties on December 24, 2020, 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. As of December 31, 2020 the amount of €80,995 is included in the Statement of Financial Position of the Group and the Company in the line "Restricted Cash " (Note 15).

As of December 31, 2021, short-term borrowings of the Group and the Company include an amount of €4,099 which relates to accrued interest expense on the bond loans (December 31, 2020: €721 for the Group and the Company) and an amount of €688 for the Group and €20 for the Company, which relates to accrued interest expense on other borrowed funds (December 31, 2020: €640 for the Group and €425 for the Company, respectively).

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

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Up to 1 year	203,380	602,838	56,978	495,729
From 1 to 5 years	654,781	220,279	612,212	176,472
More than 5 years	394,969	78,738	362,015	73,308
Total	**1,253,130**	**901,855**	**1,031,205**	**745,509**

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

The Group's average effective interest rate on loan liabilities is 2.86% (31 December 2020: 3.28%).

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 45 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 balance of the bond loan on December 31,2021 amounted to €183,760 and the fair value of the properties amounted to €415,349. 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 23 properties of the Company a prenotation of mortgage was established in favour of National Bank of Greece S.A. for an amount of €120,000. The balance of the bond loan on December 31,2021 amounted to €59,933 and the fair value of the properties amounted to €101,173. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On 33 properties of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. for an amount of €144,000. The balance of the bond loan on December 31,2021 amounted to €133,823 and the fair value of the properties amounted to €233,310. 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 balance of the bond loan on December 31,2021 amounted to €19,478 and the fair value of the properties amounted to €36,305. 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 84 properties of the Company a prenotation of mortgage was established in favour of Alpha Bank S.A. for an amount of €336,000. The balance of the bond loan on December 31,2021 amounted to €222,000 and the fair value of the properties amounted to €346,582. 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 favor 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.

- Four properties owned by Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000. The balance of the bond loan on December 31,2021 amounted to €88,740 and the fair value of the properties amounted to €182,650. In addition, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- Nine properties owned by Picasso Fund are burdened with first class mortgage in favour of Intesa SanPaolo S.p.A. for an amount of €19,700. The balance of the bond loan on December 31,2021 amounted to €8,850 and the fair value of the properties amounted to €20,315. In addition, 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 balance of the bond loan on December 31,2021 amounted to €12,063 and the fair value of the properties amounted to €27,648. 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 balance of the bond loan on December 31,2021 amounted to €5,987 and the fair value of the properties amounted to €6,822. In addition, 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 balance of the bond loan on December 31,2021 amounted to €3,295 and the fair value of the properties amounted to €18,598.

- 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 €31,590. The balance of the bond loan on December 31,2021 amounted to €31,590 and the fair value of the properties amounted to €87,036. 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.

- On ten properties owned by Tarvos Fund are burdened with mortgage in favour of JPMorgan Chase Bank National Association for an amount of €93,600. The balance of the bond loan on December 31,2021 amounted to €34,702 and the fair value of the properties amounted to €106,640.

All amounts expressed in € thousand, unless otherwise stated

- On the property owned by the company ILIDA OFFICE S.M.S.A a prenotation of mortgage was established in favour of Eurobank S.A. for an amount of €54,158. The balance of the bond loan on December 31,2021 amounted to €31,000 and the fair value of the properties amounted to €40,950. Moreover, the entire share capital of ILIDA OFFICE S.M.S.A. is collateral in favour of Eurobank S.A. for all amounts due under the loan agreement. Finally, all rights of ILIDA OFFICE S.M.S.A arising from the lease agreements have been assigned in favour of the lender.

- 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:
  - A corporate guarantee of CTDC up to the amount of €38,400 for the liabilities of the Company arising from the abovementioned bond loan agreement.
  - Mortgage on CTDC property for an amount of €35,200 and floating charge over the assets of CTDC for an amount €35,200.

  The loan was fully repaid on February 11,2022 (note 37).

The outstanding capital of the Group's borrowings for the year ended December 31,2021 and December 31, 2020, amounted to €1,236,941 and €913,449, respectively. Information about secured and unsecured borrowings of the Group for the year ended December 31,2021 and December 31, 2020 is presented below:

31.12.2021	**Secured loans**	**Unsecured loans**	**Total borrowings**
Borrowings (long-terms & short-terms)	956,913	296,217	**1,253,130**
Plus: Unamortized balance of capitalized loan expenses	4,993	7,649	**12,642**
Plus: Unamortized balance of capitalized profits from loan agreements	2,956	-	**2,956**
Minus: accrued interest on loans	(1,642)	(3,145)	**(4,787)**
Outstanding balance of borrowings	**963,220**	**300,721**	**1,263,941**

31.12.2020	**Secured loans**	**Unsecured loans**	**Total borrowings**
Borrowings (long-terms & short-terms)	901,596	258	901,854
Plus: Unamortized balance of capitalized loan expenses	5,857	-	5,857
Plus: Unamortized balance of capitalized profits from loan agreements	7,099	-	7,099
Minus: accrued interest on loans	(1,361)	-	(1,361)
Outstanding balance of borrowings	**913,191**	**258**	**913,449**

The movement in liabilities from financing activities for the year 2021 is as follows:

Group

	Borrowings	**Dividends distributed**
Liabilities from financing activities 01.01.2021:	**901,855**	**486**
Cash inflows	(348,159)	(82,739)
Additions	607,000	82,705
Other non-cash items	92,434	-
Liabilities from financing activities 31.12.2021:	**1,253,130**	**452**

All amounts expressed in € thousand, unless otherwise stated

Company	Borrowings	Dividends distributed
Liabilities from financing activities 01.01.2021:	**745,509**	**15**
Cash inflows	(333,305)	(82,268)
Additions	607,000	82,269
Other non-cash items	12,001	-
Liabilities from financing activities 31.12.2021:	**1,031,205**	**16**

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

Group	Borrowings	Dividends distributed
Liabilities from financing activities 01.01.2020:	**876,280**	**13**
Cash inflows	(81,298)	(111,138)
Additions	154,590	111,611
Other non-cash items	6,656	-
Transfer to liabilities held for sale (Note 15)	(54,373)	-
Liabilities from financing activities 31.12.2020:	**901,855**	**486**

Company	Borrowings	Dividends distributed
Liabilities from financing activities 01.01.2020:	**659,893**	**13**
Cash inflows	(71,727)	(111,138)
Additions	153,450	111,140
Other non-cash items	3,893	-
Liabilities from financing activities 31.12.2020:	**745,509**	**15**

NOTE 22: Retirement Benefit Obligations

The retirement benefit obligations were determined through an actuarial study under IAS 19.

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with IAS 19", which includes explanatory material on how to distribute benefits in periods of service on a specific period defined benefit plan. The above decision was implemented as a change in accounting policy. The impact of the implementation of the above decision was not significant for the Group and the Company and the balances of prior year were not restated according to paragraphs 19-22 of IAS 8 regarding change of accounting policy and affected the results and total income of the current year.

Net liability in the Statement of Financial Position

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Present value of liabilities	149	323	149	323
Total	**149**	**323**	**149**	**323**

All amounts expressed in € thousand, unless otherwise stated

Movement in net liability

	Group		Company	
	2021	**2020**	**2021**	**2020**
Net liability at the beginning January 1,	**323**	**276**	**323**	**276**
Total cost recognized in the Income Statement	17	33	17	33
Total revenue recognized in the Income Statement due to change in accounting policy	(137)	-	(137)	-
Total cost recognized in the statement of total comprehensive income	3	14	3	14
Total revenue recognized in the statement of total comprehensive income	(57)	-	(57)	-
Net liability at December 31,	**149**	**323**	**149**	**323**

Pension costs – defined benefit plans	Group		Company	
	2021	**2020**	**2021**	**2020**
Service cost	16	30	16	30
Net interest expense on the net defined benefit liability	1	3	1	3
Total amount recognised in Income Statement	**17**	**33**	**17**	**33**

Re-measurements on the net liability	Group		Company	
	2021	**2020**	**2021**	**2020**
Liability (gain) / loss due to change in assumptions	(48)	26	(48)	26
Liability experience (gain) / loss arising during the year	(6)	(12)	(6)	(12)
Total amount recognised in OCI	**(54)**	**14**	**(54)**	**14**

Movement of defined benefit obligation

	Group		Company	
	2021	**2020**	**2021**	**2020**
Balance January 1,2020	**323**	**276**	**323**	**276**
Service fee	16	30	16	30
Financial cost	1	3	1	3
Adjustments (profits) / losse:				
Total revenue recognized in the statement of total comprehensive income	(137)	-	(137)	-
Losses/(profits) from changes in financial assumptions	(48)	26	(48)	26
Losses/(profits) from changes in empirical assumptions	(6)	(12)	(6)	(12)
Balance December 31,2020	**149**	**323**	**149**	**323**

Weighted average assumptions at the end of the reporting period

	Group		Company	
	2021	**2020**	**2021**	**2020**
Discount rate	0.75%	0.60%	0.75%	0.60%
Price inflation	1.80%	1.50%	1.80%	1.50%
Rate of compensation change	1.80%	1.50%	1.80%	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.

All amounts expressed in € thousand, unless otherwise stated

Sensitivity analysis on actuarial assumptions – Group and Company

Actuarial assumption	Μεταβολή στην παραδοχή	31.12.2021 Increase / (decrease) in defined benefit obligation
Discount rate	Increase by 50 basis points	(2)%
	Decrease by 50 basis points	2%
Price inflation	Increase by 50 basis points	1%
	Decrease by 50 basis points	(1)%
Rate of compensation change	Increase by 50 basis points	1%
	Decrease by 50 basis points	(1)%

NOTE 23: Trade and Other Payables

The breakdown of trade and other payables is as follows:

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Trade payables	26,224	6,711	4,987	4,747
Taxes – Levies	8,086	7,991	3,727	4,195
Deferred revenues	5,018	4,394	2,212	2,418
Lease liabilities	92	90	61	76
Other payables and accrued expenses	10,473	5,547	5,555	4,538
Other payables and accrued expenses due to related parties (Note 32)	5,489	4,772	5,366	3,927
Total	**55,382**	**29,505**	**21,908**	**19,901**

The increase in the trade and other payables of the Group as of December 31, 2021 in comparison to December 31, 2020 is mainly due to the remaining consideration of €11,400 for the acquisition of the property from Picasso Fund on February 25, 2021 (Note 6) and due to the liabilities of the company CI Global and Panterra acquired by the Group in 2021 (note 8) of €7,456 as of December 31,2021. The amount of €11,400 was paid after the year ended December 31, 2021.

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, 2021, according to the relevant lease agreements.

The analysis of Taxes – Levies is as follows:

	Group		Company	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Stamp duty on leases	2,108	2,327	2,108	2,327
Unified Property Tax (ENFIA)	53	58	-	-
Foreign real estate tax	3,590	3,183	-	-
Other	2,335	2,423	1,619	1,868
Total	**8,086**	**7,991**	**3,727**	**4,195**

NOTE 24: Deferred tax liabilities

	Group	
Deferred tax liabilities	**31.12.2021**	**31.12.2020**
Investment property	14,099	13,349
Total	**14.099**	**13,349**

All amounts expressed in € thousand, unless otherwise stated

	Group	
Deferred tax (income) / expense	**31.12.2021**	**31.12.2020**
Tax Losses	(19)	-
Investment property	737	(154)
Total	**718**	**(154)**

Movement of deferred tax liabilities:

	Group		
	Investment Property	Other	Total
Balance January 1, 2020	**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 (Note 14)	(162)	(9,596)	**(9,758)**
Balance December 31, 2020	**13,349**	**-**	**13,349**
Income to the Income Statement	718	**-**	**718**
Offset with deferred tax assets	32	**-**	**32**
Balance December 31, 2021	**14,099**	**-**	**14,099**

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 indirect subsidiaries Picasso Fund and Tarvos Fund, in Italy, which are not subject to income tax.

The Company's foreign subsidiaries, Nash S.r.L., Prodea Immobiliare S.r.L, Egnatia Properties S.A., CYREIT AIF Variable Investment Company Plc, Quadratix Ltd., Lasmane Properties Ltd., PNG Properties EAD, I&B Real Estate EAD amd Aphrodite Springs Public Limited are taxed based on their income (Note 32), therefore temporary differences may arise and accordingly deferred tax liabilities and / or assets may be recognized.

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

NOTE 25: Dividends per Share

On December 7, 2021 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €28,104 (i.e. 0.11 per share – amount in €) as dividend to its shareholders for the year 2021.

On June 8, 2021 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €89,934 (i.e. 0.352 per share – amount in €) as dividend to its shareholders for the year 2020. Due to the distribution of interim dividend of a total amount of €35,769 (i.e. €0.14 per share – amount in €), following the relevant decision of the Board of Directors dated November 30, 2020, the remaining dividend to be distributed amounts to €54,165 (i.e. €0.212 per share – amount in €).

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 that was distributed amounted to €75,371 (i.e. €0.295 per share – amount in €).

All amounts expressed in € thousand, unless otherwise stated

NOTE 26: Revenue

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Rental income	132,070	133,897	93,319	102,334
Compensation from an early termination of leases	890	-	40	-
Other	1,244	-	1,175	-
Total	**134,204**	**133,897**	**94,534**	**102,334**

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

Other revenue refers to compensation from the Greek government of the 60% of the monthly rent for the months January to July 2021, due to the mandatory reduction of 100% of the monthly rent for businesses that remain closed by state order due to COVID-19 pandemic.

The future total minimum (non-cancellable) lease receivables from operating leases are as follows:

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Up to 1 year	120.490	119.295	90.784	92.460
From 1 to 5 years	394.924	408.854	324.013	340.408
More than 5 years	848.465	980.709	820.882	914.525
Total	**1.363.879**	**1.508.858**	**1.235.679**	**1.347.393**

NOTE 27: Property Taxes-Levies

For the year ended as of December 31, 2021, property taxes - levies amounted to €10,087 and €6,821 for the Group and the Company, respectively (December 31,2020: €9,915 and €7,719, respectively) and includes ENFIA of €6,878 and €6,645 for the Group and the Company respectively (December 31,2020: €7,505 and €7,344 respectively). The decrease in ENFIA is mainly attributable to the properties sold on December 2020 given that this tax is calculated for the properties own by the legal entity at the January 1st of each year.

NOTE 28: Direct Property Related Expenses

Direct property related expenses include the following:

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Valuation expenses	1,044	1,108	976	1,031
Fees and expenses of lawyers, notaries, land registrars, technical and other advisors	2,242	753	1,334	459
Advisory services in relation to real estate portfolio	6,748	4,028	5,240	2,102
Insurance expenses	1,017	889	516	516
Office utilities and other service charges	2,376	539	480	167
Repair and maintenance expenses	868	453	13	7
Brokerage expenses	421	22	144	18
Other expenses	209	198	-	-
Total	**14,925**	**7,990**	**8,703**	**4,300**

The increase of fees and expenses of lawyers, notaries, land registrars, technical and other advisors and advisory services in relation to real estate portfolio of the Group and the Company for the year ended December 31,2021 compared to the year ended December 31, 2020 is due to the increase in investing activity during the year 2021.

All amounts expressed in € thousand, unless otherwise stated

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

	Group		Company	
	From 01.01. έως		From 01.01. έως	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Leased properties	10,863	6,583	5,699	3,125
Non-leased properties	4,062	1,407	3,004	1,175
Total	**14,925**	**7,990**	**8,703**	**4,300**

NOTE 29: Personnel Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Salaries	4,595	4,341	4,415	4,214
Social security costs	599	634	595	630
Profit distribution to personnel - BoD	2,579	6,753	2,579	6,753
Other expenses	24	165	24	165
Total	**7,797**	**11,893**	**7,613**	**11,762**

On June 8, 2021, the Annual General Meeting of the Company's shareholders approved the distribution of a total amount of €4,039 to the personnel and members of the BoD out of the profits of the year 2020, out of which an amount of €1,984 is included in the item “Personnel expenses” in the Income Statement for the year ended December 31, 2021 and an amount of €2,055 is included in the item “Personnel expenses” in the Income Statement for the year ended December 31, 2020.

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”.

NOTE 30: Other Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Third party fees	6,579	5,792	2,589	3,921
Expenses relating to advertising, publication, etc.	670	620	680	620
Taxies – levies	1,807	1,818	1,257	1,582
Other	1,000	740	871	728
Total	**10,056**	**8,970**	**5,397**	**6,851**

The increase of third party fees of the Group for the year ended December 31, 2021 compared to the year ended December 31, 2020 is attributable to the new entities of the Group, Picasso Lux and CI Global (31 December 2021: €2,375) which was counterbalanced partially from the decrease of the third party fees of the Company.

All amounts expressed in € thousand, unless otherwise stated

NOTE 31: Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Interest Expense	29,257	26,477	23,485	21,791
Finance and Bank Charges	5,242	3,462	4,600	3,180
Foreign Exchange Differences	120	118	3	1
Other Finance costs	4,039	1,385	4,143	1,280
Total	**38,658**	**31,442**	**32,231**	**26,252**

NOTE 32: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
REICs' tax	2,090	2,048	1,993	1,999
Other taxes	414	366	-	-
Deferred tax (Note21)	718	(154)	-	-
Total	**3,222**	**2,260**	**1,993**	**1,999**

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, MILORA M.IKE, New Metal M.S.A, Panterra S.A. and ILIDA OFFICE S.M.S.A 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 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 subsidiaries Picasso Lux and CI Global, in Luxembourg, and the indirect subsidiaries Picasso Fund and Tarvos Fund, in Italy, are not subject to income tax. In addition, the Company's indirect subsidiary Euclide S.r.l, in Italy is taxed on its income based on a rate equal to 27.9%, No significant foreign income tax expense was incurred for the year ended December 31, 2021 and December 31, 2020.

The unaudited tax years of the subsidiaries and the investments in joint ventures of the Group are described in Notes 9 and 10 above.

NOTE 33: Earnings per Share

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

	Group	
Year ended December 31	**2021**	**2020**
Profit attributable to equity shareholders from continuing operations	170,923	62,767
Profit / (Loss) from discontinued operations	6,965	(5,189)
Profit attributable to equity shareholders from continuing and discontinued operations	177,888	57,578
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495
Earnings per share (expressed in € per share) - basic and diluted from continuing operations	**0.67**	**0.25**
Earnings / (Losses) per share (expressed in € per share) - basic and diluted from discontinuing operations	**0.03**	**(0.02)**
Earnings per share (expressed in € per share) - basic and diluted from continuing and discontinued operations	**0.70**	**0.23**

The dilutive Earnings per share are the same as the basic Earnings per share for the year ended December 31, 2021 and 2021, as there were no dilutive potential ordinary shares.

NOTE 34: 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, 2021 and December 31, 2020 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 financial position of the Group and the Company.

The financial years 2011 - 2014 of NBG Pangaea REIC, which was absorbed by 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. 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 – 2020 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, 2011 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.

The right of the tax authorities to send tax audit request and acts of determination of tax, fees, contributions and fines for the purpose of tax imposition until the year 2015 has expired on December 31, 2021.

For the fiscal years 2016 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 Financial Statements, the tax audit for the year 2021 has not been completed by the statutory auditor of the Company and it is not expected to arise significant tax liabilities other than those already recorded and presented in the financial statements.

Capital Commitments

As of December 31, 2021, Group's capital expenditure relating to improvements on investment property amounted to €12,211 (excluding VAT). In addition, as of December 31, 2021 the Group has capital commitments for improvements in third parties' properties amounting to €1,980 (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, 2021.

Legal Cases

There are no pending lawsuits against the Group nor other contingent liabilities resulting from commitments at December 31, 2021, which would affect the Group's financial position.

Borrowings

In the context of the bridge loan of the Company with Alpha Bank S.A., the Company provided special and irrevocable power of attorney, mandate and right to lawyers acting for Alpha Bank S.A. so that they can appear and represent the Company before any competent court for the purpose of registering a consensual mortgage notice on ten (10) properties of the Company in Greece, in favour of Alpha Bank S.A. for an amount of €30,000. The power of attorney expires automatically, either with the full and complete repayment of all the obligations of the Company under the credit agreement.

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 21), 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.

In order to secure the credible price from the acquisition of a property by the Picasso Fund, the Picasso Fund submitted to the seller an irrevocable letter of guarantee from the bank Intesa Sanpaolo S.p.A. and the Company undertook to compensate the issuing bank, for any amount that it will be obliged to pay to the seller of the property, in case of seizure of the letter of guarantee (Note 6).

The Company, as well has given corporate guarantee up to the amount of €5,000 for liabilities of the company Panterra S.A. under its bridge loan.

Moreover, The Company has given corporate guarantee up to the amount of €2,400 and up to the amount of €875 for liabilities of the companies PIRAEUS TOWER 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.

All amounts expressed in € thousand, unless otherwise stated

NOTE 35: Related Party Transactions

The Company's shareholding structure as of December 31, 2021 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.

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

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.

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	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Anthos Properties S.A.	3	2	3	2
Companies related to other shareholders	3	2	3	2
Total	**6**	**4**	**6**	**4**

	Group		Company	
Other receivables from related parties	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
MHV (joint venture)	11,250	-	11,250	-
PNG Properties EAD, Company's Subsidiary	-	-	11,362	-
Aphrodite Springs, Company's Subsidiary	-	-	4,958	-
Total	**11,250**	**-**	**27,570**	**-**

	Group		Company	
Other long-term assets	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
PNG Properties EAD, Company's subsidiary	-	-	-	10,966
Aphrodite Hills Resort Limited, Company's Subsidiary	-	-	-	20,040
Total	**-**	**-**	**-**	**31,006**

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
Other payables	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Companies related to other shareholders	582	2,151	390	931
Shareholders of the company	1	-	1	-
Panphila Investments Limited, Company's Subsidiary	-		100	-
Ourania Investment (joint venture)	420	-	420	-
MHV (joint venture)	87	-	56	-
Total	**1,090**	**2,151**	**967**	**931**

	Group		Company	
Borrowings	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Companies related to other shareholders	-	1,264	-	-
Total	**-**	**1,264**	**-**	**-**

ii. Rental income

	Group From 01.01. to		Company From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Anaptixi Fragokklisia S.A., Irinna Ktimatiki S.A., ILDIM M.S.A. and MILORA M.S.A. Company's subsidiaries	-	-	3	2
Anthos Properties S.A.	3	3	3	3
Companies related to other shareholders	4	3	4	3
Total	**7**	**6**	**10**	**8**

iii. Direct property related expenses

	Group From 01.01. to		Company From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Companies related to other shareholders	4,803	3,797	3,396	1,864
Total	**4,803**	**3,797**	**3,396**	**1,864**

iv. Other income

	Group From 01.01. to		Company From 01.01. to	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Irinna Ktimatiki S.A., Company's subsidiary	-	-	788	850
CYREIT AIF Variable Investment Company Plc, Company's subsidiary	-	-	3,264	3,529
I&B Real Estate EAD, Company's subsidiary	-	-	2,500	2,000
Quadratix Ltd., Company's subsidiary	-	-	-	400
ILDIM M. IKE, Company's subsidiary	-	-	210	-
Picasso Fund, Company's subsidiary	-	-	-	5,600
Total	**-**	**-**	**6,762**	**12,379**

All amounts expressed in € thousand, unless otherwise stated

v. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
The Aphrodite Tennis and Spa Limited, Company's Subsidiary	-	-	10	-
Invel Real Estate (Netherlands) II B.V.	200	400	200	400
Aphrodite Hills Resort (joint venture)	21			
Companies related to other shareholders	293	350	-	-
Total	**514**	**750**	**210**	**400**

vi. Interest income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
PNG Properties EAD, Company's subsidiary	-	-	395	396
Aphrodite Hills Resort Limited (joint venture)	368	-	1,309	1,763
Total	**368**	**-**	**1,704**	**2,159**

vii. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Companies related to other shareholders	73	111	-	-
Total	**73**	**111**	**-**	**-**

viii. Due to key management

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Payables to the members of the BoD and the Investment committee	1,305	709	1,299	703
Other liabilities to members of the BoD, its committees and Senior Management	3,098	2,785	3,098	2,285
Retirement benefit obligations	25	22	25	22
Total	**4,428**	**3,516**	**4,422**	**3,010**

ix. Key management compensation

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
BoD, its committees and Senior Management compensation	4,968	9,259	4,393	8,499
Total	**4,968**	**9,259**	**4,393**	**8,499**

x. 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 21), 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.

All amounts expressed in € thousand, unless otherwise stated

In order to secure the credible price from the acquisition of a property by the Picasso Fund, the Picasso Fund submitted to the seller an irrevocable letter of guarantee from the bank Intesa Sanpaolo S.p.A. and the Company undertook to compensate the issuing bank, for any amount that it will be obliged to pay to the seller of the property, in case of seizure of the letter of guarantee (Note 6).

The Company, as well has given corporate guarantee up to the amount of €5,000 for liabilities of the company Panterra S.A. under its bridge loan.

Moreover, The Company has given corporate guarantee up to the amount of €2,400 and up to the amount of €875 for liabilities of the companies PIRAEUS TOWER S.A. and Rinascita S.A., respectively, under their bridge loans. The companies are investments in joint ventures.

Moreover, The Company has given corporate guarantee up to the amount of €2,400 and up to the amount of €875 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.

xi. Dividends from Equity method investments

During the year ended December 31, 2021, the company Aphrodite Hills Resort Limited received an amount of €95 as dividend from the company Aphrodite Hills Pantopoleion Ltd. in which participates with 45% (year ended December 31, 2020: €13).

xii. Sale-Purchase agreement

On December 28, 2021, Panphila entered into a purchase agreement with The Cyprus Tourism Development Company Ltd, a 100% subsidiary of MHV, and four individuals to acquire a 17-storey office tower under development with two underground car parks (2) levels, with a total gross area of 26.4 thousand sq.m. After the completion of the office tower and its delivery to the Company, the relevant title deed will be issued in its name. The consideration amount will be determined based on the provisions of the purchase agreement and will be paid in instalments if specific conditions are met.

NOTE 36: Independent Auditor’s fees

Ernst & Young (Hellas) S.A. has served as our principal independent public accountant auditor for the years ended December 31, 2021. 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 Ernst & Young (Hellas) S.A. for the years 2020 and 2019 respectively.

	Group From 01.01. to		**Company From 01.01. to**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Fees for auditing services	403	371	196	102
Audit fees for the Annual Tax Certificate	47	33	15	15
Other non-audit services	88	114	55	32
Total	**520**	**518**	**266**	**149**

NOTE 37: Events after the Date of Financial Statements

On January 13, 2022, the Company completed the acquisition of five equal lands with a total area of 10.4 thousand sq.m. in Maroussi, Attica. The consideration of the above acquisitions are amounted to € 13,767 and their fair value, according to the valuation performed by the independent statutory valuers, amounted to € 15,007. The purpose of the acquisition is the development, after the demolition of the existing building and the operation of a modern office with a minimum environmental LEED Gold certification, which will consist of two autonomous and functionally independent buildings with a total area of more than 17 thousand sq.m.

On February 11, 2022 the Company fully repaid the Bond Loan dated 18.04.2019 with the Bank of Cyprus of an amount of €27,600, which was included in the short-term borrowings at the Statement of Financial Position of the Group and the Company as of December 31, 2021.

On February 21, 2022 the Company completed the disposal of a property in Greece. The sale price amounted to € 420 while its book value amounted to €304.

On March 11, 2022 the transfer of ownership of the office building "ILIDA BUSINESS CENTER" took place with the signing of the final acquisition contract.

Information for the current geopolitical developments regarding the war in Ukraine and the energy crisis are presented in Note 2.3.

There are no other significant events subsequent to the date of Financial Statements relating to the Group or the Company.

Report on the use of proceeds from the issuance of Common Bond Loan through payment in cash for the period from 20.07.2021 until 31.12.2021

In accordance with the provisions of paragraph 4.1.2 of the Athens Exchange Stock Market Regulation, the decision no. 25/17.07.2008 of the Board of Directors of Athens Stock Exchange and the decision no. 8/754/14.04.2016 of the Board of Directors of Hellenic Capital Markets Commission, it is hereby announced that from the issuance of Common Bond Loan (herein «''Green'' Common Bond Loan» or «Green Bond») of an amount three hundred million euros (€300.000.000) with the issuance of 300,000 bearer bonds with offer price of one thousand euros (€1.000) each, that was implemented according to the resolution of the Board of Directors of Prodea Real Estate Investment Company Société Anonyme (herein «Company») as of 02.07.2021 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 09.07.2021, a total net amount of three hundred million euros (€300,000,000) was raised. The cost of the issuance amounted to €8,173,098.93 and were covered in total from the funds raised from the above issuance of the Company. The issuance of the Green Bond was covered in full, the raise of the funds was performed on 20.07.2021 and the 300,000 bearer bonds commenced trading in the fixed income securities category of the regulated market of Athens Stock Exchange on 21.07.2021.

The Company has drafted and adopted the ("Green Bond Framework") dated 29.06.2021 for the issuance of its green bonds, including the Green Bond, in accordance with the Green Bond Principles (GBP) (June 2018), of the International Capital Market Association (ICMA). The full text of the Green Bond Framework is posted on the Company's website at: https://prodea.gr/cms/uploads/2021/07/PRODEA-Green-Bond-Framework.pdf

The net income of Green Bond is kept in a separate account and are allocated among the eligible green projects and is monitored within the framework of the Green Bond Register and under the supervision of the Green Bond Committee of the Company.

The Company declares that the use of net income concerns the financing or the refinancing of eligible green projects in accordance with the Prospectus for the Public Offering of Bonds, the Green Bond Framework of the Company and the framework set by article 22 of Law 2778/ 1999, as applicable. The table below presents the net raised funds as well as the use of the raised funds until 31.12.2021 per category of use / investment:

Table for the Use of Proceeds from the Issuance of the Green Bond of €300m.

Amounts in thousand euros

S/N	Purpose of Use of Proceeds	Net raised funds	Amount of raised fund utilized	Remaining amount for use
			20.07 – 31.12.2021	
1	Repayment of bond loan related to the green office building KARELA in Paiania.		55,977	
2	Green Investments[1]		46,476	
	Total	**291,827**	**102,453**	**189,374**

[1] Green Investments: means and includes any investment of the Company and / or the Group regarding the acquisition, management and exploitation of real estate and / or investments (according to the provisions of article 22 of the Law 2778/1999 for REICS, as applicable) which takes place in the scope of the Green Bond Framework, as these investments are further categorized in Annex B - Categories of Green Investments of the Green Bond Program.

Regarding the S/N 1 of the table, it is noted that the total repayment of the Bond Loan was performed on 30.07.2021, within 30 days from the Date of Issuance of the Green Bond, based on the Prospectus.

It is clarified that the temporarily unallocated funds are deposited in interest bearing bank accounts of the Company and / or time deposits.

Athens, March 21, 2022

The Vice-Chairman B' of the BoD and CEO	The CFO / COO	The Class A' Accountant / Finance Manager
Aristotelis Karytinos	Thiresia Messari	Paraskevi Tefa

ERNST & YOUNG (HELLAS)
Certified Auditors-Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Report of factual findings in connection with the "Report on the use of proceeds from the issuance of Common Bond Loan through payment in cash" as resulted from the Agreed Upon Procedures

(Translation from the original in Greek)

To the Board of Directors of Prodea Real Estate Investment Company Société Anonyme

In accordance with the engagement letter dated March 15, 2022, we were assigned to perform the agreed upon procedures enumerated below, in connection with the "Report on the use of proceeds from the issuance of Common Bond Loan through payment in cash" (hereafter the "Report").

The representatives of Prodea Real Estate Investment Company Société Anonyme (hereafter the "Company") are responsible to prepare the Report in accordance with the requirements of the decision of the Hellenic Capital Market Commission with reference number 8/754/14.04.2016 and the decision 25/17.07.2008 of the Athens Stock Exchange (here hereafter the "Decisions").

Our engagement was undertaken in accordance with the International Standard on Related Services 4400, applicable to agreed-upon-procedures engagements regarding Financial Information. Our responsibility is solely to perform the procedures described below and to report our findings.

Procedures performed

Our procedures are summarized as follows:

1) We reviewed the content of the Report and its consistency with what is referred to in the Decisions.

2) We reviewed the content of the Report and its consistency with what is referred to in the Prospectus issued by the Company on 09 July 2021, as well as with the relevant decisions and announcements of the Company.

3) We have traced and agreed the amount of the Bond Loan that has been included in the Report to: (a) the amount that was approved by the Company's Board of Directors Meeting on July 02, 2021, (b) the amount included in the Prospectus referred above, (c) the amount deposited in the Company's bank account in Piraeus Bank with reference number 5013065603503.

4) We examined whether the funds raised from the issuance of the Bond Loan as presented in the column "Amount of raised fund utilized 20.07-31.12.2021",of the Report, were used according to the uses that were approved in the minutes and the decisions of the responsible bodies of the Company, and within the time plan, in accordance with the Prospectus paragraph 4.1.2 "Reasons for the issuance of the Common Bond and use of funds", and the relevant journal entries.

ERNST & YOUNG (HELLAS)
Certified Auditors-Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Building a better working world

Findings

Our findings are as follows:

1) We noted that the content of the Report is consistent with the provisions of the Decisions mentioned above.

2) The content of the Report is in consistency with what is referred to in the Prospectus issued by the Company on 09 July 2021, as well as with the relevant decisions and announcements of the Company

3) The amount of the Bond Loan that has been included in the Report traces and agrees to: (a) the amount that was approved by the Company's Board of Directors Meeting on July 02, 2021, (b) the amount included in the Prospectus referred above, (c) the amount deposited in the Company's bank account in Piraeus Bank with reference number 5013065603503.

4) The funds raised from the Common Bond loan issuance as included in the Column "Amount of raised fund utilized 20.07-31.12.2021" of the Report, were used according to the uses that were approved in the minutes and the decisions of the responsible bodies of the Company, and within the time plan, in accordance with the Prospectus paragraph 4.1.2 "Reasons for the issuance of the Common Bond and use of funds", and the relevant journal entries.

Because the above agreed upon procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance beyond what we have referred to above.

Had we performed additional procedures, or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Use Limitation

This report is addressed exclusively to the Board of Directors, in the context of its obligations arising from the Regulatory Framework of the Athens Stock Exchange. This report is not to be used for any other purpose, since it is limited to what is referred above and does not extend to the Company's consolidated and separate financial statements for the year ended December 31, 2021, for which we will issue a separate audit report.

Athens, March 21, 2022

The Certified Auditor Accountant

ANDREAS HADJIDAMIANOU
SOEL reg. no 61391
ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
8B CHIMARRAS, MAROUSSI
151 25, ATHENS
SOEL reg. no 107