# BriQ Properties R.E.I.C.

## ANNUAL FINANCIAL REPORT

**For the year ended December 31, 2019**

**BriQ Properties R.E.I.C.**

**S.A.Reg.No. 140330201000**

**Al.Pantou 25, Kallithea**

**March 2020**

**Contents**

# Statement Of The Board Of Directors Of The Company
## (according to the article 4 of the Law 3556/2007)

The members of the Board of Directors of the company BriQ Properties R.E.I.C, Theodoros Fessas, Chairman, Anna Apostolidou, Chief Executive Officer and Apostolos Georgantzis, Executive member of the BoD certify that to the best of our knowledge:

- The Annual Financial Statements of the Company "BriQ Properties" for the year ended December 31, 2019 complies with applicable accounting standards, and presents fairly the assets, liabilities, equity and income statement of the Company.
- The Annual Board of Directors Report presents fairly the development, the performance and the status of the Company and the risks as well as the Corporate Governance Statement according the article 152 of the Law 4548/2018.

**Kallithea, March 4th , 2020**

| Chairman of the BoD | Chief Executive Officer Executive member of the BoD | Executive member of the BoD |
|---|---|---|
| Theodoros Fessas | Anna Apostolidou | Apostolos Georgantzis |

# Annual Board of Directors report for «BRIQ PROPERTIES Real Estate Investment Company» FOR THE YEAR ENDED DECEMBER 31, 2019

**Dear Shareholders,**

According to the Law 3556/2007 and article 150 of Law 4548/2018, we present below the Board of Directors Report of the Company «BriQ Properties R.E.I.C.» on the yearly Financial Statements for the period from January 1st to December 31, 2019. This Report contains the information according to the Law 4548/2018 and includes information of paragraphs 7 and 8 of article 4 of Law 3556/2007 and the Corporate Governance Statement under article 43bb of Codified Law 2190/1920 which has been replaced by article 152 of the Law 4548/2018.

The Annual Financial Statements for the year 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS).

During the fiscal year 2019, the Company's activities were in line with the legislation and its articles of association.

According to the legislation, this report include the following:

1) Report for the year from January 1st to December 31th 2019
2) Significant events of the year ended December 31, 2019
3) Prospects and significant risks
4) Significant transactions with related parties

**REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019**

2019 was a year of gradual transition for Greece in a period of more favorable economic conditions, which coincide with the improved economic climate established in the second half of the year.

The recent change in Greek short-term yields, although following the corresponding change of international markets, shows a shift in market confidence in the Greek economy. This is presented in the historically low 1,5% yield on the issue of the 10-year October 2019 bond, which fell below the 1% barrier in February 2020, against 3,5% in March 2019, which proves markets expectations for strong growth prospects.

The positive expectations of the economy contributed positively to the image of the real estate market. Therefore, the stabilization of the prices of professional real estate and the gradual increase of rents, mainly in real estate of high standards, were continued.

New constructions are planned and there is an interest in foreign institutional investors as well as foreign buyers to invest in Greek real estate sector where returns are higher than other European markets.

During the fiscal year under review, the Company carried out new investments, developed its property portfolio and continued to actively manage its property portfolio, while in December 2019 it successfully completed a Share Capital Increase by raising funds totaling € 50.070.430,20 through the exercise of pre-emption and pre-subscription rights as well as Private Placement, funds which will be allocated to new investments, according to the section 4.3 of the Prospectus, which was approved from the Board of Directors of the Hellenic Capital Market Commission on 21.11.2019.

The Statement of Financial Position and the Statement of Comprehensive Income, the changes in equity and cash flows of the period as published are derived from the Company's books and records and have been prepared in accordance with the International Financial Reporting Standards.

The Board of Directors attempting a review of the Company's operations and results of your current year, is informing the public about the following:

**Investments in Real Estate**

As at December 31, 2019, the Company's property investments portfolio included twenty two (22) properties with total area of 57.795,56 sq.m. and value of € 59.997 thousand, as valued by the independent valuators of Athens Economics Ltd - Financial Consultants and «HVS HOSPITALITY CONSULTING SERVICES S.A.» versus € 39.812 thousand at 31.12.2018 . The increase in the value of the company's property investment portfolio for the fiscal year 2019 amounted to € 20.185 thousand (+50,7%).

The Company's property investments portfolio include 9 office buildings including 2 office buildings with ground floor retail stores, (mixed use), 4 logistics buildings, 3 retail properties, 3 hotels, 1 social healthcare building (Elderly Hosting Center) and 2 land plots..

The fair value of investment property as at December 31, 2019, amounted to € 59.793 thousand (excluding the office space used by the Company valued at € 204 thousand) versus to € 39.623 thousand (excluding the office space used by the Company valued at € 189 thousand) at December 31, 2018.

The increase is due to the purchase of 8 investment properties totaling € 15.942 thousand which completed in 2019, € 4.032 thousand from revaluations and € 196 thousand from subsequent capital expenditure on existing property (Note 6).

The valuation of the Company's property portfolio was made using the Discounted Cash Flow Method and the Comparative Real Estate Method, while for the leased plot it was made according to the Comparative Real Estate Method and the Residual Value Method.

**Rental Income**

The rental income of the Company for the year ended December 31, 2019 amounted to € 2.928 thousand versus € 2.175 thousand for the year ended December 31, 2018. This significant increase of € 753 thousand (34,6%) is mainly due to the incorporation of revenue from new property investments.

On December 31, 2019, 49,1% of the annualized rental income of the Company is derived from subsidiaries and associates of Quest Holdings S.A.. This figure is markedly reduced compared to December 31, 2018, where 69,4% of the annualized rental income was derived from subsidiaries and associates of the Quest Holdings Group S.A..

On December 31, 2019, the total occupancy rate (the total of leased spaces on the total leasable area) of the Company's property was 97,9% while on 31.12.2018 it was 89,8%.

For the calculation of the occupancy rate as at 31.12.2018 two properties (I. Gennadiou 4 and 123 Kifissou Ave.) where include which were purchased as vacant in December 2018 and were leased within the current fiscal year.

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

The Company's profits from fair value adjustments on investment property for the financial year 2019 amounted to €4.032 thousand versus € 1.734 thousand for the year 2018.

**Operating Expenses**

**Direct Property related Expenses** for year 2019 amounted to € 415 thousand versus € 291 thousand for the year 2018, increase of 42,6%. Those expenses mainly concern Property Tax (ENFIA) € 273 thousand (31.12.2018 : € 166 thousand) (note.17), valuation fees amounting to € 33 thousand (31.12.2018 € 10 thousand and real estate insurance fess amounting to € 47 thousand ( 31.12.2018 : € 39 thousand).

**Other Operating Expenses** amounted to € 325 thousand versus € 202 thousand for the year 2018, an increase of 60,9% or € 123 thousand. This increase is mainly due to marketing expenses of € 68 thousand for the share capital increase which completed during the year 2019.

(Amounts presented in thousand € except otherwise stated)

**Financial Income/Cost**

The Company's financial cost for the year 2019 amounted to € 456 thousand versus €44 thousand for the year 2018 due to the issuance of bond loans, with which new investments was financed (note.20). The total interest income for the year 2019 amounted to € 235 thousand versus € 3 for the year 2018.

Interest income for fiscal year 2019 includes profit of € 165 thousand which was recognized as a result of the amendment of the contractual terms of the bond loan that it was singed with Alpha Bank on 19.07.2018 (Note 14).

**Operating Profits - Earnings before Taxes**

The operating profits for the Company for the year 2019 amounted to € 5.803 thousand versus € 3.162 for 31.12.2018, while the operating profits, excluding revaluation gains on fair value of investment property, amounted to € 1.771 thousand, compared to € 1.428 thousand for the year 2017, an increase of € 343 thousand or 24,0%.

Earnings before taxes amounted to € 5.581 thousand versus € 3.121 thousand for the previous year. Earnings before taxes excluding revaluation gains on fair value of investment property amounted to € 1.549 thousand versus € 1.387 thousand of the previous year, an increase of 11,7%.

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

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

Adjusted Earnings before Interest, Taxes and Depreciation amounted to € 1.852 thousand compared to € 1.436 thousand for 31.12.2018, showing an increase of 28,9%, as it appears in the following table:

| | **01.01.2019 - 31.12.2019** | **01.01.2018 - 31.12.2018** |
|---|---|---|
| **Profit before taxes** | **5.581** | **3.121** |
| Plus : Depreciation tangible and intangible assets | 13 | 8 |
| Plus: Net Financial (income) /expenses (Note 20) | 221 | 41 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | **5.816** | **3.170** |
| Plus: Net loss of fair value adjustment of investment properties | (4.032) | (1.734) |
| Plus: Net Non-recurring expenses[1] | 68 | - |
| **Adjusted Earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)** | **1.852** | **1.436** |

[1] The net non-recurring expenses of € 68 thousand are marketing and advertising expenses related to the Share Capital Increase incurred during the fiscal year 2019.

**Tax**

The Company's taxes for the year 2019 amounted to € 198 thousand versus € 242 thousand for the year 2018, presenting a decrease of € 44 thousand or 18,0%.

This decrease is due to the calculation of the Tax for the 2nd semester of 2019 which was made in accordance with the new Law 4646/2019 as passed on December 12, 2019. Pursuant to Article 55 Law 4646/20119, the Article 31 of Law 2778/1999 was amended for the calculation of the tax for real estate investment companies. More specifically, the new Law removed the threshold of 0,375% for the tax due every six months on the average investments plus cash. The tax rate now stands at 10,0% of the European Central Bank's applicable interest rate increased by 1 percentage point (10.0% * (ECB reference rate + 1,0%)), on the average of investments plus cash and cash equivalents at current prices. Under the new provisions, the corporation tax for the second half of 2019 was 0,05% of the average investments plus cash and cash equivalents at current prices for the second half of 2019.

(Amounts presented in thousand € except otherwise stated)

**Net profit after tax**

The net profit after taxes for the fiscal year 2019 amounted to € 5,383 thousand compared to € 2.879 thousand for the previus fiscal year, an increase of € 2.504 thousand or 87,0%..

**Share Capital Increase**

On 20.12.2019, the trading of 23.843.062 new ordinary shares of the Company at the Athens Stock Exchange Market began with a nominal value of € 2,10 for each. The share capital increase was completed by cash deposit and the issuance of new shares, according to the 06.09.2019 decision of the Extraordinary General Meeting of the Shareholders of the Company in combination with the 12.11.2019 decision of the Board of Directors.

The Share Capital Increase with cash deposit and pre-emption rights to the existing shareholders which took place from 28.11.2019 to 12.12.2019 was successfully completed by raising funds totaling € 50.070.430.20 through the exercise of pre-emption and subscription rights. as well as Private Placement.

As a result, the share capital Increase was fully subscribed (100%) and the total funds raised amounted to €50.070.430,20. Hence, Company's share capital now amounts to € 75.105.645,30 and is divided into 35.764.593 common shares of €2,10 nominal share value each.

**Balance Sheet details**

The total equity of the Company for the year ended December 31, 2019 amounted to € 83.944 thousand versus € 30.730 for the previous year.

The cash and cash equivalents of the Company as at December 31, 2019 amounted to € 37.568 thousand versus € 1.303 for the previous year.

As at December 31, 2019 loan liabilities amounted to € 12.412 thousand versus € 9.640 thousand as at December 31, 2018.

The leverage ratio of the Company (Loan liabilities / Investments in real estate) as at 31.12.2019 amounted to 20,8% and the Net Debt Ratio ((Loan liabilities – Cash)/Investments in real estate) amounted to -42,1%, while on December 31st, 2018, amounted to 24,3% and 21,0% respectively.

The Company's Net Asset Value (N.A.V.) on December 31th, 2019 amounted to € 83.944 thousand and Net Asset Value (N.A.V.) per share to € 2,35, while on December 31st, 2018 they amounted to € 30.730 thousand and € 2,58 respectively. This decrease in Company's Net Asset Value (N.A.V.) per share is mainly due to the increase in the number of Company shares by 200% following the Share Capital Increase that took place in fiscal year 2019.

**Basic Ratios**

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| **Current Ratio** | | |
| Current Ratio (Current assets / Current liabilities) | 22,83x | 1,15x |
| **Leverage Ratio** | | |
| Total Loans to Total Assets | 12,7% | 23,4% |
| Loan to Value (L.T.V.) | 20,8% | 24,3% |
| Loans less cash to Value (Net L.T.V.) | -42,1% | 21,0% |
| **Equity** | | |
| Net Assets Value (N.A.V.) | € 83.944 K | € 30.730 K |
| Net Assets Value per Share (N.A.V./shares) | € 2,35 | € 2,58 |

(Amounts presented in thousand € except otherwise stated)

| **Funds from Operations (F.F.O)** | **01.01.2019-31.12.2019** | **01.01.2018-31.12.2018** |
|---|---|---|
| Funds from Operations (F.F.O) | € 1.700 K | € 1.257 K |

**Dividend Distribution**

On April 19, 2019, the Ordinary General Meeting of the Company's shareholders decided the distribution of dividend of € 656 thousand, i.e. € 0,055 per share (net) of the profits of the year 2019, which destributed to the shareholders on March 29, 2019 through the payer Bank, National Bank of Greece S.A.. In 2018, the Company had distributed dividend of a total amount of € 417 thousand (€ 0,035 per share, net) from the profits of the year 2017.

**Significant events for the year 2019**

1. On April 16th, 2019, the Company purchased of a plot of land on 117 Kifisou Avenue, at Agios Ioannis Renti. The plot of land has a total surface area of 640,24 sq. m., façade on Kifisou Avenue and it is adjacent to the logistics property also owned by the Company, which is located at 119, Kifisou Avenue. The consideration for the acquisition amounted to €248 thousand (excluding acquisition costs of € 4,8 thousand). The plot of land is burdened by an obligation for land contribution of 137,06 sq.m. which is conversed to money, the payment of which will be undertaken by the Company, when such contribution is allocated.
2. On April 17th, 2019, the Company signed a credit agreement with open account with Eurobank Ergasias S.A. and used the total limit of the agreed credit amounting € 2.932 thousand, which was used for the financing of the purchase of the hotel “Mr & Mrs White Tinos”.
3. On April 18th, 2019, the Company purchased the hotel “Mr & Mrs White Tinos” which is located at Agios Ioannis Porto in Tinos Island, in Cyclades. The hotel consists of three (3) buildings built on a plot of land of a total surface area of 7,877.00 sq.m., has 60 rooms, one pool, restaurant/bar, spa area and parking area. The hotel is leased to the company “Hotel Keys SINGLE-MEMBER S.A.”, subsidiary of Hotel Brain S.A.. The total consideration for the acquisition of the property and its hotel equipment amounted to € 2.960 thousand (excluding acquisition costs of € 44 thousand).
4. On June 14th, 2019, the Company, following the decision of the Board of Directors of the Company dated 12.06.2019, proceeded to the conclusion for the issuance of a common bond loan with Eurobank Ergasias SA, of a maximum amount of twenty million euros (€ 20.000.000,00) pursuant to the provisions of Articles 59-74 of Law 4548/2018 and of Article 14 of Law 3156/2003, as in force, which could be gradually disbursed and shall be used for the financing of new investments in real estate. Until 30.06.2019, the Company had not made use of the aforementioned bond loan.
5. On October 10th, 2019, the Company completed the acquisition of an office property of 4th floor with a total surface of 419,06 sq.m. located at 3 Mitropoleos Street in Syntagma Square. The total consideration for the acquisition of the property amounted to € 1.466 thousand (excluding acquisition costs of € 47 thousand).
6. On October 29th, 2019, the Company acquired a commercial store with surface of 281,35 sq.m. located at 25is Martiou 1 and Volunteer Dodecanese Streets in Rhodes Town. The consideration for the acquisition of the property amounted to € 765 thousand (excluding acquisition costs € 9 thousand).
7. On November 4th, 2019, the Company acquired a plot of land in Naoussa Paros. The land has a total surface of 518,40 sq.m. and is adjacent to the Company's holte “Mr & Mrs White Paros”. The consideration for the acquisition of the land amounted to € 260 thousand (excluding acquisition costs of € 7 thousand).
8. On November 11th, 2019, the Company completed the acquisition of six (6) office properties, totaling 1.620 sq.m. of office space, located in an office building at 280 Eleftherios Venizelou Ave. Kalithea. The total consideration for the acquisition of the properties amounted to € 1,755 thousand (excluding acquisition costs € 23 thousand).
9. On November 28th, 2019, the Company acquired a stand-alone mixed-use building (office building with ground floor shop) in Athens central commercial district. The building comprises of 7 floors, ground floor, mezzanine and basement and It is located at 67, Aiolou Str.in the Municipality of Athens. The total consideration for the acquisition of the property amounted to € 6.500 thousand (excluding acquisition costs € 61 thousand)
10. On December 11th, 2019, the Company signed a preliminary contract for the acquisition of the boutique hotel “Mr & Mrs White Corfu” located in the Acharavi area at Corfu. It consists of 38 rooms and suites with total surface of 1.237 sq.m. and was fully renovated in 2018. The hotel facilities also include a 150 sq.m. swimming pool, a jacuzzi and a tennis court. The property is situated at a land plot of 13.876 sq.m.. The agreed acquisition price for Mr & Mrs White Corfu, which includes hotel equipment, amounts to €3.000 thousand.

11. On December 12th, 2019, Company completed successfully its share capital increase with the raising of funds totaling € 50.070.430,20. The share capital increase was completed by cash deposit and the issuance of new shares, according to the 06.09.2019 decision of the Extraordinary General Meeting of the Shareholders of the Company in combination with the 12.11.2019 decision of the Board of Directors. The Share Capital Increase was completed hrough the exercise of pre-emption and subscription rights. as well as Private Placement. The Company's share capital increased by € 50.070.430,20 with the issue of 23.843.062 new common registered shares, of € 2,10 nominal share value each. On 20.12.2019, the trading of 23.843.062 new ordinary shares of the Company on the Athens Stock Exchange began, with a nominal value of € 2,10 each. Thus, the Company's share capital today amounts today to € 75.105.645,30 and is divided into 35.764.593 common registered shares, of € 2,10 nominal share value each.
12. On December 23rd, 2019, the Company purchased a 474 sq.m. retail property located at 64 Vasilissis Sofias Avenue in the Municipality of Athens. The consideration for the acquisition of the property amounted to € 1.750 thousand (excluding acquisition costs of € 41 thousand).

**EVENTS AFTER THE BALANCE SHEET DATE**

1. On February 7th, 2020, the Company acquired a ground floor retail unit with mezzanine and basement at a price of € 1.128 thousand. The property has total area of 782,31 sq.m., it is located at 8, Giampoudaki Street and Iroon Square in Rethymno, Crete and it is fully leased.
2. On February 27th, 2020, the Company purchased the hotel “Mr & Mrs White Corfu” following the preliminary contract singed at December 11th, 2019. “Mr & Mrs White Corfu” is located in the Acharavi area at Corfu. It consists of 38 rooms and suites with total surface of 1.237 sq.m. and was fully renovated in 2018. The hotel facilities also include a 150 sq.m. swimming pool, a jacuzzi and a tennis court. The property is situated at a land plot of 13.876 sq.m.. The consideration for the acquisition of the hotel and its equipment amounted to € 3.000 thousand.
3. On March 3rd, 2020, the Company acquired 100% of shares of the Company that owns the hotel "Plaza Hotel". Plaza Hotel is located in Kanapitsa, Skiathos, and has a total surface area of 3,888 sq.m. The total consideration for the acquisition of the aforementioned shares will amount to € 3.500 thousand, € 2.500 thousand of which will be paid upon completion of certain sects.

There are no other significant events have taken place after December 31, 2019, which affect the Company’s financial position that need to be mentioned according to the International Financial Reporting Standards.

**PERSPECTIVES FOR 2020**

In the real estate sector, the prices of professional real estate are expected to rise, due to the decrease in the property yields, as Greek bond yields are at low levels. In addition, rental prices continue to increase as the availability of high standard properties is reduced. Systemic Banks are also stepping up efforts to consolidate their loan portfolios through the sale of non-performing loan portfolios (NPLs and NPEs) with real estate collateral, and by 2020 several banks will proceed with capitalization of their non-performing loans. The above factors create an attractive investment real estate environment for real estate investment companies and give positive perspectives for the real estate sector.

The Increase of the Company's Share Capital that took place in the fiscal year 2019 was successfully completed by raising funds totaling € 50.070.430.20. The Company's main priority for 2020 is to use the funds raised in accordance with section 4.3 of the Share Capital Increase Prospectus, which was approved on 21.11.2019 by the Board of Directors of the Hellenic Capital Market Commission and in accordance with the Company's investment policy for the development of its property portfolio. A key pillar of the Company's investment plan is to increase its property portfolio through investments in professional properties that offers attractive returns and / or can bring goodwill to shareholders.

**SIGNIFICANT RISKS**

**A) Market Risk**

**i) Foreign exchange risk**

The Company operates in Greece, its transactions are carried out at (€) Euros and therefore are not exposed to foreign currency risk.

**ii) Fluctuations in Property Values**

The Company is exposed to risk from the change in the value of property that has an impact on the income statement and its balance sheet. In order to reduce this risk, the Company has long-term leases with credible tenants. In the current fiscal year, the Company had profits from the revaluation of investment property at fair value.

**iii) Inflation Risk**

The Company's exposure to inflation risk is minimized as all rental contracts are annual readjustable and connected to the Greek Consumer Price Index. In addition, in most lease agreements in the case of negative inflation there will be no negative impact on the rents. The Company's rental income is not subject to seasonal fluctuations, except for individual leases where there is a percentage of turnover in excess of the monthly rent calculated at the beginning of each year for the preceding calendar year.

**iv) Cash flow and fair value interest rate risk**

The Company's exposure to interest rate risk is due to short term deposits (Note 11) and bank loans with floating interest rates (Note 14) that expose the Company to cash flow risk due to a possible change in interest rates.

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

The Company's exposure to interest rate risk is not significant due to the low borrowing exposure of the Company (Net Loan to Value Ratio -42,1%).

**B) Credit Risk**

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

The Company's exposure to credit risk is mainly attributable to transactions with affiliated parties, as a large proportion of the Company's portfolio is leased to Quest Group companies. The percentage of the annualized leases derived from subsidiaries and associates of the Quest Holdings Group S.A. at 31.12.2019 was 49,1% vs 69,4 as at 31.12.2018 (notes 16 and 26).

No significant losses are expected as the lease agreements are made with high credit tenants. In addition, the Company receives credit guarantees ranging from 2 to 12 monthly leases amount to limit credit risk.

**C) Liquidity Risk**

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

**D) External Factors**

The Company currently invests only in the Greek territory. The Company may be affected by factors such as financial instability, political turbulence and tax changes.

The prospect of the real estate market is influenced by the wider economic environment. The elimination of restrictions on capital movements and the implementation of the privatization program could lead to a reduction in the country's risk and the attraction of foreign investments, which will lead to a growth of the real estate sector in which the Company operates.

Developments that could negatively affect the Greek economy are beyond the control of the Company and Management is not in a position to anticipate or observe any possible impact. Nevertheless, the Management constantly assesses the situation and its possible consequences in order to ensure that all necessary and effective measures and actions are taken in time to minimize any impact on the Company's activities.

**BRANCHES**

The Company does not have any branches.

**PERSONEL**

The number of employees of the Company as at 31 December 2019 amounted to four (4), compared to three (3) at the end of the previous year.

The Company takes care of employees' employment issues and continually invests in their professional education and development.

**RELATED PARTIES TRANSACTIONS**

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

All transactions from and with related parties are carried out under prevailing market terms. All significant related party transactions, as defined by IAS 24, are fully disclosed in note 25 in the Annual Financial Statements for the financial year ended on December 31, 2019.

**CORPORATE GOVERNANCE DECLARATION**

This Corporate Governance Declaration is made in accordance with the provisions of article 152 of Law 4548/2018 in combination with article 2 of Law 4403/2016, Government Gazette A125/7.7.2016 (Article 20 of Directive 2013/34/ EC and paragraph 2, article 1, of Directive 2014/95/EC) as was in force for the year 2019.

By applying the core principles of Corporate Governance, the Company has set out the following objectives:

- transparency in management and corporate responsibility
- information and participation of shareholders in making important decisions
- rapid decision-making and effective administration
- detection, identification and minimization of risks
- ensuring a quality work environment
- independence in the exercise of control
- awareness in the Company and its staff regarding issues relating to the relationship with the natural and social environment.

**1. Corporate Governance Code**

Pursuant to the provisions of Law 3016/2002, the Company has adopted Internal Regulations, which refer to the Greek Corporate Governance Code (GCGC) and complies with the specific practices for listed companies provided by the CSCE, also taking into account Annex I of the GCGC "Exemptions for listed companies of smaller size", which is posted on the Company's website: www.briqproperties.gr and at the following link:

http://www.helex.gr/documents/10180/906743/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d

Since the Company's establishment (21 October 2016), the GCGC has been implemented with the following deviations:

a. There is no structured procedure or policy of diversity regarding the composition of the BoD and the senior executives and / or no representation for each gender is defined respectively. The Company examines its alignment with this specific practice following the drafting of a relevant procedure (Section A, paragraph 2.8, of the Code).

b. There is no provision in the Articles of Association or the Internal Regulations of the Company, setting out the responsibilities of the Board of Directors, the responsibility of the Independent Vice-Chairman of the Board of Directors to request the inclusion of specific issues on the agenda. The Board of Directors is convened, as the law sets out, upon the request of two (2) members of the BoD, according to the provisions of article 91 par. 3 Law 4548/2018. Moreover, there is no specific procedure under which the Independent Vice Chairman is at the disposal of the shareholders to discuss corporate governance matters or to coordinate communication between executive and non-executive members of the Board of Directors given that the Board of Directors acts and decides as a collective body. Finally, there is no separate meeting of non-executive members of the Board of Directors, without the presence and participation of executive directors, as the non-executive members constitute the majority of the members (5 non-executive members out of whom 2 independent non-executive members) and, therefore, resolutions are passed following discussion, taking into account the opinions of all members. (Section A, paragraph 3.4 of the Code).

c. The new members of the Board of Directors receive an induction program on matters concerning the Company but there is no specific continuous professional development program. However, members of the Board of Directors engage frequently with Company executives. Moreover, members, having received, in a timely manner, the recommendations and information to the Board of Directors, may request further clarifications and information from the relevant executives. (Section A, paragraphs 6.5 to 6.6 of the Code).

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d. The Internal Regulations of the Company regarding the constitution and functioning of the Board of Directors do not expressly provide for the possibility of using independent external consultants, however, the Board of Directors shall, whenever deemed necessary for the performance of its duties, appoint independent professional consultants (Section A paragraph 6.8 of the Code).

d. Executive board members' contracts do not provide that the Board of Directors may demand full or partial recovery of any bonuses awarded on the basis of restated financial statements of previous years or otherwise erroneous financial data used to calculate such bonuses. In any case, the Company has the control mechanisms to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards and best international practices to avoid any manipulation or alteration of the Company's financial results (Section C, paragraph 1.3 of the Code).

g. The Company does not publish a summary of the minutes of the General Meeting of Shareholders. However, immediately after the meeting a Press Release is issued stating the quorum in the General Meeting as well as its resolutions. Within five (5) days, the results of voting on each resolution, should also be posted (Section DII paragraph 2.3 of the Code).

h. The Secretary of the Board of Directors, the head of the Internal Audit Department and the regular external auditor are present at the ordinary General Meeting of Shareholders, but there is no provision for the members of the Board of Directors (Section DII paragraph 2.4 of the Code).

i. The Company does not implement a specific policy for the diversity of its administrative, management and supervisory bodies due to its limited size.

For those cases that are referred to in this Statement as deviations from the GCGC, there is currently no legislation or regulations of the Capital Market Commission to make the necessary adjustments and adoption of measures by the Company. However, the Company intends to consider appropriate actions to minimize the existing deviations from the GCGC. In addition to the aforementioned, the Company, in accordance with its Internal Regulations, has set out the powers and responsibilities of the Chairman, Vice Chairman, Managing Director, Committees of the Board of Directors, as well as the senior executives, thus, promoting the adequate division of responsibilities in the Company.

**2. Description of the main characteristics of the Company's Internal Audit and Risk Management System in relation to the procedure for the preparation of the financial statements.**

**2.1. Internal Audit System**

Since the beginning of the Company's operation an independent Internal Audit Department has been established, which informs in writing the Board of Directors and / or the Audit Committee on the results of its work by submitting a report to the Board of Directors and / or the Audit Committee with reference to the identification and handling of the most significant risks and the effectiveness of the internal control system. The Head of the Internal Audit Department is appointed by the Company Board of Directors, is a full-time, dedicated employee, hierarchically reports directly to the Board of Directors and is supervised by the Board of Directors with the support of the Audit Committee.

For the performance of his duties, the Head of the Internal Audit Department is entitled to become aware of any book, record or document of the Company and have full and unhindered access to any Directorate-Department of the Company. He also acts in concert with the International Standards for the Professional Practice of Internal Auditing. Members of the Board of Directors, executives and employees of the Company must cooperate and provide information to the Head of the Internal Audit Department and, in general, facilitate his/her work in any way.

The Audit Committee monitors, reviews and evaluates the adequacy and effectiveness of the Company's overall policies, procedures and safeguards regarding both the internal control system and the risk assessment and management in relation to financial reporting. As regards the internal audit function, the Audit Committee supervises and monitors the proper functioning of the Internal Audit Department according to the professional standards as well as the applicable legal and regulatory framework and evaluates its work, its adequacy and its effectiveness, without, however, affecting its independence.

The adequacy of the Internal Audit System is monitored on a systematic basis by the Audit Committee through reports submitted to it by the Internal Audit Department while it is evaluated annually by the Board of Directors. The reports contain the observations and findings of the audits, their importance, the proposals for improving the weaknesses, the responses of the executives to deal with the issues with the corresponding resolution timescales.

Moreover, the Audit Committee monitors the process and the carrying out of the statutory audit of the company and consolidated financial statements. In this context, it informs the Board of Directors on the issues that arose during the statutory audit, explaining in detail:

i) The contribution of statutory audit to the quality and integrity of financial information, i.e. the accuracy, completeness and correctness of financial information, including disclosures, approved by the Board of Directors and is made public.
ii) The role of the Audit Committee in the above-mentioned procedure under i), i.e. the recording of the Audit Committee's actions in the process of carrying out the statutory audit.

In the context of the above information of the Board of Directors, the Audit Committee takes into account the content of the supplementary report, which the Auditor submits to it and which contains the results of the statutory audit carried out and at least meets the specific requirements in accordance with Article 11 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014. The Audit Committee monitors, reviews and evaluates the financial reporting process, i.e. the production mechanisms and systems, the flow and dissemination of the financial information produced by the organizational units of the Company.
The above Audit Committee's actions include other information disclosed in any way (e.g. stock exchange announcements, press releases) in relation to the financial information. In this context, the Audit Committee informs the Board of Directors of its findings and submits proposals for improvement of the procedure, if deemed appropriate.
In particular, the Audit Committee is informed about the process and timescale for the preparation of the financial information by Management.
The Audit Committee is also informed by the Auditor on the annual statutory audit plan prior to its implementation, proceeds to its evaluation and ensures that the annual statutory audit plan covers the most important audit areas, taking into account the company's main business and financial risk areas. Furthermore, the Audit Committee submits proposals and other important matters as it deems appropriate.
In order to achieve this, the Audit Committee may hold meetings with the Management / competent executives during the preparation of the financial reports, as well as with the Auditor at the planning stage of the audit, during its execution and during the preparation of audit reports.
Within its remit, the Audit Committee should consider and examine the most important issues and risks that may have an impact on the Company's financial statements and the significant judgments and estimates of Management when preparing the Company's financial statements.
The functioning of the Audit Committee is set out in detail in its Regulation that is approved by the Board of Directors.

### 2.2. Risk Management

The Company has put in place appropriate policies and procedures to manage the risks associated with the process of preparing the Company's financial statements. The Board of Directors determines the operational strategy in the context of the approval of the annual budget with medium-term estimates for the following fiscal year. A key point of this exercise is the overview of operational risks and opportunities and the measures taken to manage them. The Company applies risk management systems to identify, measure, manage and monitor all relevant risks in terms of the investment strategy it has decided to pursue. Risk management systems are regularly reviewed and updated whenever necessary.

Operational and financial performance is reviewed on a regular basis, and a budget comparison with previous years' results is expected to achieve optimal return. Furthermore, it is foreseen to analyze, on a monthly basis, the differences between actual results, budgets and comparisons to ensure the accuracy and completeness of the results.

All Company activities are subject to audits by the Internal Audit Department, whose results are presented to the Company's Board of Directors. Additionally, the Audit Committee reviews the management of the company's main risks and uncertainties and their periodic review. In this context, it evaluates the methods used by the Company for identifying and monitoring risks, addressing the main ones through the internal audit system and the Internal Audit Department and disclosing them in the published financial information in a correct manner. An internationally recognized auditing company performs the statutory audit of the financial statements.

**2.3. Information Technology Systems**

The Company uses the IT services and the computer systems of the associated company Info Quest Technologies S.A.

The associated company Info Quest Technologies SA, the IT services provider, has developed systems specialized in the company's activities, such as SAP RE (Real Estate), and has applied policies and processes covering the provided services to the Company. Among the most important processes implemented by the associated company Info Quest Technologies SA are the security procedures and in particular: backups (daily, monthly and yearly), recovery process, disaster recovery plan, host hall security and incident log, as well as protection procedures and in particular antivirus security, e-mail security and firewall**.**

**2.4. Key information on the manner the General Meeting of Shareholders operates, its main powers and description of their rights and how they are exercised**

The General Meeting is the supreme decision-making body of the Company, is convened by the Board of Directors and may decide on all important matters of the Company, in accordance with the law. Shareholders are entitled to participate either in person or by proxy, in accordance with the applicable legislation.

The Annual Ordinary General Assembly is held once a year in accordance with the applicable legislation and the Company's Articles of Association in order, inter alia, to approve the Company's annual financial statements, to decide whether or not to distribute profits and to release the members of the Board of Directors and the Auditors from any responsibility.

The Company discloses all information relating to the General Meeting of Shareholders in such a way as to ensure easy and equal access for all shareholders. All disclosures and related documents will be disclosed on the Company's website in Greek and English (as appropriate) on the date of their disclosure. The Company will make public and post on its website the specific information specified in Law 3884/2010, as such is in force, on the preparation of the General Meeting, as well as information on the works of the General Meetings in order to facilitate the effective exercise of the rights of shareholders. At least the Chairman of the Board of Directors or the Chief Executive Officer will be present at the General Meeting and will be available to provide briefings and information on issues raised by shareholders for discussion.

The rights of the Company's shareholders are specified in the Articles of Association and in Law 4548/2018, as in force.

**2.5. Information on the composition and operation of the Board of Directors and other committees or bodies**

a. The Board of Directors is responsible for the management of the Company, the management of its assets and the realization of its purpose. According to the Company's Articles of Association, the Board of Directors consists of five (5) to nine (9) members, which are divided in executive, non-executive and independent, according to the provisions of Law 3016/2002, as such is in force, as well as in accordance with the stipulations of Law 4449/2017 and document no. 1302/28.4.2017 of the Hellenic Capital Market Commission addressed to listed companies. The executive members are employed in the Company with the day-to-day management issues of the Company. The non-executive members of the Board of Directors (no less than 1/3 of the total number of members) do not exercise management duties in the Company but may make independent estimates, in particular regarding the Company's strategy, performance and assets.

The first Board of Directors of the Company was appointed by virtue of notarial deed no. 33100-07/10/2016, as well as correction act no. 33141-21/10/2016 regarding the incorporation of the Company. Pursuant to the resolution of the Extraordinary General Meeting dated 25.10.2016, the independent non-executive members of the Company's Board of Directors were appointed, i.e., Messrs. Apostolos Papadopoulos and Phaedon Tamvakakis. Subsequently, according to its decision dated 25.10.2016, the Board of Directors was constituted into a body.

Pursuant to the resolution of the Ordinary General Meeting dated 19.5.2017, a new Board of Directors was elected, given that, according to the above notarial deed, the term of the first Board of Directors was set out to be until the first Ordinary General Meeting. Furthermore, the Independent Non-Executive Members of the Board of Directors were elected and the members of the Audit Committee were elected. The elected Board of Directors with a three-year term was constituted into a body in accordance with the resolution of the Board of Directors dated 19.5.2017.

(Amounts presented in thousand € except otherwise stated)

Thereafter, according to the resolution of the Company Board of Directors dated 28.09.2017, the Board of Directors was reconstituted into a body following to the election of Mr. Efstratios Papaefstratiou as Independent Non-Executive Member for the remainder of the Board of Directors' term of office in replacement of the independent non-executive member of the Board of Directors, Mr. Apostolos Papadopoulos, who resigned on 28.09. 2017. By virtue of the same resolution, the Board of Directors elected Mr. Efstratios Papaefstratiou as Chairman of the Audit Committee and member of the Human Resources and Remuneration Committee in the place of the resigned member, Mr. Apostolos Papadopoulos.

The following table includes the members of the Board of Directors from 01.01.2019 until 31.12.2019 and the capacity of each one of them:

| NAME | POSITION | DATE OF TAKING DUTY | EXPIRATION |
|---|---|---|---|
| **Theodoros Fessas** | Chairman - Non-Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Phaedon Tamvakakis** | Vice Chairman - Independent Non-Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Anna Apostolidou** | Chief executive officer - Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Apostolos Georgantzis** | Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Eftichia Koutsoureli** | Non-Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Markos Bitsakos** | Non-Executive Member | 7.10.2016 (Company Est.)<br>21.10.2016 (Approval of Est.)<br>19.5.2017 (Ordinary G.M.) | 18.5.2020<br>Or next Ordinary G.M |
| **Efstratios Papaefstratiou** | Independent Non-Executive Member | 28.09.2017<br>(B.o.D. Decision) | 18.5.2020<br>Or next Ordinary G.M |

The Board of Directors convenes with the necessary frequency, at least once a quarter, in order to ensure the effective performance of its duties, the good flow of information, its continuous update on matters concerning the Company and adopts a calendar of meetings at the beginning of the year, which is revised according to the needs of the Company. It also meets extraordinarily upon invitation of its Chairman, and passes resolutions by absolute majority of the members present.

The Board of Directors met 37 times in the year 2019 (i.e., 01.01.2019-31.12.2019).

The presence of each member of the Board of Directors during the 2019 fiscal year is shown in the table below:

| NAME | NUMBER OF MEETING TOOK PLACE IN 2018 | NUMBER OF MEETING ATTENTED | NUMBER OF MEETINGS REPRESENTED |
|---|---|---|---|
| Theodoros Fessas | 37 | 37 | - |
| Phaedon Tamvakakis | 37 | 37 | - |
| Anna Apostolidou | 37 | 37 | - |
| Apostolos Georgantzis | 37 | 37 | - |
| Eftichia Koutsoureli | 37 | 37 | - |
| Markos Bitsakos | 37 | 37 | - |
| Efstratios Papaefstratiou | 37 | 37 | - |

The minutes record clearly and precisely all the views of the members. The minutes of each meeting are approved by all attending members until the following meeting, at the latest. The approved minutes of the meetings of the Board of Directors are signed by the members within four (4) weeks from the day of the meeting.

The fees of the members of the Board of Directors are to be pre-approved and approved annually by the General Meeting upon proposal by the Board of Directors. The fees of the members of the Board of Directors for the first fiscal year 2018 and for the fiscal year 2019 were approved and pre-approved respectively by the resolution passed by the Ordinary General Meeting on 19.03.2019. According to the applicable legislation the fees of the members of the Board of Directors are presented in the annual financial report.

b. The powers and responsibilities of the Company's Board of Directors are those described in its Articles of Association and the Internal Regulations of the Company, the Greek Corporate Governance Code, Law 4548/2018 and the other applicable legislation. Specifically regarding the responsibilities of the Chairman, Vice Chairman and Managing Director of the Company:

b.i The **Chairman** has the following responsibilities:

1. Sets out the items of the agenda, convenes the members of the Board of Directors in session and chairs the Meetings. In the event of his absence, he shall be replaced by the Vice-President, in accordance with the Articles of Association.
2. He is in charge of promoting all corporate issues.
3. The **Chairman** or the **Chief Executive Officer**, or by special authorization given by the Board of Directors, a member thereof or an employee of the Company having any relationship with it or an attorney-at-law of the Company:
    - represent the Company in court and out of court.
    - represent the Company before any authority and give the oaths required.
    - In case of obvious risk arising out of the postponement and without any resolution passed by the Board of Directors, they may file claims and counterclaims, appoint proxies and take any judicial or extrajudicial action that is protective of the interests of the company. These acts are immediately submitted to the Board of Directors for information.

b.ii. The **Vice-Chairman** of the Board of Directors replaces the Chairman in his duties, as provided by the Company's Articles of Association, the law and the Company policy, chairs the evaluation process of the Board of Directors, coordinates the effective communication between executive and non-executive Board members and heads the Chairman's evaluation by the Board of Directors in accordance with the provisions of the Code.

b. iii. The **Chief Executive Officer** is a member of the Company's Board of Directors, reports to the Board of Directors of the Company and has the following competencies:

1. The Chief Executive Officer heads all the departments of the Company, directs their work, makes the necessary decisions within the framework of the provisions governing the operation of the Company, the approved programs and budgets, the resolutions of the Board of Directors, the business plans, strategic objectives and the Company action plan.
2. According to the Company's Articles of Association, the Chief Executive Officer exercises all essential administrative competencies and all other competencies assigned by the Board of Directors. In particular:
    a. submits to the Board of Directors and the Company's Investment Committee the proposals and suggestions required for the implementation of the operational and strategic plan.
    b. executes the resolutions of the Board of Directors and, in cooperation with it and in the context of the overall business strategy, the market, the financial and the human resources, sets the performance target of the Company, which it must control and renew regularly.
    c. decides on the internal organization and takes all necessary measures for the upgrade, utilisation and compliance of the personnel with all applicable policies and procedures, for the promotion of the cooperation and constructive exchange of views between different departments, for maintaining frequent communication with all groups of employees at all levels of the Company and proposing to the Board of Directors for approval the preparation of the necessary regulations, procedures, policies, organizational plans, education and training programmes of the employees of the Company.
    d. she must report regularly and timely to the Board of Directors all important issues and/or deviations from the original plans and the standard policies of the Company and must cooperate with the internal and external auditors.
    e. presents the items of the Agenda to the Board of Directors, in accordance with the Chairman’s Invitation, the law and the Company’s Articles of Association.

3. The Chief Executive Officer is also responsible for:

   1. the preparation of the Company's budget,

   2. the preparation of the annual report of the Company, within three months upon the end of each fiscal year,

Chief Executive Officer controls the Company's day-to-day work and supervises the performance of each department, managing the Company's personnel. The Chief Executive Officer may assign some of his competencies set out by the law and the Articles of Association to the Directors or other company employees.  statutory and statutory responsibilities to the Directors or other employees of the Company. In his absence or impediment, the Chief Executive Officer's shall be replaced by a person appointed by decision of the Board of Directors.

a) The Board of Directors regularly assesses its effectiveness in fulfilling its duties, as well as that of its committees. The evaluation of the effectiveness of the Board of Directors and its committees takes place at least every two (2) years and is based on a specific process. This procedure is chaired by the Chairman.

b) The Board of Directors assesses the performance of its Chairman. This process is chaired by the non-executive Vice-President.

c) The independent non-executive members of the Board of Directors, at least two, report their, independent of the Company and shareholders, judgment on corporate issues, do not own more than 0.5% of the company share capital and are not dependent on the Company or its connected persons, in accordance with the law.

**CONFLICT OF INTEREST**

1. The members of the Board of Directors, as well as any third person to whom the Board of Directors has assigned competencies, shall refrain from pursuing their own interests which are contrary to the interests of the Company and shall not engage in a relationship of competition with the Company.

2. The members of the Board of Directors and any third person to whom the Board of Directors has assigned competencies, shall report to the Board of Directors any conflict or relationship of their own interests with those of the Company or connected parties arising out of the exercise of their duties.

3. The implementation of the conflict prevention policy for senior executives of the Company is monitored by the Audit Committee, which also addresses conflicts of interest in the Company's transactions and submits to the Board of Directors relevant reports after having received sufficient information on connected parties' transactions.

4. For the valid representation, management of corporate affairs and the undertaking of any obligation on behalf of the Company, two signatures are required under the corporate name, unless otherwise specified by a resolution of the Board of Directors.

5. The Company has undertaken towards the members of the Board of Directors and its executives, to whom it has assigned by virtue of its relevant resolutions the management of the Company and/or the fulfilment of certain obligations and/or the exercise of some of its powers and responsibilities, the obligation to compensate them fully in the performance of their duties.

The brief CVs of the above members of the Board of Directors are posted on the Company's website www.briqproperties.gr.

(Amounts presented in thousand € except otherwise stated)

The members of the Board of Directors have disclosed to the Company their following other business commitments (including significant non-executive commitments with companies and non-profit organizations) which on 31.12.2019 are as follows:

| NAME | A/A | COMPANY | POSITION |
|---|---|---|---|
| **Theodoros Fessas** | 1 | S.E.V. | PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 2 | QUEST HOLDINGS S.A. | PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 3 | IOBE | BOARD MEMBER |
| | 4 | Hellenic Corporate Governance Council (HCGC) | BOARD MEMBER |
| | 5 | INFO QUEST TECHNOLOGIES S.A. | BOARD MEMBER, EXECUTIVE |
| | 6 | UNISYSTEMS S.A. | BOARD MEMBER, EXECUTIVE |
| | 7 | ACS S.A.. | BOARD MEMBER, EXECUTIVE |
| | 8 | ISQUARE S.A. | BOARD MEMBER, EXECUTIVE |
| | 9 | CARDLINK S.A. | BOARD MEMBER |
| | 10 | CARDLINK one S.A.. | BOARD MEMBER (from 23.05.2019) |
| | 11 | QUESTONLINE S.A. | BOARD MEMBER, EXECUTIVE |
| | 12 | QUEST ENERGY S.A | BOARD MEMBER, EXECUTIVE |
| | 13 | AMALIA S.A | BOARD MEMBER |
| | 14 | MEGALO PLAI S.A | BOARD MEMBER |
| | 15 | XYLADES ENERGY S.A | BOARD MEMBER |
| | 16 | BETA SYNENERGIA KARVALI S.A. | BOARD MEMBER |
| | 17 | FOS ENERGEIA KAVALA S. | BOARD MEMBER |
| | 18 | NUOVO KAVALA PHOTTOPOWER S.A. | BOARD MEMBER |
| | 19 | ENERGEIA FOTOS VITA XANTHIS S. | BOARD MEMBER |
| | 20 | PETROX SOLAR POWER S.A. | BOARD MEMBER |
| | 21 | PHOTTOPOWER EVMIRIO BETA S.A | BOARD MEMBER |
| | 22 | MYLOPOTAMOS FOS 2 S.A. | BOARD MEMBER |
| | 23 | WIND ZIEBEN ENERGY S.A. | BOARD MEMBER |
| | 24 | ENERGY MARKOPOULOU 2 S.A. | BOARD MEMBER |
| | 25 | Quest PYLOY ENERGY S.A.. | BOARD MEMBER (from 11.07.2019) |
| | 26 | KINIGOS S.A. | BOARD MEMBER (from 23.07.2019) |
| **Phaedon Tamvakakis** | 1 | ALPHA TRUST MUTUAL FUND MANAGEMENT COMPANY AND ALTERNATIVE INVESTMENT AGENCY | VICE-CHAIRMAN, NON EXECUTIVE |
| | 2 | ALPHA TRUST - ANDROMEDA S.A. | VICE-CHAIRMAN, NON EXECUTIVE |
| | 3 | FITIKI KTIMATIKI S.A. | CHAIRMAN & CEO |
| | 4 | ASCSA | COMMISSIONER |
| | 5 | GENNADEIOS LIBRARY | SECRETARY - TRESURER |
| | 6 | ID HOLDINGS S.A. | BOARD MEMBER |
| | 7 | QUEST HOLDINGS S.A. | INDEPENDENT NON EXECUTIVE BOARD MEMBER |
| | 8 | AUTHOR'S COMPANY | BOARD MEMBER |
| **Anna Apostolidou** | - | | - |
| **Apostolos Georgantzis** | 1 | QUEST HOLDINGS S.A. | CEO, EXECUTIVE BOARD MEMBER |
| | 2 | INFO QUEST TECHNOLOGIES S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER ΔΣ |
| | 3 | ACS S.A | CHAIRMAN & Δ/ΝΩΝ ΣΥΜΒΟΥΛΟΣ - EXECUTIVE BOARD MEMBER |
| | 4 | ACS UK LTD | Director |
| | 5 | UNISYSTEMS S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 6 | ISQUARE S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 7 | iStorm S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 8 | CARDLINK S.A. | PRESIDENT OF THE BOD, EXECUTIVE MEMBER ΔΣ |

(Amounts presented in thousand € except otherwise stated)

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|---|---|---|---|
| | 9 | CARDLINK one S.A. | VICE-CHAIRMAN ΔΣ (to 22.05.2019) CHAIRMAN ΔΣ (from 23.05.2019) |
| | 10 | QUESTONLINE S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER ΔΣ |
| | 11 | Quest International société à responsabilité limitée | BOARD MEMBER |
| | 12 | SUNMED LAND INVEST INC | Director |
| | 13 | QUEST ENERGY S.A | VICE-CHAIRMAN |
| | 14 | XYLADES ENERGY S.A | VICE-CHAIRMAN |
| | 15 | WIND ZIEBEN ENERGY S.A. | VICE-CHAIRMAN |
| | 16 | FOS ENERGEIA KAVALA S. | VICE-CHAIRMAN |
| | 17 | MYLOPOTAMOS FOS 2 S.A. | VICE-CHAIRMAN |
| | 18 | NUOVO KAVALA PHOTTOPOWER S.A. | VICE-CHAIRMAN |
| | 19 | PETROX SOLAR POWER S.A. | VICE-CHAIRMAN |
| | 20 | BETA SYNENERGIA KARVALI S.A | VICE-CHAIRMAN |
| | 21 | PHOTTOPOWER EVMIRIO BETA S.A. | VICE-CHAIRMAN |
| | 22 | ENERGEIA FOTOS VITA XANTHIS S.A. | VICE-CHAIRMAN |
| | 23 | ENERGY MARKOPOULOU 2 S.A. | BOARD MEMBER |
| | 24 | Quest PYLOY ENERGY S.A.. | VICE-CHAIRMAN (from 11.07.2019) |
| | 25 | KINIGOS S.A. | VICE-CHAIRMANΣ (from 24.07.2019) |
| **Eftichia Koutsoureli** | 1 | QUEST HOLDINGS S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 2 | HELLENIC AKTI S.A | CHAIRMAN & CEO |
| | 3 | ACS S.A.. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 4 | UNISYSTEMS S.A. | BOARD MEMBER, EXECUTIVE |
| | 5 | CARDLINK A.E. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 6 | CARDLINK one S.A. | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER (from 23.05.2019) |
| | 7 | QUESTONLINE S.A. | BOARD MEMBER |
| | 8 | QUEST ENERGY S.A | VICE-PRESIDENT OF THE BOD, EXECUTIVE MEMBER |
| | 9 | AMALIA S.A | VICE-CHAIRMAN |
| | 10 | MEGALO PLAI S.A | VICE-CHAIRMAN |
| | 11 | XYLADES ENERGY S.A | VICE-CHAIRMAN |
| | 12 | BETA SYNENERGIA KARVALI S.A | VICE-CHAIRMAN |
| | 13 | FOS ENERGEIA KAVALA S. | VICE-CHAIRMAN |
| | 14 | NUOVO KAVALA PHOTTOPOWER S.A. | VICE-CHAIRMAN |
| | 15 | ENERGEIA FOTOS VITA XANTHIS S.A. | VICE-CHAIRMAN |
| | 16 | PETROX SOLAR POWER S.A. | VICE-CHAIRMAN |
| | 17 | PHOTTOPOWER EVMIRIO BETA S.A. | VICE-CHAIRMAN |
| | 18 | MYLOPOTAMOS FOS 2 S.A. | VICE-CHAIRMAN |
| | 19 | WIND ZIEBEN ENERGY S.A. | VICE-CHAIRMAN |
| | 20 | ENERGY MARKOPOULOU 2 S.A. | VICE-CHAIRMAN |
| | 21 | Quest PYLOY ENERGY S.A.. | VICE-CHAIRMAN (from 11.07.2019) |
| | 22 | KINIGOS S.A. | VICE-CHAIRMAN (from 23.07.2019) |
| **Markos Bitsakos** | 1 | QUEST HOLDINGS S.A. | BOARD MEMBER, EXECUTIVE |
| | 2 | INFO QUEST TECHNOLOGIES S.A | BOARD MEMBER, EXECUTIVE |
| | 3 | ACS S.A | BOARD MEMBER, EXECUTIVE |
| | 4 | QUEST ENERGY S.A | CHAIRMAN & CEO |
| | 5 | UNISYSTEMS S.A. | BOARD MEMBER, EXECUTIVE |
| | 6 | ISQUARE S.A | BOARD MEMBER, EXECUTIVE |
| | 7 | Unisystems B.V. | Director up to 24.12.2019 |
| | 8 | Unisystems Luxembourg s.a.r.l. | Director |
| | 9 | iStorm S.A | CHAIRMAN & CEO, EXECUTIVE |
| | 10 | CARDLINK one S.A. | CHAIRMAN & CEO up to 23.5.2019) |
| | 11 | XYLADES ENERGY S.A | CHAIRMAN & CEO |

(Amounts presented in thousand € except otherwise stated)

| | | | |
|---|---|---|---|
| | 12 | WIND ZIEBEN ENERGY S.A. | CHAIRMAN & CEO |
| | 13 | FOS ENERGEIA KAVALA S. | CHAIRMAN & CEO |
| | 14 | MYLOPOTAMOS FOS 2 S.A. | CHAIRMAN & CEO |
| | 15 | NUOVO KAVALA PHOTTOPOWER S.A. | CHAIRMAN & CEO |
| | 16 | PETROX SOLAR POWER S.A. | CHAIRMAN & CEO |
| | 17 | BETA SYNENERGIA KARVALI S.A. | CHAIRMAN & CEO |
| | 18 | PHOTTOPOWER EVMIRIO BETA S.A. | CHAIRMAN & CEO |
| | 19 | ENERGEIA FOTOS VITA XANTHIS S.A | CHAIRMAN & CEO |
| | 20 | AMALIA S.A | VICE-CHAIRMAN |
| | 21 | MEGALO PLAI S.A | VICE-CHAIRMAN |
| | 22 | ENERGY MARKOPOULOU 2 S.A. | CHAIRMAN & CEO |
| | 23 | Quest PYLOY ENERGY S.A.. | CHAIRMAN & CEO (from 11.07.2019) |
| | 24 | KINIGOS S.A. | CHAIRMAN & CEO (from 23.07.2019) |
| | 25 | Kifissia Sports Club | CHAIRMAN |
| | 26 | Quest International société à responsabilité limitée | BOARD MEMBER |
| **Efstratios Papaefstratiou** | 1 | ORONIL S.A. | BOARD MEMBER, EXECUTIVE |
| | 2 | BLUE CREST HOLDING S.A. | Director |
| | 3 | BLUE WATER HOLDING S.A. | Director |
| | 4 | KKFMS BV | BOARD MEMBER |
| | 5 | RED CREST S.A.R.L. | Director |
| | 6 | K&R HOLDINGS S.A.R.L. | Director |
| | 7 | PROP-CO ΔΥΟ S.A. | BOARD MEMBER |
| | 8 | AKROTIRIO TRAXILAS TRIA S.A. | BOARD MEMBER |
| | 9 | AYGH S.A. | BOARD MEMBER |
| | 10 | White Crest S.A | BOARD MEMBER |

Within the framework of the Board of Directors, an Audit Committee is operated by independent and non-executive members, elected by the Ordinary General Meeting of Shareholders convened on 19 May 2017.

The main mission of the Audit Committee is to provide support to the Board of Directors for the fulfilment of its oversight responsibility towards shareholders, investors and parties trading with the Company for monitoring:

• The completeness and correctness of all financial statements.

• The effectiveness and efficiency of internal audit systems established by Management and the Board of Directors.

• The Company's compliance with the, from time to time, applicable legal and regulatory regime as well as the Internal Regulations.

• The audit function and the evaluation of the work of internal audit and external auditors in order to ensure the independence, quality, qualifications and performance of auditors.

The operation of the Audit Committee is regulated in detail by the Internal Regulations of the Company as approved by the Board of Directors on 29.11.2016 and amended on 16.05.2017.

By virtue of the Ordinary General Meeting of 19.5.2017 and according to article 37 of Law 3693/2008, the members of the Audit Committee were Messrs. Phaedon Tamvakakis, Member, Markos Bitsakos, Member, and Apostolos Papadopoulos, Chairman. By virtue of resolution passed by the Board of Directors on 28.09.2017, Mr. Efstratios Papaefstratiou was elected in replacement of the Mr. Apostolos Papadopoulos, who resigned. This resolution was ratified by the Extraordinary General Meeting of 22.02.2018.

In 2019, the Audit Committee met 6 times with all of its members being present. The Head of the Department, Mr. Emmanuel Andrikakis, was called to discuss internal audit issues.

The Audit Committee met 2 times with the external auditors PricewaterhouseCoopers (PWC) in the presence of the head of the Internal Audit Department for the purpose of the review of the Financial Report for the fiscal year 2018 and for the Investment Statement of 31.12.2019. Also, the Audit Committee met with the external auditors for the presentation of the Annual Audit Report 2018 as well as for the presentation of the Audit Program for the year 2019 by the audit firm PricewaterhouseCoopers S.A. The external auditors did not report to the Committee any case of violation or irregularity.

Furthermore, according to the provisions of Law 4449/2017 for the selection of auditors, the Audit Committee decided to propose to the Board of Directors the maintenance of PwC as external auditing firm for the fiscal year 2019.

Pursuant to the Company's Internal Regulations, the set-up of an Investment Committee was provided, whose members were initially appointed on 29.11.2016 and subsequently, after the reconstitution of the BoD into a body, in accordance with the resolution of the Board of Directors passed on 19.5.2017. Such Committee consisted of Anna Apostolidou, Chairperson, Theodoros Fessas, Member, Eftychia Koutsoureli, Member, Apostolos Georgantzis, Member, and Phaedon Tamvakakis, Member.

The Investment Committee is competent to propose to the Board of Directors or to decide following relevant authorization of the Board of Directors to formulate and implement the Company's investment strategy, to make new investments, to liquidate existing ones and to manage its portfolio based on the, from time to time, market conditions and opportunities. Furthermore, the purpose, composition and competencies of the Investment Committee, etc., are contained in its Operations Regulation, which constitutes an annex to the Company's Internal Regulations.

Pursuant to the Company's Internal Regulations, the set-up of a Human Resources & Remuneration Committee was provided, the members of which were initially appointed on 29.11.2016 and subsequently, after the reconstitution of the BoD into a body, in accordance with the resolution of the Board of Directors passed on 19.5.2017. Such Committee consisted of:

- Phaedon Tamvakakis, Chairman
- Apostolos Papadopoulos Member and
- Markos Bitsakos, Member

As a result, the composition of the Human Resources & Remuneration Committee as from 28.9.2017 is as follows:

- • Phaedon Tamvakakis, Chairman
- • Efstratios Papaefstratiou, Member and
- • Markos Bitsakos, Member

The purpose of the Human Resources and Remuneration Committee is to assist the Company's Board of Directors in the fulfilment of its duties when determining and monitoring the implementation of the Company's remuneration policy, as well as in attracting specialized executives and looking out for keeping, utilizing and developing them. Furthermore, the purpose, composition and responsibilities of the Human Resources & Remuneration Committee are contained in its Operations Regulation, which constitutes an annex to the Company's Internal Regulations.

**OTHER INFORMATION**

**1. Share capital structure of the Company**

All shares of the Company have with voting rights and registered for trading on the Athens Stock Exchange and have all the rights and obligations deriving from the Articles of Association of the Company and are determined by the Law.

The Share Capital Increase with cash deposit and pre-emption rights to the existing shareholders which took place from 28.11.2019 to 12.12.2019 was successfully completed by raising funds totaling € 50.070.430.20 through the exercise of pre-emption and subscription rights. as well as Private Placement. The share capital increase was completed by cash deposit and the issuance of new shares, according to the 06.09.2019 decision of the Extraordinary General Meeting of the Shareholders of the Company in combination with the 12.11.2019 decision of the Board of Directors. On 20.12.2019, the trading of 23.843.062 new ordinary shares of the Company at the Athens Stock Exchange Market began with a nominal value of € 2,10 for each.

As a result, the share capital Increase was fully subscribed (100%) and the total funds raised amounted to €50.070.430,20. Hence, Company's share capital now amounts to € 75.105.645,30 and is divided into 35.764.593 common shares of €2,10 nominal share value each.

As at 31.12.2019 no own shares were held by the Company

**2. 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 the Law.

(Amounts presented in thousand € except otherwise stated)

**3. Significant direct or indirect shareholdings**

At the date of approval of the Financial Statements for the year ended December 31, 2019 the significant direct or indirect shareholders following the meaning of articles 9 to 11 of Law 3556/2017 are:

| Last name | Name | Father's name | Number of shares | (%) |
|---|---|---|---|---|
| Fessas | Theodoros | Dimitris | 13.444.093 | 37,59 |
| Koutsoureli | Eftichia | Sofoklis | 6.014.689 | 16,82 |

**4. Shares providing special rights**

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

**5. Restrictions of voting rights**

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

**6. Agreements between shareholders of the Company**

There are no shareholders' agreements, which entail limitations on the transfer of the Company's shares or limitations on voting rights.

**7. Rules for the appointment and replacement of members of the Board of Directors, as well as for the amendment of the Articles of Association, which differ from the provisions of the Law. 4548/2018.**

The rules in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors and the amendment the articles of Association do not differ from the provisions of the Law. 4548/2018.

**8. Authority of the Board of Directors or of certain members, to issue new shares or the purchase own shares according to article 49 of Law 4548/2018**

Pursuant to the decision of the Extraordinary General Meeting of 27/09/2017, the Company could purchase of own shares, according to the provisions of article 49 of Law 4548/2018, as in force, up to 10% of the paid up Share Capital, within the 24-month period, with a minimum purchase price of € 0.10 per share and a maximum purchase price of € 10.00 per share, for the purpose of reduction of Share Capital, distribution to employees or anything else specified by the Law. Also was given authorization to the Board of Directors for the implementation of the decision. At the end of the year, the Company did not held own shares.

**9.Significant agreements concluded by the Company which enter into force, amended or terminated in the event of change of control of the Company following a public tender offer.**

There are no agreements which enter into force, amended or terminated in the event of change of control of the Company following a public tender offer.

**10. Significant agreements concluded between the Company and members of the Board of Directors or its employees**

The Company has no special agreements with its Board of Directors or its employees providing the payment of compensation in case of resignation or dismissal without reasonable cause or termination or employment as a result of a public tender offer.

**The Board of Directors**

**Kallithea, March 4th 2020**

| The Chairman | The Chief Executive Officer |
|---|---|
| **Theodoros Fessas** | **Anna Apostolidou** |

# Independent auditor’s report

To the Shareholders of “BriQ Properties R.E.I.C.”

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of “BriQ Properties R.E.I.C.” (Company) which comprise the statement of financial position as of 31 December 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

## Basis for opinion

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

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

### *1.1.1.1.1* Independence

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

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

The non-audit services that we have provided to the Company, during the year ended as at 31 December 2019, are disclosed in the note 19 to the financial statements.

## Key audit matter

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

(Amounts presented in thousand € except otherwise stated)

| **Key Audit Matter** | **Our procedures in relation to the Key Audit Matter** |
|---|---|
| **Valuation of Investment Property**<br><br>The Company's investment property portfolio comprises mainly of offices, storage locations, hotels and retail facilities. The Company measures investment properties at fair value according to the provisions of International Accounting Standard 40 and Joint Ministerial Decision 26294/B.1425/19.07.2000 (Greek Official Government Gazette issue No. 949/31.07.2000), using the discounted cash flow method and the residual method in combination with the comparative method.<br><br>The value of the Company's property is a result of the weighted average of the values resulting from the aforementioned valuation methods and this accounting policy has been consistently applied to the prior year financial statements.<br><br>Pursuant to the provisions of Law 2778/1999, management engages certified valuators to carry out the valuation of the Company's investment property at each reporting date, in order to support the estimates that form the appropriate basis of these properties' fair value determination. The fair value of the investment property was adopted by management on 12 February 2020 through the Board of Directors approval of the Statement of Investments for the year ended as at 31 December 2019 that was prepared in accordance with the requirements of article 25 of Law 2778/1999 and the Decision 8/259/19.12.2002 of the Board of Directors of the Hellenic Capital Market Committee as amended by resolutions 10/566/26.10.2010 and 5/760/14.09.2016.<br><br>As stated in Note 6 of the financial statements, according to the estimates made by the certified valuators and the management, the fair value of the Company's investment property amounted to € 59.8 mil as at 31 December 2019, representing 61% of the Company's total assets while the gain from the revaluation of the aforementioned investment property for the year 2019 amounted to € 4.0 mil and has been recorded in the Statement of Profit or Loss and Other Comprehensive Income.<br><br>Key assumptions that involve significant judgement, such as discount rates including capitalization rates, capital expenditure and other ownership expenses form the basis for the determination of the fair value of the Company's investment property. Additionally, factors such as the location of the property, the market conditions, future rental revenue and exit yields at the maturity | Our audit procedures relating to the Company's investment property portfolio for the year ended 31 December 2019 included the following:<br><br>• We obtained the valuations prepared by management's certified valuators as of 31 December 2019.<br><br>• We reconciled the fair value of the investment property as presented in the valuation reports to the Company's accounting records.<br><br>• We read the contract between the certified valuators and the Company to assess the scope and terms of their engagement.<br><br>• We evaluated and verified the independence of management's external certified valuators, their capabilities and objectivity. We found no evidence to suggest that the independence of the valuators was compromised.<br><br>• For the investment property, we confirmed that the valuation methods used were acceptable according to International Valuation Standards and were considered appropriate for the determination of the fair value of the investment property as at 31 December 2o19.<br><br>• We examined, on a sample basis, the accuracy and relevance of the data provided by management to the certified valuators and used for the determination of the fair value of the Company's investment properties as at 31 December 2019. These data related to information relevant to the lease rentals of the investment property as derived from signed rental contracts as well as other information including relevant notarial documents.<br><br>• In addition, we have used the services of experts in property valuation, in order to evaluate, on a sample basis, the appropriateness of the methodology used and the relevance of the underlying key assumptions adopted in the valuations, such as the discount rates, market rents and the exit yields at the maturity of the individual lease agreements.<br><br>From the audit procedures performed we concluded that the valuations were based on reasonable assumptions and appropriate |

(Amounts presented in thousand € except otherwise stated)

| | |
|---|---|
| of lease agreements have direct impact in the calculation of the property fair value.<br><br>We focused our attention and audit effort on this matter due to the significance of the value of the investment property in Company's financial statements, as explained above, and the fact that the fair value determination depends on certain key assumptions that require significant judgment. | data. The rental income from the lease of the Company's investment properties was supported by the agreements in place, while the discount rates, the market rents and exit yields were in line with our expectations, based on the current market conditions.<br><br>• We reviewed the procedures applied by the Company and the relevant decisions of the Company's Board of Directors over the acquisition of new investment property. We confirmed the purchase price of new investment property with the purchase agreements in place and we have reviewed the fair value as determined by the certified valuators at the acquisition date. We compared the purchase price with the fair value of the investment property as at 31 December 2019 in order to assess the reasonableness of the movement.<br><br>• Finally, we noted that the disclosures included in Note 6 of the financial statements were appropriate and in line with the requirements of International Accounting Standard 40. |

**Other Information**

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

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on other legal and regulatory requirements**

**1. Additional Report to the Audit Committee**

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

**2. Appointment**

We were first appointed as auditors of the Company under the No 33100-07/10/2016 Notarisation Act approving the Articles of Incorporation of the Company. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of four years.

Athens, 5 March 2020

The Certified Auditor

PricewaterhouseCoopers S.A.

Certified Auditors

268 Kifissias Avenue

152 32 Halandri

SOEL reg. no 113

Dimitris Sourbis

SOEL Reg No 16891

# BriQ Properties R.E.I.C.

## Annual Financial Statements
## for the year ended December 31.2019

**According the International Financial Reporting Standards**

(Amounts presented in thousand € except otherwise stated)

## Statement of Financial Position

| | Note | 31.12.2019 | 31.12.2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investment Property | 6 | 59.793 | 39.623 |
| Property and equipment | 7 | 165 | 169 |
| Right of Use Assets | 9 | 5 | - |
| Intangible assets | 8 | 3 | 5 |
| Trade and other receivables | 10 | 122 | 34 |
| | | **60.088** | **39.831** |
| **Current assets** | | | |
| Trade and other receivables | 10 | 224 | 94 |
| Cash and cash equivalents | 11 | 37.568 | 1.303 |
| | | **37.792** | **1.397** |
| **Total assets** | | **97.880** | **41.228** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **Shareholders' equity** | | | |
| Share capital | 12 | 75.106 | 27.777 |
| Reserves | | 2.866 | 82 |
| Retained earnings | | 5.972 | 2.871 |
| **Total equity** | | **83.944** | **30.730** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 14 | 11.954 | 8.930 |
| Retirement benefit obligations | 13 | 8 | 6 |
| Trade and other payables | 15 | 318 | 347 |
| | | **12.280** | **9.283** |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 1.157 | 373 |
| Current tax liabilities | | 36 | 132 |
| Lease liabilities | | 5 | - |
| Borrowings | 14 | 458 | 710 |
| | | **1.656** | **1.215** |
| **Total liabilities** | | **13.936** | **10.498** |
| **Total shareholders' equity and liabilities** | | **97.880** | **41.228** |

The notes on pages 37 to 67 constitute an integral part of these Annual Financial Statements for year ended December 31, 2019.

(Amounts presented in thousand € except otherwise stated)

## Statement of profit or loss and other comprehensive income

| | Note | From 01.01.2019 to 31.12.2019 | From 01.01.2018 to 31.12.2018 |
|---|---|---|---|
| Rental Income | 16 | 2.928 | 2.175 |
| | | **2.928** | **2.175** |
| Net gain/(loss) from fair value adjustments on investment property | 6 | 4.032 | 1.734 |
| Direct property relating expenses | 17 | (415) | (291) |
| Employee benefit expenses | 18 | (328) | (243) |
| Other operating income / (expenses) net | 19 | (325) | (202) |
| Depreciation of assets | 7 | (7) | (7) |
| Depreciation of non-tangible assets | 8 | (2) | (1) |
| Amortization of Right of Use assets | 9 | (4) | - |
| Other profit / (loss) net | | (77) | (3) |
| **Operating profit** | | **5.802** | **3.162** |
| Finance income | | 235 | 3 |
| Finance expenses | | (456) | (44) |
| **Finance costs - net** | 20 | **(221)** | **(41)** |
| **Profit/ (Loss) before tax** | | **5.581** | **3.121** |
| Corporate tax expense | 21 | (198) | (242) |
| **Profit/ (Loss) for the year** | | **5.383** | **2.879** |
| **Other Comprehensive Income/(expense):** | | | |
| **Items that may be later transferred to the results** | | | |
| Actuarial gain / (loss) | | (1) | (1) |
| **Total Other Comprehensive Income/(expense)** | | **(1)** | **(1)** |
| **Total comprehensive income/(expense) for the year** | | **5.382** | **2.878** |
| **Earnings/(losses) per share attributable to equity holders for the Company** (in € per share) | | | |
| Basic and diluted | 23 | 0,42 | 0,24 |

The notes on pages 37 to 67 constitute an integral part of these Annual Financial Statements for year ended December 31, 2019.

(Amounts presented in thousand € except otherwise stated)

## Statement of Changes in Equity

| | Note | Share capital | Reserves | Retained Earnings/ (Losses) | Total Equity |
|---|---|---|---|---|---|
| **Balance January 01, 2018** | | **27.777** | **25** | **466** | **28.268** |
| Profit/(Losses) for the period | | - | - | 2.879 | **2.879** |
| **Total comprehensive income for the year** | | - | - | **2.879** | **2.879** |
| Dividend relating to 2017 approved by the shareholders | | | | (417) | **(417)** |
| Reserves | | - | 57 | (57) | - |
| **Balance December 31, 2018** | | **27.777** | **82** | **2.871** | **30.730** |
| **Balance January 01, 2019** | | **27.777** | **82** | **2.871** | **30.730** |
| Profit/(Losses) for the period | | - | - | 5.382 | **5.382** |
| **Total comprehensive income for the year** | | - | - | **5.382** | **5.382** |
| Share Capital Decrease | 12 | (2.742) | 2.742 | - | - |
| Share Capital Increase | 12 | 50.071 | - | - | **50.071** |
| Directly attributable Share Capital increase costs | 12 | - | - | (1.583) | **(1.583)** |
| Dividend relating to 2018 approved by the shareholders | 22 | - | - | (656) | **(656)** |
| Reserves | | - | 42 | (42) | - |
| **Balance December 31, 2019** | | **75.106** | **2.866** | **5.972** | **83.944** |

The notes on pages 37 to 67 constitute an integral part of these Annual Financial Statements for year ended December 31, 2019.

(Amounts presented in thousand € except otherwise stated)

## Cash Flow Statement

| | Note | From 01.01.2019 to 31.12.2019 | From 01.01.2018 to 31.12.2018 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit / (loss) before tax | | 5.581 | 3.121 |
| ***Adjustments for:*** | | | |
| Depreciation | | 13 | 8 |
| (Increase)/ Decrease of fair value of investment properties | 6 | (4.032) | (1.734) |
| Provisions | | - | (2) |
| Provisions for employee benefits | | 3 | - |
| Finance (income) / exprense | | 221 | (10) |
| **Changes in working capital** | | | |
| (Increase) / Decrease in receivables | | (218) | (4) |
| Increase / (Decrease) in payables | | 819 | 93 |
| Interest paid | | (393) | 1 |
| Tax paid | | (294) | (216) |
| **Net cash flows from operating activities** | | **1.700** | **1.257** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of financials assets available for sale | | - | - |
| Purchases of property and equipment | 7,8 | (3) | (2) |
| Purchases of investment property | 6 | (16.138) | (11.721) |
| Income from financials assets available for sale | | - | - |
| **Net cash used in investing activities** | | **(16.141)** | **(11.723)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Share Capital increase | 12 | 50.071 | - |
| Expenses of Share Capital increase | 12 | (1.583) | - |
| Loans repayments | | (16.201) | - |
| Proceeds from open credit account | | 11.454 | - |
| Loans received | | 7.622 | 9.650 |
| Lease capital repayments | | (4) | - |
| Dividends paid | | (653) | (417) |
| **Net cash from financing activities** | | **50.706** | **9.233** |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **36.265** | **(1.233)** |
| Cash and cash equivalents at the beginning of the year | | 1.303 | 2.536 |
| **Cash and cash equivalents at the end of the year** | 11 | **37.568** | **1.303** |

The notes on pages 37 to 67 constitute an integral part of these Annual Financial Statements for year ended December 31, 2019.

(Amounts presented in thousand € except otherwise stated)

## Notes to the Financial Statements

## 1. General Information

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

The Company is a Real Estate Investment Company (REIC), licensed by the Hellenic Capital Market Commission under number 757 / 31.05.2016 and operates according to the provisions of Law 2778/1993, Law 4209/2013 and Law. 4548/2018, as well as by regulatory decisions and circulars of the Hellenic Capital Market Commission and the Ministries of Economy and Finance. The exclusive purpose of the Company is the acquisition and management of real estate and investing according to Article 22 of Law 2778/1999. Since its inception, the Company has been supervised and controlled by the Hellenic Capital Market Commission in relation to its obligations as REIC, as well as for the compliance with the legislation of the Hellenic Capital Market and the corporate governance rules. Following the listing of its shares in the Athens Stock Exchange Market on 31 July 2017, the Company is also supervised and controlled by the Athens Stock Exchange.

As at December 31, 2019 the Company's shareholding structure is as follows:

| **Shareholder** | **Number of shares** | **Percentage** |
|---|---|---|
| Fessas Theodore | 13.444.093 | 37,59% |
| Koutsoureli Eftichia | 6.014.689 | 16,82% |
| Other shareholders | 16.305.811 | 45,59% |
| Total | **35.764.593** | **100%** |

The headquarters of Company are located in Kallithea, Attica, Al, Pantou Street no. 25, 176 71. The Company's website is: www.briqproperties.gr.

The total number of employees of the Company as at December 31, 2019 was 4 (31.12.2018: 9).

The financial information for the year ended 31 December 2019 was prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, approved by the Board of Directors on 04.03.2020 meeting and will be submitted for approval at the General Meeting of Shareholders of the Company.

## 2. Principles for the preparation of the Financial Statements

### 2.1 Framework for the preparation of the Financial Statements

These financial statements has been prepared in accordance with the International Financial Reporting Standard (IFRS) and IFRIC interpretations, as adopted by the European Union.

The financial statements has been prepared in accordance with the principle of the continuity of the Company's operations, applying the historical cost convention and have been adjusted for the fair value of investment property.

The preparation of financial statements, in accordance with I.F.R.S., requires that certain critical accounting estimates are used along with management exercising its judgment in process of applying the accounting policies (note 4).

**Continuity of operations**

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

The Company's projected future revenues, taking into account the long-term lease agreements that the Company has entered into with Quest Group, as Quest Group companies on December 31, 2019 contribute 49,1% to the annual lease, create the that the Company has sufficient resources to continue its business activity in the near future.

As a result, the Company continues to adopt the "business continuity principle" for the preparation of the interim condensed financial information for the year ended 31 December 2019

## 2.2 New standards, amendments to standards and interpretations

***New standards, amendments to standards and interpretations:*** *Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:*

Standards and Interpretations effective for the current financial year

**IFRS 16 'Leases'**

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of applying the standard to the Company was not significant

**IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'**

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

**IAS 28 (Amendments) 'Long term interests in associates and joint ventures'**

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

**IFRIC 23 'Uncertainty over income tax treatments'**

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'**

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

**Annual Improvements to IFRS (2015 – 2017 Cycle)**

The amendments set out below include changes to four IFRSs.

*IFRS 3 'Business combinations'*

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

*IFRS 11 'Joint arrangements'*

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

*IAS 12 'Income taxes'*

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

*IAS 23 'Borrowing costs'*

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

**Standards and Interpretations effective for subsequent periods**

**IFRS 3 (Amendments) 'Definition of a business'** (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

**IAS 1 and IAS 8 (Amendments) 'Definition of material'** (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

**IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'** (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'** (effective for annual periods beginning on or after 1 January 2022)

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

### 2.3 Accounting Principles

#### 2.3.1 Segment Reporting

The operating segments of the Company are presented in accordance with the internal reporting provided to the chief operating decision-maker. The Management, as the decision maker of the Company is responsible for the decision making, allocating resources and evaluating the efficiency of the segments and taking the strategic decisions of the Company.

#### 2.3.2 Foreign currency translation

**(a) Functional and presentational currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

**(b) Transactions and balances**

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

Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income.

When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate Financial Statements of both companies are reclassified to other comprehensive income upon consolidation.

### 2.3.3 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.

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 Company 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 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 recognized 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 Company 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 the use of investment property is ended and there is no future economic benefit expected from its 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.

### 2.3.4 Property and Equipment

Property and equipment include land, buildings and equipment held by the Company 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 Company beyond those originally anticipated from the asset, otherwise they are expensed as incurred.

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

Land-plots are not 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:

| | | |
|---|---|---|
| Buildings | 50 | Years |
| Furniture and other equipment | 4-7 | Years |

The Company assesses whether there is an indication that an item of property and equipment may be impaired at each reporting date. 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 «Other profit / (loss) net».

### 2.3.5 Intangible Assets

Intangible assets relate to software acquisition costs. Software licenses are recognized at acquisition cost and measured at cost less accumulated depreciation less any accumulated impairment loss. Intangible assets are amortised using the straight-line method over their useful life which is 4 years.

Expenditure which relate with the maintenance of software is recognized when it is incurred.

### 2.3.6 Impairment of Non-Financial Assets

Intangible and property and equipment that are depreciated are assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, its corresponding impairment loss is recognised in profit or loss. The recoverable amount is determined as the greater between the fair value less costs to sell and the value in use. For the purpose of determining the impairment, assets are grouped at the lower level for which cash flows can be separately identified (cash-generating units). Impairments recognized in prior periods in non-financial assets (other than goodwill) are reviewed at each reporting date for reversal.

### 2.3.7 Financial Assets

#### 2.3.7.1 Classification and measurement of financial assets and liabilities

IFRS 9 keeps to a large extent the existing requirements of IAS 39 for the Classification and Measurement of Financial Liabilities. However, it eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available-for-sale. The adoption of IFRS 9 had no impact on the Company's accounting policies regarding financial liabilities. The effect of IFRS 9 on the classification and measurement of financial assets is presented below.

In addition to customer requirements originally valued at transaction value, the Company initially assesses a financial asset at its fair value plus transaction costs in the case of a financial asset that is not measured at fair value through profit or loss. In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. Ranking is based on two criteria:

- the business model in which the financial asset is held, ie whether the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows and the sale of financial assets; and
- whether the contractual cash flows of the financial asset consist exclusively of a capital repayment and interest on the outstanding balance ("SPPI" criterion).

The new classification and measurement of the financial assets of the Company is as follows:

#### 2.3.7.2 Financial assets measured at amortized cost

Classifies the financial assets that are retained under the business model in order to hold and collect contractual cash flows that meet the "SPPI" criterion. This category includes all the financial assets of the Company.
After initial recognition, the borrowed financial asset is measured at amortized cost using the effective interest rate method for the allocation and recognition of interest income on the line "Net financial income / (expenses) on interest" in the income statement during the period period. Amortized cost is the amount at which the financial asset is measured at initial recognition less any capital repayments, plus or minus the accumulated amortization of any difference between that initial amount and the corresponding amount at maturity using the method of interest rate, adjusted for any impairment provisions. The carrying amount before impairment is the amortized cost of a financial asset before revaluation for any impairment provisions. Interest income on debt securities classified in level 1 or 2 is calculated based on the carrying amount before impairment losses. When a debit asset is impaired due to credit risk (ranked at level 3), interest income is calculated on the amortized cost (that is, based on the book value after provisions).

**2.3.8 Impairment**

The Company has three classes of financial assets that are subject to the new model of expected credit losses under IFRS 9:

- Cash and cash equivalents
- Clients and other requirements,
- other financial assets measured at amortized cost.

IFRS 9 requires the Company to adopt the model of expected credit loss for each of the above asset classes.

Expected credit losses are based on the difference between all contractual cash flows payable under the contract and all cash flows that the Company expects to receive. All cash flow delays are discounted at the approximate original effective interest rate.

**2.3.9 Trade and other receivables**

Trade receivables are the amounts owed by customers for services provided to them in the ordinary course of business of the Company. If the collection of receivables is expected to take place within 12 months of the end of the year, they are registered in current assets. Otherwise, they are registered in non-current assets. Trade and other receivables are initially registered at their fair value and subsequently at the unamortized cost using the effective interest method minus the impairments costs.

**2.3.10** Other Financial Assets measured at unamortized cost

Regarding the Company's financial assets that are measured at unamortized cost, the general approach is used. These financial assets are considered to have low credit risk and any loss forecast is limited to the expected credit losses of the next 12 months.

**2.3.11 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash deposits and highly liquid time deposits held with banks with original maturities of approximately three months or less. In the statement of financial position, bank overdrafts appear in current liabilities borrowings.

**2.3.12 Share capital**

Ordinary shares are classified as equity.

Direct costs regarding the share issue appear at reduction of the share number.

The cost of acquiring own shares is deducted from the Company's equity until the own shares are sold, canceled or reissued. Any gain or loss on the sale of own shares net of other expenses directly attributable to the transaction, appears as a reserve in equity.

**2.3.13 Trade and other payables**

Trade and other payables refer to liabilities for products and services acquired during the operation of the Company from suppliers. Trade liabilities are recognised as current liabilities when their payment is due within the following year otherwise they are recognised as long-term liabilities.

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

**2.3.14 Guarantees**

The Company receives advance payments from tenants as a guarantee under operating leases. These guarantees are financial liabilities under IAS 39 and are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Guarantees are recognized in short-term liabilities unless the Company has the right to postpone the settlement of the liability for 12 months after the balance sheet date, in which case they are recognized in the long-term liabilities.

**2.3.15 Current and deferred tax**

Pursuant to Article 31 of Law 2778/1999, real estate investment companies are subject to tax, the rate of which is set at ten per cent (10%) at the prevailing interest rate of the European Central Bank Reference Rate plus 1%. This tax is calculated on the average of total investments, in excess of the available cash, at current prices, as reflected in the six-month investment statement (Article 25, par.1 of Law 2778/1999) . In the case of a change in the Reference Rate, the resulting new tax base is effective from the first day of the month following the changeover. The tax due is paid to the relevant Tax Office within the first 15 days of the month that follows the period referred to at the 6-month investment tables. In the case of withholding tax from dividends, this tax is offset by the tax resulting from the investment statement submitted in July. Any credit balance is transferred for offsetting with subsequent statements. With the payment of this tax, the tax liability of the company and its shareholders is completed. For the calculation of the above tax, real estate owned directly or indirectly by the REIC subsidiaries is not taken into account, as long as they are listed separately in their investment statements.

As the tax liability of the Company is calculated based on its investments and not on the basis of its profits, no temporary differences arise and consequently no deferred tax liabilities and / or receivables.

Current tax liabilities include current liabilities to tax authorities related to the tax abovementioned. Management regularly evaluates its position on issues related to tax authorities and estimates provisions where necessary for the amounts expected to be paid to the tax authorities.

**2.3.16 Employee benefits**

Post-employment benefits include both defined benefit plans, defined contribution schemes and post-employment medical care.

**(a) Post-retirement benefits**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate social security fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognized immediately in the income statement.

The net interest is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(b Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

### 2.3.17 Provisions

Provisions are recognized when there is present legal or constructive obligation as a result of past events It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

### 2.3.18 Revenue recognition

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

### 2.3.19 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

### 2.3.20 Leases

Where the Company is the lessor:

**(i) Operating lease** - The Company leases all its owned properties under operating lease agreements. When properties are leased under an operating lease, they are classified as investment property in the statement of financial position (Note 6). Rental income (less the value of any incentives provided by the lessor) is recognized using the fixed amount method during the lease term.

**(i) (ii) Finance lease** - The Company has not entered into finance leases as a lessor.

Cases where the Company is the lesse:

The lease agreements where the Company is the lessee are recognized in the statement of financial position as a right to use an asset and an obligation to let, at the date the leased asset is available for use.

The lease agreement obligations include the Net Present Value of the following leases:

- straight-line basis over the period of the lease
- variable rents, that depend on an index or an interest rate, which at first are measured using the index or the interest rate at the date of the beginning of the leasing period
- the price of right of buying option, if it is almost certain that the Company will exercise this right and

- the payment of a penalty for breaking the lease if the duration of the lease reflects the exercise of the Company's right to terminate the lease.

Lease agreements are discounted with the imputed rental rate or, if that rate cannot be defined from the agreement, with incremental borrowing rate, that is the rate the company would have to pay in order to acquire an element of similar value with the leased asset, for a similar period of time, with similar securing and at a similar economic environment.

Following their initial measurement, the lease obligations increase due to their financial cost and decrease due to the lease payments. The lease obligation is measured again in order to show potential revaluations or modifications of the lease agreement.

#### 2.3.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Annual General Shareholders Meeting.

#### 2.3.22 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during the year adjusted for the impact of share based payments.

## 3. Financial risk management

### 3.1. Financial risk factors

The Company's activities expose it to a variety of financial risks as market risk (including foreign exchange price, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and to minimize potential impact on the Company's financial performance.

The Company uses a risk management framework that aims to continuously monitor business operations to identify risk areas in time, to evaluate, categorize and then to manage them taking the appropriate actions.

At the level of the organizational structure, the Chief executive officer in cooperation with the executive members of the BoD, as well as the supervisory units of the Company, are charged with the management of the risks, while the internal audit of the Company evaluates the adequacy and effectiveness of the risk management system.

In addition, the BoD of the Company regularly review the main risks the Company is exposed to and the effectiveness of the Internal Audit for those risks.

***(a) Market risk***

**(i) Foreign exchange risk**

The Company operates in Greece, its transactions are carried out in Euro (€) and therefore is not exposed to foreign exchange risks.

**(ii) Price risk**

The Company is not exposed to financial instruments risk as it does not hold equity instruments.

The Company is exposed to risk from fluctuation of prices in the value of property and rents. In order to reduce the price risk the Company concludes long term operating leases with annual readjustments of rents that are connected with the Greek CPI, while in case of deflation, there is no negative impact on the Company's income. The company's income do not face seasonal fluctuations, with the exception of few lease agreements, where a percentage of turnover is paid additional to the monthly rent, it is calculated at the beginning of each year and is related to the previous year.

The Company is governed by an institutional framework 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,

(Amounts presented in thousand € except otherwise stated)

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 flows risk and risk of fair value changes due to interest rate changes**

The Company's exposure to interest rate risk arises from short term deposits (Note 10) and bank loans with floating interest rates (Note 13) that expose the Company to cash flow risk due to a possible change in interest rates.

The Company is exposed to fluctuations in market interest rates that affect its financial position and its cash flows.

The Company's exposure to interest rate risk is not significant due to the low exposure of the Company to borrowing (Net Loan to Value Ratio of -42,1%).

***(b)* Credit risk**

The Company has concentration of credit risk with respect to cash and cash equivalents (note 10) and lease receivables from operating leases. Credit risk relates to cases of default of counterparties to meet their transactional obligations.

No significant losses are expected as the lease agreements are made with high credit tenants. The Company's exposure to credit risk is mainly attributable to transactions with affiliated parties, as most of the Company's portfolio is leased to Quest Group companies. The percentage of the leases derived from subsidiaries and associates of the Quest Holdings Group SA on a yearly basis at 31.12.2019 is 49,1% of the total rental income reduced from 69,4% at 31.12.2018 (Notes 16 and 26).

The table below shows the financial assets by credit rating (Moody's) at 31 December 2019 and 31 December 2018.

| **Valuation 31/12/2019** | **Cash and Carry Equivalents** | **Trade and other payables** |
|---|---|---|
| Caa1 | 37.566 | |
| Counterparties without credit rating | | 346 |

| **Valuation 31/12/2018** | **Cash and cash equivalents** | **Trade and other payables** |
|---|---|---|
| Caa2 | 1.303 | |
| Counterparties without credit rating | | 128 |

Breakdown for the maturity of the Company's receivables is included in Note 10.

***(c)* Liquidity risk**

The current or prospective risk to earnings and capital arising from the Company's inability to collect overdue outstanding financial obligations without incurring significant losses. The Company 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 as well as prudent cash management.

The liquidity of the Company is monitored by the Management on a regular basis. The maturity analysis of financial liabilities as follows (the tables present non discounted cashflows):

(Amounts presented in thousand € except otherwise stated)

| **31.12.2019** | **< 1 year** | **1 to 2 years** | **3 to 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| Trade and other payables | 1.148 | - | - | - | **1.148** |
| Loans and lease obligations | 896 | 814 | 2.383 | 10.571 | **14.664** |
| | **2.044** | **825** | **2.391** | **10.962** | **15.812** |

| **31.12.2018** | **< 1 year** | **1 to 2 years** | **3 to 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| Trade and other payables | 364 | - | - | - | **364** |
| Loans | 1.063 | 976 | 2.761 | 6.587 | **11.386** |
| | **1.427** | **976** | **2.761** | **6.587** | **11.750** |

The total amount of the guarantees received is € 390K and they will be returned depending on the expected expiration period of the current lease agreements. More specifically € 4,8K will be returned until 2020, € 12K until 2021, € 24K until 2024 and € 349 until 2033.

### 3.2 Capital risk management

The Company's objective is to ensure its ability to remain in a continuing activity in order to generate profits for the shareholders and benefits to other stakeholders and maintain the optimal capital structure to reduce its costs capital.

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

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

The regulatory regime governing R.E.I.C.s in Greece permits to Greek REICs to borrow up to 75% of the value of their total assets, for acquisitions and improvements on properties.

The Company's leverage ratios (Debt ratio and Net debt ratio) are calculated below as of 31.12.2019 compared to 31.12.2018.

| | **31.12.2019** | **31.12.2018** |
|---|---|---|
| Loans | 12.418 | 9.640 |
| Total Assets | 97.880 | 41.228 |
| Cash and cash equivalents | 37.568 | 1.303 |
| **Debt Ratio** | **12,7%** | **23,4%** |
| **Net Debt Ratio** | **-25,7%** | **21,0%** |

### 3.3 Fair value estimation

The Company provides all the necessary notifications regarding the estimation of the fair value through a 3-level Process.

**Level 1:** Financial assets that are traded on active markets, the fair value of which is determined based on published market prices at the reporting date for similar assets and liabilities.

**Level 2:** Financial assets that are not traded on active markets, the fair value of which is determined using valuation techniques and assumptions that are either directly or indirectly based on market conditions at the reporting date.

**Level 3:** Financial assets that are not traded on active markets, the fair value of which is determined using valuation techniques and assumptions that are essentially not based on market data.

The Company has no financial assets at fair value. However, the Company owns investment properties that are measured at fair value (note 6).

As at December 31, 2019 the book value of "trade and other receivables", "cash and cash equivalents" , "short term debt" and "trade and other payables" approximates the fair value.

There were no transfers between Level 1 and 2 during the period, neither transfers in and out of Level 3 concerning the estimation of fair value.

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

Management's estimates and judgments are being reviewed and are based on historical data and expectations for future events that are judged to be reasonable under current

### Significant accounting estimates and assumptions

The Company makes estimates and assumptions about the evolution of future events. Estimates and assumptions that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities over the next 12 months mainly relate to the fair value of investment properties.

The most appropriate indication of fair value is the current values in an active market for related leases, as well as other contracts. If it is not possible to obtain such information, the value is determined through a range of reasonable estimates of fair values. In accordance with the applicable law on REICs, values of investment property should be supported by evaluations made by independent professional valuers included in the Register of Certified Appraisers of the Ministry of Finance for 30 June and December 31 of each year. Estimates are primarily based on discounted cash flow forecasts due to the absence of sufficient current prices in an active market. To make such a decision, the Company's Management takes into account the data 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 in the same location and condition, 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; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Company and those reported by the market. The future rental rates are estimated on the basis of current rents for similar properties on the same location and quality. Further details of the assumptions made are included in Note 6.

## 5. Segment Reporting

The operating segments of the Company are presented in accordance with the areas of investing activity that refer to internal reports and are used for the decision making and the monitoring of the financial results by the Company's management, in accordance with its Articles of Association and its Internal Rules of Operation.

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

As at 31.12.2019 all the Company's properties were located in Greece. Also, the types of investment property of the Company are divided into office buildings, mixed use buildings (Office building with retail store on the ground floor), retail buildings, logistics buildings and special use buildings (Elderly Hosting Center building, Eye Clinic), hotels and land plots.

In relation to previous periods, the following changes in segment reporting emerged:

1. On August 30$^{th}$, 2019, the Company signed a lease agreement with the company "THE GREEK FOUNDATION P.C.", for the lease of the investment property located at 4 Gennadiou Str., in Athens, and its conversion from office building to hotel. Therefore there has been a transfer from office to hotel sector.The lease has a duration of 15 years, while the lessee has the

(Amounts presented in thousand € except otherwise stated)

unilateral right of renewal for 5 more years. The lessee undertakes the cost of designing and conversion works of the building to a hotel (Note 6).

2. Due to the three (3) hotels owned by the Company at 31.12.2019, more specifically Mr&Mrs White Paros, Mr&Mrs White Tinos and the property at 4 I. Gennadiou street in Athens, the Company is monitoring the "Hotels" as a distinct sector of investment activity. The comparative table for 2018 use has been adjusted accordingly as until 31.12.2018 hotels where included in "Special Use Buildings".

3. Due to the main use of two (2) office buildings with ground floor retail units, they are classified by the Company in the "office"sector while until 31.12.2018 the Company used to classify them as "Mixed Use" buildings.

The Company's Management monitors the operating results of each sector separately, in order to proceed to resource allocation and evaluation of the relevant returns. The return evaluation is based on EBITDA (Profits/(Losses) related to real estate investments). The Company applies the same principles for the measurement of the functional results of the sectors as in those of the financial statements. Investment analysis on real estate properties per functional sector is presented in Note 6.

The breakdown of the profits for the year ended 31 December 19 is as follows:

| | **01.01.2019 – 31.12.2019** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Offices** | **Logistics** | **Hotels** | **Retail** | **Special Use** | **Land Plots** | **Total** |
| **REVENUE** | | | | | | | |
| Rental Revenue | 1.404 | 785 | 589 | 62 | 88 | - | 2.928 |
| **Total** | **1.404** | **785** | **589** | **62** | **88** | **-** | **2.928** |
| | | | | | | | |
| **RESULTS** | | | | | | | |
| Net gain / (loss) from the fair value adjustment of investment properties | 1.736 | 566 | 1.482 | 109 | 131 | 8 | 4.032 |
| Direct property related expenses | (148) | (138) | (101) | (7) | (20) | (1) | (415) |
| **Total profit/(loss) from property related expenses** | **2.992** | **1.213** | **1.970** | **164** | **199** | **7** | **6.545** |
| | | | | | | | |
| **Net profit / (loss) for the period:** | | | | | | | |
| Total profit/(loss) from property related expenses | | | | | | | 6.545 |
| Other expenses | | | | | | | (743) |
| Net financial income / (expenses) | | | | | | | (221) |
| Taxes | | | | | | | (198) |
| **Profit / (Loss) for the period** | | | | | | | **5.383** |

The breakdown of the income for the year ended 31 December 18 is as follows:

| | **01.01.2018 – 31.12.2018** | | | | | |
|---|---|---|---|---|---|---|
| | **Offices** | **Logistics** | **Hotels** | **Retail** | **Special Use** | **Total** |
| **REVENUE** | | | | | | |
| Rental revenue | 1.281 | 741 | 61 | 52 | 40 | 2.175 |
| **Total** | **1.281** | **741** | **61** | **52** | **40** | **2.175** |
| | | | | | | |
| **RESULTS** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Net gain / (loss) from the fair value adjustment of investment properties | 858 | 485 | 120 | 79 | 192 | 1.734 |
| Direct property related expenses | (172) | (106) | (1) | (11) | (1) | (291) |
| **Total profit/(loss) from property related expenses** | **1.967** | **1.120** | **180** | **120** | **231** | **3.618** |

| | |
|---|---|
| **Net profit / (loss) for the period:** | |
| Total profit/(loss) from property related expenses | 3.618 |
| Other expenses | (456) |
| Net financial income / (expenses) | (41) |
| Taxes | (242) |
| **Profit / (Loss) for the period** | **2.879** |

## 6. Investment Property

The following table analyses the Company's investment property per operating and geographical segment:

| **Country** | | | | **Greece** | | | |
|---|---|---|---|---|---|---|---|
| **Segment** | **Offices** | **Logistics** | **Retail** | **Mixed Use** | **Special Use** | **Land Plots** | **Total** |
| Fail value hierarchy | 3 | 3 | 3 | 3 | 3 | 3 | |
| **Fair value at January 1,2018** | **16.990** | **8.407** | **-** | **771** | **-** | **-** | **26.168** |
| Acquisition of investment property | 6.278 | 640 | 3.553 | - | 1.043 | - | **11.514** |
| Net gain / (loss) from the fair value adjustment of investment property | 198 | 9 | - | - | - | - | **207** |
| **Fair value at January 1, 2018** | 832 | 485 | 147 | 79 | 191 | - | **1.734** |
| Fail value hierarchy | **24.298** | **9.541** | **3.700** | **850** | **1.234** | **-** | **39.623** |
| **Fair value at January 1, 2018** | **24.298** | **9.541** | **3.700** | **850** | **1.234** | **-** | **39.623** |
| Acquisition of investment property | 9.853 | - | 3.004 | 2.565 | - | 520 | **15.942** |
| Subsequent capital expenditure | - | 196 | - | - | - | - | **196** |
| Sector change due to change of use | (5.500) | - | 5.500 | - | - | - | - |
| Net gain / (loss) from the fair value adjustment of investment property | 1.736 | 566 | 1.482 | 109 | 131 | 8 | **4.032** |
| **Fair value at December 31, 2018** | **30.387** | **10.303** | **13.686** | **3.524** | **1.365** | **528** | **59.793** |

On April 16th, 2019, the Company purchased of a plot of land on 117 Kifisou Avenue, at Agios Ioannis Renti. The plot of land has a total surface area of 640.24 sq. m., façade on Kifisou Avenue and it is adjacent to the logistics property also owned by the Company, which is located at 119, Kifisou Avenue. The consideration for the acquisition amounted to €248 thousand (excluding acquisition costs of € 4.8 thousand). The plot of land is burdened by an obligation for land contribution of 137.06 sq.m. which is conversed to money, the payment of which will be undertaken by the Company, when such contribution is allocated.

On April 18th, 2019, the Company purchased the 4* hotel "Mr & Mrs White Tinos" which is located at Agios Ioannis Porto in Tinos Island, in Cyclades. The hotel consists of three (3) buildings built on a plot of land of a total surface area of 7,877.00 sq.m., has 60 rooms, one pool, restaurant/bar, spa area and parking area. The hotel is leased to the company "Hotel Keys SINGLE-MEMBER S.A.", subsidiary of Hotel Brain S.A.. The total consideration for the acquisition of the property and its hotel equipment amounted to € 2,960 thousand (excluding acquisition costs of € 44 thousand).

On October 10th, 2019, the Company completed the acquisition of an office property of 4th floor with a total surface of 419,06 sq.m. located at 3 Mitropoleos Street in Syntagma Square. The total consideration for the acquisition of the property amounted to € 1.466 thousand (excluding acquisition costs of € 47 thousand).

On October 29th, 2019, the Company acquired a commercial store with surface of 281,35 sq.m. located at 25is Martiou 1 and Volunteer Dodecanese Streets in Rhodes Town. The consideration for the acquisition of the property amounted to € 765 thousand (excluding acquisition costs € 9 thousand).

On November 4th, 2019, the Company acquired a plot of land in Naoussa Paros. The land has a total surface of 518,40 sq.m. and is adjacent to the Company's holte "Mr & Mrs White Paros". The consideration for the acquisition of the land amounted to € 260 thousand (excluding acquisition costs of € 7 thousand).

On November 11th, 2019, the Company completed the acquisition of six (6) office properties, totaling 1.620 sq.m. of office space, located in an office building at 280 Eleftherios Venizelou Ave. Kalithea. The total consideration for the acquisition of the properties amounted to € 1,755 thousand (excluding acquisition costs € 23 thousand).

On November 28th, 2019, the Company acquired a stand-alone mixed-use building (office building with ground floor shop) in Athens central commercial district. The building comprises of 7 floors, ground floor, mezzanine and basement and It is located at 67, Aiolou Str.in the Municipality of Athens. The total consideration for the acquisition of the property amounted to € 6.500 thousand (excluding acquisition costs € 61 thousand)

On December 23rd, 2019, the Company purchased a 474 sq.m. retail property located at 64 Vasilissis Sofias Avenue in the Municipality of Athens. The consideration for the acquisition of the property amounted to € 1.750 thousand (excluding acquisition costs of € 41 thousand).

The fair value of Property Investments at 31 December 2019, according to the Independent Valuer's Report, amounted to € 59.793 thousand (excluding the office space used by the Company valued at € 204 thousand) against € 39.623 thousand (excluding the office space used by the Company valued at € 189 thousand) as at 31 December 2018. The increase of the fair value of property investments by € 15.942 thousand is mainly due to the purchase of eight investment properties held in 2019, to the value increase of the existing portfolio by € 4.032 thousand and to subsequent capital expenditure by € 196 thousand.

**Properties Valuation Method**

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed on June 30 and December 31 of each year. The valuations themselves are based on two methods according to the International Appraising Standards. For the valuation of the Company's portfolio, with critical date 31.12.2019, the following valuation methods have been applied according to the type of each property a) the comparative method, b) the income capitalization or discounted cash flow method and c) the residual method.

Information concerning the fair value measurements of the investment properties per operating and geographical segment is as follows:

(Amounts presented in thousand € except otherwise stated)

| Country | Use | Fair Value | Valuation Method | Monthly Market Rent | Discount Rate (%) | Exit Yield (%) |
|---|---|---|---|---|---|---|
| Greece | Offices | 30.387 | 80% discounted cash flows (DCF) & 20% comparative | 193 | 7,83%-9,31% | 6,50%-8,00% |
| Greece | Logistics | 10.303 | 80% discounted cash flows (DCF) & 20% comparative | 73 | 9,59%-9,81% | 8,50% |
| Greece | Hotels | 13.686 | 80-85% discounted cash flows (DCF) & 20-15% comparative | n/a | 8,80%-9,22% | 7,00%-8,50% |
| Greece | Retail | 3.524 | 80% discounted cash flows (DCF) & 20% comparative | 20 | 7,82%-8,12% | 6,50%-7,00% |
| Greece | Special Use | 1.365 | 80% discounted cash flows (DCF) & 20% comparative | 8 | 8,82% | 7,50% |
| Greece | Land plots | 528 | 80% discounted cash flows (DCF) & 20% comparative or 90% comparative & 10% residual method for the vacant property | 4 | 9,00% | 8,00%-8,25% |
| | | **59.793** | | | | |

The valuation of the fair value of non-financial assets has been determined taking into account the Company's ability to achieve their maximum and optimal use that is possible, legally permissible and economically feasible. This valuation is based on the physical characteristics, the permitted uses and the opportunity cost of realized investments.

The most important changes in properties' values compared to 31.12.2018 are the following:

1. Mr&Mrs White Paros hotel value increased by € 700 thousand (18,92%). This increase is explained due to the improved operational results of the hotel.

2. The value of the property at 4 I. Gennadiou street increased by € 686 thousand (14,25%) mainly due to its change of use from office building to hotel, of the renovation works conducted by the lessee and the lease agreement signed in August 2019 with "The Greek Foundation IKE".

As a general comment regarding the properties' values, it is noted that during 2019 there has been increased demand for the acquisition and lease of prime properties. Following this trend, there have been increases in market comparable evidence, rental values and market values, which fully justify the increase in the values of the Company's properties.

Were the monthly market rent as at December 31, 2019 used in the discounted cash flows analysis, to increase or decrease by +/- 5% from Management's estimates, the carrying amount of investment property would have been estimated € 1.211 thousand lower or € 1,201 thousand higher.

Were the discount rate as at December 31, 2019 used in the discounted cash flows analysis, to increase or decrease by +/- 5% from Management's estimates, the carrying amount of investment property would have been estimated € 1.350 thousand lower or € 1,292 thousand higher.

Were the exit yield as at December 31, 2019 used in the discounted cash flows analysis, to increase or decrease by +/- 5% from Management's estimates, the carrying amount of investment property would have been estimated € 971 thousand lower or € 1.059 thousand higher.

(Amounts presented in thousand € except otherwise stated)

## 7. Property, plant and equipment

Tangible assets of the Company are as follows:

| | Land and Buildings | Equipment | Total |
|---|---|---|---|
| **Cost value:** | | | |
| **Balance January 1, 2018** | **161** | **22** | **183** |
| Additions | - | - | - |
| **Balance December 31, 2018** | **161** | **22** | **183** |
| | | | |
| **Accumulated depreciation** | | | |
| **Balance January 1, 2018** | **4** | **3** | **7** |
| Depreciation change | 3 | 4 | 7 |
| **Balance December 31, 2018** | **7** | **7** | **14** |
| | | | |
| **Net book value December 31, 2018** | **154** | **15** | **169** |
| | | | |
| **Balance January 1, 2019** | **161** | **22** | **183** |
| Additions | - | 3 | 3 |
| **Balance December 31, 2019** | **161** | **25** | **186** |
| | | | |
| **Accumulated depreciation** | | | |
| **Balance January 1, 2019** | **7** | **7** | **14** |
| Depreciation change | 3 | 4 | 7 |
| **Balance December 31, 2019** | **10** | **11** | **21** |
| | | | |
| **Net book value December 31, 2019** | **151** | **14** | **165** |

The Company uses 111,86 sq.m. of the 1st floor of the building located in Al.Pantou 25, Kallithea as offices of the administration.

## 8. Intangible Assets

Intangible assets are as follows::

| | Software | Total |
|---|---|---|
| **Cost Value:** | | |
| **Balance January 1, 2018** | **6** | 6 |
| Additions | 2 | 2 |
| **Balance December 31, 2018** | **8** | **8** |
| | | |
| **Accumulated depreciation** | | |
| **Balance January 1, 2018** | **1** | **1** |
| Depreciations | 2 | 2 |
| **Balance December 31, 2018** | **3** | **3** |
| | | |
| **Net book value December 31, 2018** | **5** | **5** |

(Amounts presented in thousand € except otherwise stated)

| | | |
|---|---|---|
| **Balance January 1, 2019** | **8** | **8** |
| Additions | - | - |
| **Balance December 31, 2019** | **8** | **8** |
| | | |
| **Accumulated depreciation** | | |
| **Balance January 1, 2019** | **3** | **3** |
| Depreciations | 2 | 2 |
| **Balance December 31, 2019** | **5** | **5** |
| | | |
| **Net book value December 31, 2019** | **3** | **3** |

## 9. Right of Use Assets

The entity's Right of Use Assets include a leased car and the analysis is as follows:

| | Cars | Total |
|---|---|---|
| **Balance January 1, 2019** | **9** | **9** |
| Additions | - | - |
| Amortization | 4 | 4 |
| **Balance December 31, 2019** | **5** | **5** |

## 10. Trade and other receivables

Trade and other receivables analysis is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Trade receivables | 111 | 15 |
| Less: Provisions for doubtful debts | (4) | (4) |
| **Trade receivables** | **107** | **11** |
| | | |
| Receivables from related parties (note.26) | 101 | 84 |
| Deferred expenses (prepayments) | 9 | 8 |
| Accrued income | 96 | - |
| Other receivables and guarantees | 33 | 25 |
| **Total** | **346** | **128** |
| | | |
| Non-current | 122 | 34 |
| Current | 224 | 94 |
| **Total** | **346** | **128** |

The receivables as of 31 December, 2019 include € 89K of lease incentives based on the lease agreements. These incentives are amortized on a straight-line basis over the total lease period.

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

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| **Due within due date** | | |
| Up to 1 month | 224 | 94 |

(Amounts presented in thousand € except otherwise stated)

| | | |
|---|---|---|
| 1 to 3 months | - | - |
| 3 to 12 months | - | - |
| Over 12 months | - | - |
| **Total** | **224** | **94** |
| | | |
| **Doubtful debts** | **4** | **4** |
| Less: Provisions for doubtful debts | (4) | **(4)** |
| **Total** | **224** | **94** |

## 11. Cash and Cash Equivalents

The breakdown of cash and cash equivalents is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Cash in hand | 2 | 1 |
| Cash at bank and short term deposits | 37,566 | 1,302 |
| **Cash and Cash Equivalents** | **37,568** | **1,303** |

Cash at bank consists of cash and two short-term time deposits in Greece, € 5.000K and € 20.000K maturing on 9 January, 2020 and 20 March, 2020 respectively. Total cash and cash equivalents are in €.

## 12. Share Capital

Share Capital is analyzed as follows:

| | Shares Number | Share Capital |
|---|---|---|
| **Balance January 1, 2018** | **11.921.531** | **27.777** |
| **Balance December 31, 2018** | 11.921.531 | 27.777 |
| | | |
| **Balance January 1, 2019** | **11.921.531** | **27.777** |
| Share Capital decrease | - | -2.742 |
| Share Capital increase | 23.843.062 | 50.071 |
| **Balance December 31, 2019** | **35.764.593** | **75.106** |

On September 6, 2019, the Company with an Extraordinary General Assembly of the Shareholders, decided a € 2.742K Share Capital decrease by forming a same amount Special Reserve. For the Share Capital to be decreased, each Share's nominal amount was decreased from 2,33€ to 2,10€.

On December 20, 2019, 23.843.062 newly issued Company's Shares of 2,10€ nominal value, started trading in Athens Stock Exchange. The new Shares were issued by the Share Capital Increase through cash payment, as approved by the 06.09.2019 Extraordinary General Assembly of the Shareholders and the 12.11.2019 Board of Directors Meeting.

Following the Share Capital Increase by 23.843.062 new Shares at nominal value of €2,10 each, the Share Capital was increased by €50.071K. As of December 31, 2019 the Share Capital of the Company is €75.106 K and the Number of Shares is 35.764.593.

The € 1.583K expenses directly attributable to the Share Capital increase are accounted and presented deducted from the Company's equity, while € 68K related expenses is presented in Other Operating expenses (Note 19)

The Company does not hold own shares

(Amounts presented in thousand € except otherwise stated)

## 13. Retirement Benefit Obligations

According to the legislation, employees are entitled to compensation in the event of their dismissal or retirement, the amount of which varies depending on the salary, the years of service and the reason for leaving.

The amount in Statement of financial position is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Present value of obligations | 8 | 6 |
| **Liability in financial position** | **8** | **6** |

The amount in the Statement of comprehensive income is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Service cost | 3 | - |
| **Amount included in employee benefit expenses (Note. 17)** | **3** | **-** |

The liability movement in the Statement of Financial Position is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Opening balance | 6 | 6 |
| Service cost | 3 | - |
| Actuarial gains/(losses) from change in financial assumptions | (1) | - |
| **Balance at December 31,2019** | **8** | **6** |

The main actuarial assumptions used are as below:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Discount rate | 0,80% | 1,70% |
| Price inflation | 1,70% | 1,75% |
| Rate of compensation change | 1,70% | 1,75% |

## 14. Borrowings

On July 19th, 2018, the Company, following the decision as of 22.02.2018 of the Extraordinary General Meeting and the decision of the Board of Directors as of 16.07.2018, issued a common bond loan secured with guarantees with ALPHA BANK S.A., as paying manager and representative of the bondholders, of a total nominal value (principal) up to € 10 Million. The product of the bond loan is covered in its entirety by the bank “ALPHA BANK SA” and by the bank “ALPHA BANK LONDON LTD” in order to finance new investments in real estate.

The bond loan bears an interest rate of three or six months Euribor plus margin, with maturity date at 15.10.2025. Pursuant to the bond loan amendment sighed at 15.10.2019, there was a reduction in the interest rate margin and the repayment program of the bond loan capital was modified, the capital instalments per payment day changed. loan maturity remained the same.

On 29.03.2019, the Company had disbursed the entire product of the issued bonds amounting € 10 Million. On 31.12.2019 the outstanding balance of this loan amounts to € 9.650 K.

On April 17th, 2019, the Company signed a credit agreement with open account with Eurobank Ergasias S.A. and used the total limit of the agreed credit amounting € 2.932 thousand, expiring on 18.07.2019 and with variable rate, in order to finance new investments in real estate. On 05.07.2019 it was repaid.

(Amounts presented in thousand € except otherwise stated)

On June 14th, 2019, the Company, following the decision of the Board of Directors of the Company dated 12.06.2019, proceeded to the conclusion for the issuance of a common bond loan with Eurobank Ergasias SA, of a maximum amount of twenty million euros (€ 20,000,000.00) pursuant to the provisions of Articles 59-74 of Law 4548/2018 and of Article 14 of Law 3156/2003, as in force, which was gradually disbursed and used for the financing of new investments in real estate. The bond bears three-month EURIBOR plus interest rate margin, while the loan expires on 14.06.2027. On 31.12.2019 the outstanding balance of this loan amounts to € 2.932 K.

On November 28, 2019, the Company used the credit of an open credit account with BANK ALPHA BANK S.A. amounting to € 6.500 thousand with an expiration date of 28.02.2020 in order to finance new investments in real estate. The outstanding capital was repaid on 19.12.2019, while the interest of € 14 thousand was paid on 03.01.2020. The total amount of the credit agreement with an open credit account amounts to € 12,000 thousand.

The weighted interest rate paid which was paid in 2019 amounts 2,85% compared to 3,50% paid in 2018.

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Open credit account borrowing | 14 | - |
| Bond loans | 12.398 | 9.640 |
| **Total borrowings** | **12.412** | **9.640** |

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Non-current | | |
| Bond loan | 11.954 | 8.930 |
| Non-current borrowings | **11.954** | **8.930** |
| | | |
| Current | | |
| Open credit account borrowing | 14 | - |
| Bond loan | 444 | 710 |
| Current borrowings | **458** | **710** |
| Total Borrowings | **12.412** | **9.640** |

The maturity of loans is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Up to 1 year | 458 | 710 |
| From 1 to 5 years | 1.711 | 2.671 |
| Over 5 years | 10.243 | 6.259 |
| | **12.412** | **9.640** |

The obligations from the above bond loans are secured by quadrants on the investment property of the Company (note 25). In addition, according to the terms of most loan agreements, the Company must comply with specific financial indicators. Throughout the existing borrowing, the Company fulfilled the obligations for compliance with such indicators.

## 15. Trade and other payables

The analysis of trade and other payables is as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Trade payables | 811 | 67 |

(Amounts presented in thousand € except otherwise stated)

| | | |
|---|---|---|
| Amounts due to related parties (Note. 26) | 8 | 9 |
| Accrued expenses | 266 | 198 |
| Social Security | 4 | 57 |
| Property Tax (ENFIA) | 54 | 33 |
| Deferred income | 9 | 9 |
| Received leasing guarantees | 323 | 347 |
| **Σύνολο** | **1.475** | **720** |

**Obligations classification:**

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Non-current | 318 | 347 |
| Current | 1.157 | 373 |
| **Total** | **1.475** | **720** |

The Trade payables and Accrued expenses increase is mainly due to commissions of consultants and suppliers involved in the Share Capital increase.

## 16. Rental Income

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Rental revenue | 2.928 | 2.175 |
| **Total** | **2.928** | **2.175** |

The period that the Company leases out its property is, in most cases for a term of 10 years. Annual rental increases are linked to the Greek CPI and the HCPI indexes, while in case of deflation there is no negative impact on the Company's income. The majority of Company's rental income is not subject to seasonality. In few cases there is a percentage on sales additional to the monthly rental, which is calculated at the beginning of each year and refer to the past year. For 2019 this variable rental revenue amounts to € 38,2K.

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

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Up to 1 year | 3.756 | 2.506 |
| From 1 to 5 years | 14.421 | 9.837 |
| Over 5 years | 13.512 | 8.984 |
| **Σύνολο** | **31.690** | **21.327** |

## 17. Direct property expenses

Direct property expenses are analyzed as follows:

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Property Tax (ENFIA) | (273) | (166) |
| Valuations fees | (33) | (10) |

(Amounts presented in thousand € except otherwise stated)

| | | |
|---|---|---|
| Insurance expenses | (47) | (39) |
| Office utilities and other service charges | (21) | (12) |
| Broker expenses | - | (5) |
| Repair and maintenance expenses | (40) | (59) |
| Other expenses | (1) | - |
| **Σύνολο** | **(415)** | **(291)** |

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

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Leased properties | (409) | (291) |
| Vacant properties | (6) | - |
| **Total** | **(415)** | **(291)** |

## 18. Personnel expenses

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Salaries | (150) | (129) |
| Social security costs | (41) | (33) |
| Retirement benefit obligations expenses (note 13) | (3) | - |
| Profits distributed to employees – BoD | (125) | (74) |
| Other expenses | (9) | (7) |
| **Total** | **(328)** | **(243)** |

Profits distributed to employees – BoD refer to a provision of € 125 thousand additional benefits of the year 2019 which will be paid in 2020..

The total number of Company's employees as of December 31, 2019 was 4 (2019:4),while as of December 31, 2018 was 3 (2018:3).

## 19. Other operating expenses

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Compensation of Board members | (41) | (21) |
| Third party expenses | (75) | (42) |
| Administrative expenses | (103) | (104) |
| Shared spaces expenses used by the Company | (6) | (11) |
| Insurance expenses | (6) | (4) |
| Right-of-use assets | (1) | - |
| Other expenses | (93) | (20) |
| **Total** | **(325)** | **(202)** |

(Amounts presented in thousand € except otherwise stated)

In the aforementioned Administrative expenses of € 103 thousand, € 71 thousand relate to operating / administrative services from related companies (see note 26).

In Other expenses of € 93 thousand, prorata expenses of € 54 thousand are included, for the determination of the correct VAT amount of fiscal year 2019.

The fees of the company "PricewaterhouseCoopers" for the audit services provided to the Company for the years 2019 and 2018 are as follows:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Statutory Audit fees for the financial statements of the Company | 29 | 29 |
| Tax audit certificate (expected to be issued for the year 2017) in accordance with article 65A of Law 4172/1313 and the POL. 1124 / 18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance, for the Company | 7 | 7 |
| Agreed Upon Procedures related to the "Bond Loan Covenants" | 2 | |
| Agreed Upon Procedures related to the "Statement of Investments" | This fee is included in that of the statutory audit of the annual financial statements | |
| **Audit Fees included in Other expenses** | **38** | **36** |
| Certified Auditor Services for the Share Capital | 50 | - |
| **Total Audit Fees** | **88** | **36** |

## 20. Finance income and costs

Finance income and costs are analyzed as follows:

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Bond Loans interest expenses | (415) | (44) |
| Open-end account interest expenses | (38) | - |
| Finance costs | (3) | - |
| Interest income | 235 | 3 |
| **Total** | **(221)** | **(41)** |

In 2019 Interest income, a €165 thousand financial gain is included from the Alpha Bank Bond Loan's, signed on 19.07.2018, Terms amendment (Note 14)

## 21. Taxes

| | 1.1.2019 - 31.12.2019 | 1.1.2018 - 31.12.2018 |
|---|---|---|
| Corporate tax | (198) | (242) |
| **Total** | **(198)** | **(242)** |

The Company's taxes for the year 2019 amounted to € 198 thousand versus € 242 thousand for the year 2018, presenting a decrease of € 44 thousand or 18,0%.

This decrease is due to the calculation of the Tax for the 2nd semester of 2019 which was made in accordance with the new Law 4646/2019 as passed on December 12, 2019. Pursuant to Article 55 Law 4646/20119, the Article 31 of Law 2778/1999 was amended for the calculation of the tax for real estate investment companies. More specifically, the new Law removed the threshold of 0,375% for the tax due every six months on the average investments plus cash. The tax rate now stands at 10,0% of the European Central Bank's applicable interest rate increased by 1 percentage point (10.0% * (ECB reference rate + 1,0%)), on the average of investments plus cash and cash equivalents at current prices. Under the new provisions, the corporation tax for the second half of 2019 was 0,05% of the average investments plus cash and cash equivalents at current prices for the second half of 2019.

(Amounts presented in thousand € except otherwise stated)

## 22. Dividends per share

On April 19, 2019, the Ordinary General Meeting of the Company's shareholders decided the distribution of dividend of € 656 thousand, i.e. € 0,055 per share (net) of the profits of the year 2019, which destributed to the shareholders on March 29, 2019 through the payer Bank, National Bank of Greece S.A.. In 2018, the Company had distributed dividend of a total amount of € 417 thousand (€ 0,035 per share, net) from the profits of the year 2017.

## 23. Earnings per share

**basic and diluted**

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

| | **1.1.2019 - 31.12.2019** | **1.1.2018 - 31.12.2018** |
|---|---|---|
| Earnings before taxes | 5.383 | 2.878 |
| Earnings after taxes attributable to equity holders of the Company | 5.383 | 2.878 |
| Weighted average number of ordinary shares in issue | 12.705.413 | 11.921.531 |
| Basic earnings per share (€ per share) | 0,42 | 0,24 |

## 24. Contingent Liabilities

**Capital commitments**

At the date of preparation of the interim condensed financial information, there were no significant capital expenditures incurred and not executed.

**Commitments from financial leases**

The Company has not entered into financial leases.

**Legal cases**

There are no legal cases against the company.

## 25. Guarantees

On 30.07.2018 and 09.11.2018 a prenotation of a mortgage of € 7.602 thousand and € 4.398 thousand has been registered in favor of "ALPHA BANK SA" on the Company's property located in Kallithea and on 2A Argyroupoleos Street, Al. Pantou 19-23 and Al. Pantou 25, in the context of the issuance of the bond loan of July 19, 2018, with ALPHA BANK SA as payment manager and representative of the bondholders, with a total nominal value (principal) of up to € 10 million. In addition, all the rights of the Company have been assigned as deriving from the lease and insurance contracts of the aforementioned properties.

In the context of issuance of the common bond loan with “Eurobank Ergasias S.A.” of a maximum amount of twenty million euros (€ 20,000,000.00), applications for the registration at the relevant land registers were submitted in favor of the Bank “Eurobank Ergasias SA”, as representative of bondholders and as bondholder’s agent for € 26 million for each of the following properties: 27 Al. Pantou, 119 Kifissou Avenue, 125-127 Kifissou Avenue, 65 Loutrou, 283 Kifissias Avenue and 1 Alamanas. On June 28th, prenotation of mortgage for the hotel «Mr&Mrs White Paros» in favor of the bank “Eurobank Ergasias S.A.” in the amount of € 26 M been registered. In addition, all the rights of the Company have been assigned as deriving from the lease and insurance contracts of the aforementioned properties.

(Amounts presented in thousand € except otherwise stated)

For the logistics property on 123 Kifissou Avenue prenotation of mortgage was registered in favor of the Company with a total amount of € 28 thousand. After the acquisition of ownership of the property by the Company, the mortgage prenotation are eliminated. The elimination procedure is not yet completed by the land registry office.

For the retail property located on 25th of March 1st Street and Dodecanese Volunteers in the city of Rhodes, acquired on 29/10/2019, the completion of the elimination of a prenotation of mortgage amounting to € 2.600 thousand in favor of "PROBANK A.E. Bank" which weighed the previous owners and is expected to be completed in the near future.

## 26. Related party transactions

As at 31, December 2019 the Company's shareholders structure is as follows:

| Shareholder | No. of shares | Percentage |
|---|---|---|
| **Fessas Theodore** | 13.444.093 | 37,59% |
| **Koutsoureli Eftichia** | 6.014.689 | 16,82% |
| **Other shareholders** | 16.305.811 | 45,59% |
| **Total** | **35.764.593** | **100%** |

At the end of the current year, the main shareholders of the Company, which hold significant direct or indirect share capital following the meaning of articles 9 to 11 of law 3556/2007, are also the main shareholders of the Quest Holdings Group S.A. and directly participate in the management, control as well as exercising decisive influence in it. Based on these there is a relationship of related parties between the Company and the above Group. Quest Holdings S.A. subsidiaries are also related parties of the Company.

All transactions with related parties have been carried out on the basis of the “arm’s leght” principle, i.e. under normal market conditions for similar transactions with third parties.

Transactions with related parties are presented below:

| | **From 01.01.2019 to 31.12.2019** | **From 01.01.2018 to 31.12.2018** |
|---|---|---|
| **i) Rental Income** | | |
| Quest Holdings S.A. | 93 | 92 |
| Other related parties | 1.676 | 1.630 |
| | **1.769** | **1.722** |

The Company's Rental income from Quest Holdings and its subsidiaries (related parties) amounts to € 1.769 K for the year ended 31.12.2019 which represents the 62,46% of the total rental income of the Company.

| | | |
|---|---|---|
| **i) Purchase of assets** | | |
| Quest Holdings S.A. | - | - |
| Other related parties | 6 | 2 |
| | **6** | **2** |
| **iii) Service charges** | | |
| **Operational / Administrative support services** | | |
| Quest Holdings S.A. | 8 | 7 |

(Amounts presented in thousand € except otherwise stated)

| | | |
|---|---|---|
| Other related parties | 63 | 76 |
| | **71** | **83** |

| | | |
|---|---|---|
| **iv) Personnel Expenses** | | |
| Wages and other current benefits | 160 | 139 |
| | **160** | **139** |

| | | |
|---|---|---|
| **v) End-user balances arising from rentals-purchases of goods / services** | | |
| **Amounts due to related parties** | | |
| Quest Holdings S.A. | 2 | 2 |
| Other related parties | 99 | 82 |
| | **101** | **84** |

| | | |
|---|---|---|
| **Amounts due to related parties:** | | |
| Quest Holdings S.A. | 1 | 1 |
| Other related parties | 7 | 8 |
| | **8** | **9** |

| | | |
|---|---|---|
| **Non-current guarantees:** | | |
| Quest Holdings S.A. | 13 | 15 |
| Other related parties | 234 | 272 |
| | **247** | **287** |

The service charges amounting to € 71 refer to services offered by the related parties Quest Holdings S.A. for “Investors Relations services”, Unisystems S.A. for “accounting” and “payroll management”, and “IT services” offered from Info Quest Technologies S.A..

## 27. Unaudited tax fiscal years

According to the article 65 A of Law 4174 / 2013, Greek Societes Anonymes and Limited Liability Companies, whose annual financial statements are audited by statutory auditors registered in the Public Register of Law 3693/2008 have the right to receive from the auditors the "Annual Certificate". The certificate is issued after a tax audit carried out by the same statutory auditor or an audit firm that controls the financial statements. Following the completion of the tax audit, the Auditor or Audit Office issues for the company a "Tax Compliance Report", accompanied by the Appendix to Analytical Data Elements. The aforementioned Report and the relevant Appendix are submitted electronically to the Ministry of Finance by the statutory auditor or the audit firm.

On 28.08.2019 the Company received a tax compliance certificate for the fiscal year ended 31.12.2018 from the Audit Officer of PricewaterhouseCoopers SA. For the fiscal year 2019, the relevant tax certificate has not yet been issued. However, Management estimates that no significant changes to the Company's tax liabilities are expected to occur, as they are reflected in the financial statements for the current year.

(Amounts presented in thousand € except otherwise stated)

## 28. Events after the balance sheet date

1. On February 7th, 2020, the Company acquired a ground floor retail unit with mezzanine and basement at a price of € 1.128 thousand. The property has total area of 782,31 sq.m., it is located at 8, Giampoudaki Street and Iroon Square in Rethymno, Crete and it is fully leased.

2. On February 27th, 2020, the Company purchased the hotel "Mr & Mrs White Corfu" following the preliminary contract singed at December 11th, 2019. "Mr & Mrs White Corfu" is located in the Acharavi area at Corfu. It consists of 38 rooms and suites with total surface of 1.237 sq.m. and was fully renovated in 2018. The hotel facilities also include a 150 sq.m. swimming pool, a jacuzzi and a tennis court. The property is situated at a land plot of 13.876 sq.m.. The consideration for the acquisition of the hotel and its equipment amounted to € 3.000 thousand.

3. On March 3rd, 2020, the Company acquired 100% of shares of the Company that owns the hotel "Plaza Hotel". Plaza Hotel is located in Kanapitsa, Skiathos, and has a total surface area of 3,888 sq.m. The total consideration for the acquisition of the aforementioned shares will amount to € 3.500 thousand, € 2.500 thousand of which will be paid upon completion of certain sects.

There are no other significant events have taken place after December 31, 2019, which affect the Company's financial position that need to be mentioned according to the International Financial Reporting Standards.

The Financial Statements for the year ended December 31, 2019, were approved by the Board of Directors on March 04, 2019 and have been signed on its behalf by:

| **Chairman of the BoD** | **Chief Executive Officer Executive member of the BoD** | **Chief Accountant** |
|---|---|---|
| **Theodoros Fessas** | **Anna Apostolidou** | **Nikolaos Charisis** |

**BRIQ PROPERTIES REAL ESTATE INVESTMENT COMPANY**

**General Commercial Registry (G.E.MI) Number 140330201000**

**REGISTERED OFFICE: 25 ALEXANDROU PANTOU, GR 17671, KALLITHEA**

**TABLE OF USE OF RAISED FUNDS**

In accordance with article 4.1.3 of the Athens Exchange (ATHEX) Regulation, the decision 25/06.12.2017 of the ATHEX and the 8/754/14.4.2016 decision of the Board of Directors of the Hellenic Capital Market Commission (H.C.M.C.), the Company announces that the share capital increase was completed by cash deposit and the issuance of new shares, according to the 06.09.2019 decision of the Extraordinary General Meeting of the Shareholders of the Company in combination with the 12.11.2019 decision of the Board of Directors and took place from 28.11.2019 to 12.12.2019 by raising funds totaling € 50.070.430.20 through the exercise of pre-emption and subscription rights as well as Private Placement.

On 20.12.2019, the trading of 23.843.062 new ordinary shares of the Company at the Athens Stock Exchange Market began with a nominal value of € 2,10 for each

The Bank’s Board of Directors certified the funds raised through the share capital increase at its meeting held on 17.12.2019.

As at 31.12.2019, the raised funds, after deducting issuance costs amounting to € 1.654 thousand, were allocated in accordance with the section 4.3 of the share capital increase Prospectus which was approved by the Board of Directors of Hellenic Capital Market Commission on 21.11.2019 and in combination with the Company's announcement dated 20.12.2019 as follows:

**USE OF FUNDS RAISED**

| *(amounts presented in € 000's)* | TOTAL FUNDS RAISED | USE OF FUNDS AT 31.12.2019 | REMAINING FUNDS |
|---|---|---|---|
| Issuance costs | 1.654 | 1.651 | 3 |
| Partial repayment of existing loans (1) | 10.816 | 10.816 | 0 |
| Financing of new property acquisitions (2) | 36.600 | 1.750 | 34.850 |
| Working capital and acquisition related expenses | 1.000 | 118 | 882 |
| **Total** | **50.070** | **14.335** | **35.735** |

Notes:

1. On December 19, 2019, the Company repaid a loan amounting to € 6.500 thousand and on 20/12/2019 repaid bonds amounting to € 4.340 thousand, € 10,816 thousand of which came from the raised funds and € 24 thousand from own funds. Such loans were used as bridge financing in order to fund property acquisitions from September 2020 until completion of share capital increase.

2. On December 23, 2019, the Company purchased a property of 474 sq.m. located at 64 Vasilissis Sofias Avenue in the Municipality of Athens. The price for the acquisition of the property amounted to € 1.750 thousand (not including acquisition expenses of € 41 thousand).

**Kallithea, March 4th 2020**

| THE CHAIRMAN OF THE BoD | THE CHIEF EXECUTIVE OFFICER | THE ACCOUNTING DEPARTMENT MANAGER |
|---|---|---|
| Theodoros D. Fessas | Anna G. Apostolidou | Nikolaos D. Charisis |