INTERCONTINENTAL INTERNATIONAL
REAL ESTATE INVESTMENT COMPANY
"INTERCONTINENTAL INTERNATIONAL R.E.I.C."

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31/12/2017

April 2018

***TRANSLATION FROM THE GREEK ORIGINAL.**
IN CASE OF DESCREPANCY THE GREEK DOCUMENT PREVAILS.

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Statement of the Board of Directors of the Company
(in compliance with article 4, par.2 of L. 3556/2007)

We declare that, to our knowledge, the annual consolidated and company financial statements for the year ended on the 31st of December 2017, have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union and fairly and truthfully present the Assets, Liabilities, Equity and Financial Results of **"INTERCONTINENTAL INTERNATIONAL R.E.I.C."** and its subsidiary that is included in the consolidation, taken together as a whole.

In addition, we declare that, to our knowledge, the Annual Report of the Board of Directors truthfully presents the development, performance and financial position of the Company and its subsidiary that is included in the consolidation, taken together as a whole, including the description of the most significant risks and uncertainties they face.

Athens, 25th of April 2018

The undersigned

The Chairman of the Board	The Managing Director	Executive member of the Board
Aristotle Halikias **ID No. AE 783893**	**Marios Apostolinas** **ID No. AN 024492**	**Patricia Halikias** **ID No. AE 783894**

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Annual Report of the Board of Directors of the Company "Intercontinental International Real Estate Investment Company" on the consolidated and separate financial statements for the year ended on the 31st of December 2017.

Ladies and Gentlemen dear shareholders,

In accordance with the provisions of L. 3556/2007 and C.L. 2190/1920, we present you the Annual Report of the Board of Directors of Intercontinental International REIC ("the Company"/ "the Group") for the year of 2017. The present Report includes the information of the articles 43a, 43bb and 107A of C.L. 2190/1920, paragraph 7 of article 4 of L. 3556/2007 and the statement of Corporate Governance of article 2, par. 2 of L. 2873/2010.

Financial position of the Company and the Group

The Group continued to realize its investment plan during 2017, evaluating different investment opportunities and purchasing nine new real estate properties, as well as the acquisition of the total shares of the company "BIERCO S.A.", and from 4.5.2017 is part of the Group. In aggregate, on 31.12.2017, the Group owned 30 real estate properties, 28 of which are investment property, while two of them are own-used.

The fair value of the investment property of the Group, as estimated by a Certified Valuator, recorded a further increase in 2017, with the total fair value reaching **77.234 thousand euro** (31st of December 2016: 63.150 thousand), while for the Company the fair value was **74.702 thousand euro** (31st of December 2016: 63.150 thousand). The Group had the fair value of the two own-used properties estimated, which was estimated at **2.530.000 €.**

The rental income of the Group recorded an increase of **25,2%** compared to prior year, while the operating profit increased by **5,85%.** The respective figures for the Company are **21,8%** and **-4,3%.**

The financial results of the Group reflect its dynamic and confirm the effectiveness of its investment schedule. The Group maintains high rent collectability and a lack of any material doubtful accounts, a fact that marks the quality of its profits as "high".

In more detail:

<u>Income:</u>

The rental income of the Group for the year 2017 was **5.915 thousand euro,** compared to 4.724 thousand in 2016, while for the Company the respective figures were **5.755 thousand euro** in 2017 and 4.724 thousand in 2016. The increase is mainly due to the new investments made the during the year, as well as due to the contractual rent adjustments.

The Group's gain from the fair value adjustment of its investment property was **1.102 thousand euro** (2016: 1.793 thousand), while that of the Company was **932 thousand euro** (2016: 1.793 thousand).

<u>Operating expenses:</u>

The Group's expenses that are directly related to investment property were **519 thousand euro** for 2017 (2016: 388 thousand). These expenses include mostly valuation fees, legal and notary expenses, municipal cleaning fees, insurance premiums, common use expenses and real estate ownership tax. The respective figures for the Company were **510 thousand euro** (2016: 388 thousand).

The increase of the above expenses in comparison to 2016 was anticipated, as the number of the investment property of the Group has increased significantly compared to the prior year (30 real estate properties on 31.12.2017 compared to 20 on 31.12.2016), which resulted in higher maintenance costs and consultation fees related to investment property as well as higher property tax.

The other operating expenses were **804 thousand euro** for the Group and **799 thousand** for the Company (2016: 626 thousand).

<u>Operating Profit – Profit before Tax:</u>

The **Operating Profit** on 31.12.2017 was **5.951 thousand euro** i.e. 101% of the rental income for the Group and **5.380 thousand** for the Company (i.e. 93% of the rental income), including the positive difference from the fair value adjustment of the investment property portfolio (2016: 5.622 thousand euro, i.e. 119% of the rental income).

The **Profit before Tax** of the Group for the year 2017 was **3.469 thousand euro** i.e. 58,6% of rental income, which includes negative foreign exchange differences of **2.192 thousand** and net finance expense of **290 thousand** (2016: 6.008 thousand euro, i.e. 127,2% of the rental income, which includes positive foreign exchange differences of 670 thousand and net finance expense of 285 thousand). It is noted that the Profit before Tax of 2017 includes an amount of **254 thousand euro** which is the profit from the acquisition of BIERCO S.A., as the difference between the consideration paid and the fair value of the company at the time of the acquisition.

The **Profit before Tax** for the Company was **2.898 thousand euro,** i.e. 38% of the rental income, including negative foreign exchange differences of **2.192 thousand** and net finance expense of **290 thousand.**

Tax – Profit after Tax:

The tax expense for 2017 for the Group was **727 thousand euro,** which resulted in Profit after Tax of **2.742 thousand euro** (2016: 672 thousand, resulting in Profit after Tax of 5.336 thousand euro). Respectively, the tax expense of 2017 for the Company was **713 thousand euro,** resulting in Profit after tax of 290 thousand.

Basic Ratios

The Group's Management evaluates its results and performance, identifying any deviations from set goals and taking corrective measures. The performance of the Group is measured using the following ratios, as described below:

Net Operating Margin	Operating Profit / Rental Income X 100
Net Asset Value per Share (N.A.V.)	Equity / Total Number of Shares
Funds From Operations – FFO	Profit after tax excluding the effect of the net finance expense, the foreign exchange differences, the fair value adjustments of the investment property and of the available for sale financial assets, the profit from the acquisition of the subsidiary, the allowance for doubtful accounts and any significant non-recurring income or expense.
Adjusted EBITDA	Profit after tax excluding the effect of the fair value adjustments of the investment property, the fair value adjustments of the available for sale financial assets, as well as the effect of the allowance for doubtful accounts and that of foreign exchange differences.
Current Ratio	Current Assets / Current Liabilities
Debt to Assets Ratio	Total Liabilities / Total Assets
Loan to Value	Total Borrowing / Investment Property

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	Group		Company	
Performance Ratios	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Net Operating Margin	1,01	1,19	0,93	1,19
FFO	3.888.422	3.274.399	3.745.692	3.274.399
Net Asset Value per Share (N.A.V.)	6,42	6,44	6,37	6,44
Adjusted EBITDA	4.859.217	3.946.672	4.458.550	3.946.672
Liquidity Ratios				
Current Ratio	7,56	19,02	7,51	19,02
Gearing Ratios				
Debt to Assets Ratio	31,43%	31,46%	31,57%	31,46%
Loan to Value - LTV	37,58%	47,73%	38,94%	47,73%

Significant events during the year

On 4.5.2017 the Company acquired the total shares of the limited company BIERCO S.A. BIERCO S.A. has as its sole company objective, the earning of rent revenue from real estate properties and, as at 31.12.2017, owns a real estate investment property consisting of a ground floor retail shop with a basement and a loft, a total building area of 1.661,97 sq.m., in the Municipality of Ierapetra, Crete. The property is leased to the company "Greek Hypermarkets Sklavenitis S.A." and its estimated fair value on 31.12.2017 was 2.710 thousand euro.

In addition, during the year 2017, the Group purchased the following real estate properties:

- A ground floor retail shop with a basement and a total building area 1.387,14 sq.m. in Aigio, for the price of 400 thousand euro. The property is leased to the electric appliances chain "Dixons South-East Europe S.A." and its fair value on 31.12.2017 was estimated at 510 thousand euro.
- A ground floor retail shop with a basement and a storage room and a total building area of 566,8 sq.m. in the Municipality of Kallithea, for the price of 800 thousand euro. The property is leased to Vodafone and its fair value on 31.12.2017 was estimated at 1.040 thousand euro.
- A five-story building with a mezzanine floor and 2 underground parking lots in Vouliagmenis Avenue in Athens, for the price of 1.741 thousand euro. The ground floor and the mezzanine are used as a retail shop, while the other floors as offices. The building has a total area of 2.574,81 sq.m., is leased to the company ELTA Courier and its fair value on 31.12.2017 was estimated at 1.960 thousand euro.
- A ground floor retail shop with 2 basements and a mezzanine of a total area of 1.878,8 sq.m. in Athens, for a total price of 900 thousand euro. The building is

leased to the super market chain “Market In S.A.” and its fair value on 31.12.2017 was estimated at 1.090 thousand euro.

- A corner luxury building of offices and retail stores, with a retail ground floor and offices on the 1st and 2nd floor, in Vouliagmenis Avenue in Glyfada, for the price of 3.412 thousand euro. The building has a total area of 2.729,24 sq.m., it has a modern architecture and was erected on 2005, with high standards and quality materials, over a land plot area of 1.227 sq.m. A major part of the building has been recently upgraded and is equipped with modern office systems. The property is fully leased to companies “Hempel Hellas S.A.” and “Salt Water S.A.” The fair value of the building on 31.12.2017 was estimated at 3.630 thousand euro.
- An independent building of retail shops and offices of a total area of 1.043,29 sq.m. in Volos, for a total price of 3.750 thousand euro. The building consists of a ground floor, a mezzanine floor and four additional floors and is located in the junction of 18’ Eleftheriou Venizelou Str. (former Iolkou Str.) and Ermou Str. On 31.12.2017, the real estate was leased to “B&F S.A.” and its fair value was estimated at 3.800 thousand euro.
- An apartment / office on the third floor in 26’ Rigillis Str. in the Municipality of Athens, for a total price of 750 thousand euro. The building has a total area of 217 sq.m. and on 31.12.2017, the property is used by the Group as the Company’s headquarters.
- A corner apartment in the second floor with an area of 194 sq.m. with a storage basement. The property is located in a luxurious apartment building in the Municipality of Athens, in the junction of 53’ Vasilissis Sofias Ave. and 1’ Marasli Str. The total consideration was 370 thousand euro and in 31.12.2017, its fair value was estimated at 490 thousand euro.
- Two properties on the fourth and fifth floor of a total area of 223,8 sq.m. in a luxurious apartment building on 4’ Pindarou Str in Kolonaki, for a total consideration of 450 thousand euro. The fair value of the property on 31.12.2017 was estimated at 520 thousand euro.

Prospects for 2018

After several years of economic recession, the first signs of recovery are beginning to show. Tourism was a main driving force and the trend appears to continue in 2018, as the total number of tourists is expected to reach a new record. The 3rd review of the Financial Adjustment Program has been successfully completed on the 22nd of January of 2018. According to data from the Bank of Greece, G.D.P. is expected to record an upward movement and fluctuate between 2,4% and 2,5% for the years 2018 and 2019 respectively.

Nevertheless, the current situation remains difficult. The employment market shows signs of improvement, but unemployment remains at high levels. The Greek banks are still suffocating as they hold a large volume of non-performing loans.

During 2017, the rent level of business space recorded a marginal improvement in comparison to the previous year, mainly for first class real estate. This trend is expected to continue if the economy continues to improve, with rent levels following the general economic climate. The percentage of vacant high quality – highly marketable business space has significantly decreased in the last three years for first class as well as second class real estate. The marketing time of the high commercial value real estate has been dramatically decreased, both for leasing and for selling. A restart of the development of new real estate, or the restoration of older property by real estate investment companies that target “quality” products is, to a small degree, observable for 2018.

In terms of yields of quality business property, there is a gradual convergence between the levels demanded by vendors and the expectations of buyers, as evidenced by the high activity of buying and selling. Despite the climate of uncertainty, there is an increased volume of transactions, but it is underlined that this activity is "targeted" and selective as it focuses on "prime" property income.

The prospects of the Group are influenced by the course of the real estate market. If the recovery of the economy is finally achieved, the returns on which real estate deals are expected to decrease as uncertainty is removed. The Company's goal is to create a mid-term value for its shareholders through a qualitative portfolio. To achieve this goal, investment opportunities are seamlessly assessed in good locations, according to the Company's Investment Strategy.

Events after the reporting period

In February 2018, the Company sold the apartment on the second floor on the junction of Vasilissis Sofias Avenue and 1 Marasli Street. The total compensation received was 500 thousand euro and the transaction resulted in a profit of 130 thousand euro.

In March 2018, the Company signed a binding preliminary agreement for the acquisition of 100% of the shares of "Idioktitria Zekakou 18", which owns an independent office building in Maroussi, at the junction of 18 Nicolaou Zekakou street and Konstantinou Karamanli. The building has an area of 3,589 sq.m. and has been erected on a plot of 2.136 sq.m. This property is leased to a multinational company and the agreed price for the acquisition of the property amounts to 7.500 thousand euro, which will be adjusted according to the assets and liabilities of the owner at the date of the final agreement.

On the 30th of March 2018, Alpha Bank informed the Company that the bank securitized its bond loan receivables, including the 31.500-thousand-euro bond loan issued by the Company on 09.05.2012, towards Epihiro Plc which is domiciled in the

United Kingdom. The Bond will continue to be managed and serviced by the Bank, which will remain the Bondholder's Representative under the Bond Loan Program and will therefore continue to collect the interest and other receivables from the Bond Loan.

In addition, the Group has purchased the following real estate property:

- 2 horizontal properties (residential use), one ground floor apartment of 192,18 sq.m. and an apartment on the first floor with an area of 199,25 sq. m. The properties are part of a building of an exquisite architecture, at the junction of 20' Daidalos str & 12 – 12A' Moni Asteriou str, in Plaka in Athens. The purchase price of these properties amounted to 640 thousand euro, while their fair value was estimated at 800 thousand euro.
- One apartment on the first floor of an area of 185,50 sq.m. complete with a basement storage of 17,40 sq.m. and exclusive use of underground car park, in Kastri Nea Erythraia, on 47' Papaflessa str. The purchase price amounted to 240 thousand euro and the estimated value was set at 270 thousand euro.
- A retail shop displaying 2 levels (of a total area 218 sq.m.) and a storage space of 3 sq.m. in Kolonaki, on 7' Spefsipou str, in Athens. The purchase price amounted to 550 thousand euro, while its fair value was estimated at 600 thousand euro.
- An independent building consisting of 5 levels, at 3' Haritos and 6' Spefsipou str., in Kolonaki. The building is luxuriously renovated, it has 2 entrances, a total surface of 838 sq.m. and is fully leased to 5 different tenants as offices and shops. The purchase price amounted to 2.450 thousand euro, while the value of the property was estimated, at the date of the purchase, to 2.700 thousand euro.

On April 25, 2018, the Board of Directors decided to propose for approval by the General Meeting of the Shareholders the distribution of profits in the form of a dividend totaling 3.251.536,37€ plus remuneration from the profits to the members of the Board of Directors amounting to 54.000€.

Treasury shares

On 31.12.2017, the Company holds a total of 9.180 treasury shares with a total nominal value of 36.720€ and cost of 51.776€. The treasury shares held correspond to 0,09% of the Company's Share Capital, a percentage that is less than the maximum 10% allowed by article 16 of C.L. 2190/1920.

Significant risks faced by the Group

Inflation Risk

The exposure of the Group to inflation risk is minimum, as the annual rent adjustments are linked to the Greek C.P.I. In addition, the lease agreements with Alpha Bank set a guaranteed minimum 3,5% annual increase in the rent, therefore in the case of deflation, there are no negative effects on the income of the Group.

Credit Risk

The Group is exposed to credit risk in relation to its rent receivables from the lease agreements in place, its cash reserves and securities. The credit risk concerns the cases of counterparty default on their contractual obligations.

The related entity, Republic Bank of Chicago, in which the Group keeps the majority of its cash reserves, has a capital adequacy Tier 1 ratio of 11,56% and is included in the FDIC list of preferred contractors. As a result, the Group does not expect any losses on its deposits.

Market Risk

i) Foreign Exchange Risk

Foreign Exchange Risk exists due to the cash reserves of the Group and its securities that are denominated in U.S. Dollars. On 31.12.2017 and 31.12.2016 the bank deposits and the security in US Dollars amounted at 18.071.995$ (15.079.278€) and 21.853.662$ (20.732.057€) respectively. The foreign exchange differences that resulted on 31.12.2017 and 31.12.2016, were -2.192.257€ and 670.152€ respectively.

ii) Price Risk

Changes in real estate prices have an effect on the statement of comprehensive income and the statement of financial position of the Group (profitability and assets). The Group tries to enter in long-term lease agreements with quality tenants. At the current stage, the Group minimized the above risk by having secured with its prime tenant (Alpha Bank), lease agreements that cannot legally be terminated by the tenant until the year 2027. From this particular tenant, who as a banking institution is subject to the uncertainties that derive from the current economic conditions, 68% of the total annualized rent income of the Group is generated. During the reporting period, the Group had a positive result from the fair value adjustments of its Investment Property.

The Group does not hold any shares or inventory, apart from an insignificant amount of treasury shares and as such, it is not subject to price risk from those items.

iii) Cash flow risk

Cash flow risk relates to variations in future cash flows of the Group that may affect its ability to meet its financial obligations. Since the Group has, at a significant level, secured rent income until the year 2027, the volatility of its cash flows and as a result the risk derived from it, is not considered to be significant.

iv) Interest rate risk

Interest rate risk derives mostly from the borrowing of the Company. The floating rate of the Company's bond loan, exposes the Company to cash flow risk due to fluctuations on the borrowing rate. In addition, fixed rate securities expose the Company to risk due fluctuations in the fair value of those securities.

Liquidity risk

Prudent management of liquidity risk means adequate cash reserves, ability to raise capital through a sufficient amount of committed credit facilities and the ability to close out open market positions. The liquidity of the Group is monitored by the Management at regular intervals. As is evident by the basic ratios above, the Group is in no direct liquidity risk.

Regulation and Compliance risk

The Company has not made investments abroad at the moment and, as a result, is not subject to risk of non-compliance with any regulatory authorities abroad. Regarding the compliance with the regulatory authorities in Greece, the Company employs competent personnel that monitors the developments in the legislation and the regulatory framework and ensures the Company's compliance towards them.

External factors and international investments

The Company currently invests in the Greek dominion. The Company and the Group may be affected by factors such as economic instability, political turmoil and changes in taxation.

Environmental Matters

The Group recognizes the importance of a balanced economic development in harmony with the environment. The Group has established the following environmental goals:

- Continuous development of the investment property of the Group, with the aim to improve their energy and environmental performance.
- Preference of suppliers and associates that follow environmentally friendly practices.

- Development of environmental awareness among employees and associates of the Group through their briefing on environmental issues and the practices followed by the Group.

a) Actual and potential impact of the Group to the environment

The Group, due to the nature of its activities, does not have a significant impact on the environment as it does not generate any substantial waste. Regarding other environmental impact, such as energy or paper consumption, the Group takes care to minimize their effect.

b) Disclosures regarding the procedures followed by the Group regarding the prevention and control of pollution and the environmental impact from various factors.

The Group has adopted the following policies:

- Recycling supplies, such as paper, ink, batteries etc. as well as electronic appliances.
- Replacement of the lighting bulbs in the Group's properties, with new energy-efficient LED lights.
- Upgrading the energy efficiency of the Group's real estate properties.

Employment matters

The Group promotes diversity and equal opportunities in employment. The Group's employee candidates and executives are evaluated exclusively based on their abilities and experience, regardless of gender, age or other traits.

a) Diversity and equal opportunities policy

The Group has values the principle of equality and equal opportunity in employment. Since its foundation, the Group has employed persons of different gender and age. The Group is in full compliance with the labor law.

b) Respect for the rights of employees and trade union freedom

The Group cares for the rights of all its employees and, for the time being, there is no trade union for its employees. Up to this day, the Group has not received any fines or rebukes for violation of labor law from the competent authorities.

c) Hygiene and safety at work, training systems, promotion policies and other matters

The Group takes all the necessary precautions so that its employees, as well as the associates and third parties that perform tasks for the Group, work in safety. In addition, the Group is in compliance with all fire safety regulations.

The Group's personnel are trained in matters of safety and emergency situations.

The Group employs a safety technician, in according with the requirements of the law.

The Group has appointed a Remuneration Committee, which is tasked with the evaluation of candidates for employment or promotion. The committee evaluates the ability and contribution of the candidates of the Group and proposes promotions for approval by the Board of Directors.

The Group's personnel are regularly trained in their field of work through seminars.

Branches

The companies of the Group do not have any branches on 31.12.2017.

Related Party Transactions

All related party transactions are made under market terms. As related parties, as defined in IAS 24, the Group has identified the following:

- AJOLICO Trading Limited, main shareholder (78,78%) of INTERCONTINENTAL INTERNATIONAL R.E.I.C. – No related party transactions apart from the initial payment of the Shareholder's Capital.
- REPUBLIC BANK of CHICAGO – USA, keeping of an interest-bearing deposit account of INTERCONTINENTAL INTERNATIONAL R.E.I.C.
- Aristotle Halikias, Chairman of the Board of Directors of INTERCONTINENTAL INTERNATIONAL R.E.I.C., 36,51% shareholder of AJOLICO Trading Limited, Chairman of the Board of Directors of REPUBLIC BANK of CHICAGO – USA.
- Patricia Halikias, Vice Chairman of the Board of Directors of INTERCONTINENTAL INTERNATIONAL R.E.I.C. and 31,74% shareholder of AJOLICO Trading Limited.

- Helene Halikias, Chairman of the Board of Directors of the subsidiary BIERCO S.A. and member of the Board of INTERCONTINENTAL INTERNATIONAL R.E.I.C., 31,74% shareholder of AJOLICO Trading Limited.

- BIERCO S.A., a subsidiary of the Group. The Company holds the total shares of BIERCO S.A.

In addition, key management personnel of the Group, as well as their close relatives and companies owned by them or in which they hold significant influence, are also considered to be related parties.

The related party transactions of the Company and the Group, as well as their open balances, are as follows:

a) Income from leases and provision of services

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Subsidiary "BIERCO S.A."	0	0	5.000	0
	0	0	5.000	0

b) Other expenses

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Loss from the sale of asset to other related parties	0	-9.333	0	-9.333
	0	**-9.333**	**0**	**-9.333**

c) Interest income from Cash and Cash Equivalents

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Republic Bank of Chicago	21.974	46.525	21.974	46.525
	21.974	**46.525**	**21.974**	**46.525**

d) BoD and key management personnel remuneration

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
BoD remuneration	-89.400	-57.750	-89.400	-57.750
Key management personnel remuneration	-153.432	-81.159	-153.432	-81.159
	-242.832	**-138.909**	**-242.832**	**-138.909**

e) Related party balances

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade and other receivables				
Subsidiary "BIERCO S.A."	0	0	5.180	0
Other related parties	2.500	2.502	2.500	2.502
	2.500	**2.502**	**7.680**	**2.502**
Cash and cash equivalents				
Republic Bank of Chicago – Deposits in USD	12.707.816	18.079.411	12.707.816	18.079.411
	12.707.816	**18.079.411**	**12.707.816**	**18.079.411**
Trade and other payables				
Other related parties	0	-100	0	-100
	0	**-100**	**0**	**-100**

Additional information in accordance with article 4 par. 7 of L. 3556/2007 and article 2 of EU Decision 7/448/11.10.2017

1) Share capital structure of the Company

The Company's share capital on 31.12.2017 amounted to 42.000.000 Euro, divided in 10.500.000 registered ordinary shares with voting rights and a nominal value of 4,00 Euro per share. All of the Company's shares are listed for trading in the main market of Athens Exchange and have all the rights and obligations derived by the Law.

2) Restrictions in the transferring of the Company's shares

The transferring of the Company's shares is being made in accordance with the applicable legislation and there are no restrictions on the transfer, as is defined by the Company's Statute.

3) Significant direct or indirect participations by the definition of articles 9 to 11 of L. 3556/2007

The individuals and legal entities that participate directly or indirectly in the Company with more than a 5% percentage are the following:

Shareholder	Direct Participation	Indirect Participation	Total
Ajolico Trading Limited	78,78%	0%	78,78%
Aristotle Halikias	0%	28,76%	28,76%
Patricia Halikias	0%	25,01%	25,01%
Helen Halikias	0%	25,00%	25,00%

4) **Shareholders of any kind of shares that provide special control rights**

There are no Company's shares that provide special control rights.

5) **Restrictions on voting rights**

There are no restrictions on the voting rights of the Company's shares.

6) **Agreements between the shareholders of the Company, that are known to the Company and imply restrictions in the transferring of shares or the exercise of voting rights**

There are no agreements between the shareholders for the coordinated exercise of voting rights or for the application of restrictions in the transferring of shares.

7) **Rules for the appointment and replacement of BoD members and the amendment of the Statute**

The rules for the appointment and replacement of the BoD members and the amendment of the Company's Statute do not deviate from the provisions of C.L. 2190/1920.

8) **Responsibility of the Board of Directors or certain members of it, for the issuance of new shares or the purchase of own shares**

The appointment of the BoD members is made by the General Meeting of the Shareholders, after the proposal of the BoD. Decisions to replace a member of the Board are made by the Board and are validated by the following General Meeting of the Shareholders.

9) **Significant Agreements signed by the Company that are enforced, amended or terminated in case of change of control of the Company after a public offer and their results**

No such agreements are in place.

10) **Agreements signed by the Company with the members of the Board or its personnel, which provides for compensation in case of resignation or termination of employment on baseless grounds or the termination of their service or employment due to public offer**

No such agreements are in place.

Corporate Governance Statement

The current Statement of Corporate Governance is made in accordance with the provisions of article 43bb of C.L. 2190/1920.

i. Corporate Governance Code

The Company, in compliance with the provisions of L. 2778/1999 as amended by L. 2992/2002 and L. 4141/2013 (article 24), has established and follows the Corporate Governance Code that is uploaded on the Company's website www.ici-reic.com.

The Code was prepared based on the Hellenic Corporate Governance Code (HCGC) that was written by the Hellenic Federation of Enterprises (SEV), as amended on October 2013 and which includes rules, practices and procedures that are applied by the Company for complying with the existing legislation (Corporate Law & listed companies' obligations), as well as the rules and practices applied by the Company that go beyond those requirements. The aforementioned Hellenic Corporate Governance Code is followed by the Company with the following deviations:

1) There is no documented diversity policy with regards to the structure of the Board of Directors and the upper management and there is no determination of the percentage of representation of each gender (Part A, par. 3.4 of the HCGC).
2) The BoD of the Company meets with adequate frequency so as to perform its duties diligently but does not prepare a meeting schedule at the beginning of each year (Part A, par. 6.1 of the HCGC).
3) The members of the Board of the Company receive an introductory briefing on Company matters, but there is no dedicated program of continuous professional development for the personnel (Part A, par. 6.5 of the HCGC).
4) The Company's Corporate Governance Code provides for a maximum duration for the service of appointed members of the Board of six (6) years, in contrast to the maximum duration of four (4) years, as determined by the Hellenic Corporate Governance Code (Part A, par. 5.1).
5) Regarding the evaluation of the BoD's performance, there is no specific provision for the period meeting of the non-executive Board members, in order for them to evaluate the performance of the executive members and determine their remuneration (Part A, par. 7.2 of the HCGC).
6) There is no specific provision for the disclosure in the Statement of Corporate Governance, of the attendance frequency per year of the BoD members and the members of the other committees in the meetings of those committees (Part A, par. 4.5 of the HCGC).

7) The names of the members of the Board of Directors that are submitted for election or re-election, are accompanied with sufficient curriculum information, as well as the opinion of the current Board regarding the independence of the proposed members, in accordance with the independence criteria set by the Law, as well as any other information that may help the shareholders to make an informed decision. However, there is no provision for the structuring of a special committee for the selection of the candidates for the Board, as provided for in the HCGC (Part A, par. 5.4 to 5.7). The evaluation of the candidates for the Board is made directly by the shareholders.

The Company is currently in the process of amending its Corporate Governance Code in order for it to fully in line with the HCGC.

ii. Description of the Internal Control System and management of risks in relation to the preparation of the financial statements

Internal Control System

The BoD of the Company has the final responsibility for the proper and effective operation of the Internal Control System and is responsible for the following:

- to present to the shareholders and the public a clear evaluation of the Company's actual position and prospects, and to ensure the credibility of the financial statements and the correctness of its announcements, where they are imposed.
- to maintain an effective Internal Control System, as well as a risk management system, so as to safeguard the Company's assets, as well as to identify and counter the most significant risks.
- to monitor the application of the Corporate Strategy and re-evaluate it regularly.
- to regularly review the main risks that the Company faces and the effectiveness of the Internal Control System in managing those risks. The review must cover all material controls, including the financial and operating controls, compliance controls, as well as the controls of the risk management system.
- through the Audit Committee, to maintain direct and regular contact with the external and internal auditors, in order to receive regular briefings from them regarding the proper operation of the Internal Control System in accordance with international standards.

Corporate Governance Code

The Board of Directors is the sole custodian of the application of the Corporate Governance Code, its members are elected according to specific criteria such as, their management ability, their integrity, their trustworthiness, their devotion to the Company, their experience and other personal skills that need to coexist for the achievement of the Company's goals.

In addition, the combined relationship of the executive and non-executive – independent non-executive members, guarantees the continuity and/or the smooth succession in the upper management of the Company, ensuring the continuity of successful results.

The application of the Corporate Governance Code, as well as the successful operation of the Company, looking towards the Company's goals, is monitored by the Board of Directors through the Audit Committee that answers to it.

Organizational Structure

The organizational structure of the Company is simple and flexible. On 31.12.2017 the Company's personnel consist of a small number of staff (3 employees), devoted in maintaining high level of professionalism and skills.

Duties and responsibilities

The Board of Directors appoints and authorizes all the individuals that are competent to perform bank transactions and issue cheques, as well as those responsible for managing the assets of the Company.

Informational Systems

The Company maintains all the means that allow it to plan its long-term and mid-term business strategy.

Planning and monitoring

Through the continuous flow of the financial information between the bodies of management, successful monitoring is achieved. For this purpose, the BoD has put together an internal audit unit, as per the requirements of the Greek legislation, that operates in accordance with written policies and regularly evaluates the appropriateness of the Internal Control System. The internal audit unit is independent from the other operational units and during the performance of its duties, must have access to all documents, services and employees of the Company and report managerially to the Managing Director and operatively to the Audit Committee.

In addition, the Board performs an annual evaluation of the Internal Control System. This evaluation includes the review of all the range of the activities and the effectiveness of the internal audit unit, the adequacy of the risk management and internal audit reports addressed to the BoD, as well as the respond and effectiveness of management towards the identified errors or deficiencies of the Internal Control System.

Accounting Software

The Company has installed a suitable accounting software which allows the Company to measure all the ratios that it considers necessary at each period, in order to monitor its financial performance.

Internal Control Framework

The Internal Control Framework of the Company consists of:

- The Audit Committee, which consists entirely of Non-Executive Members of the Board of Directors (independent and non-independent) and to which the Internal Audit Service, as well as the Regulatory Compliance and Risk Management Service report.
- The establishment and application of the Corporate Governance, via the complete application of the Corporate Governance Code, the Internal Control Policy, the Regulator Compliance Policy, the Risk Management Policy and the Remuneration Policy, by all the members of the Board, the Management, the Supervisory Borides, the employees and the Company's associates.
- The Internal Audit, which is regularly (quarterly) performed, as well as on an ad hoc basis, with the respective preparation of the Internal Control Report that is submitted to the Audit Committee.

The responsibilities of the internal audit function include, inter alia, the performance of general or on a sample basis audits on all the functions and transactions of the Company, the assurance of compliance with the institutional framework that governs the Company's operation, the evaluation of the effectiveness of the accounting system and the IT system of the Company, the written report submitted to the Board at least quarterly, with information on the audits performed and attendance in the General Meetings of the Shareholders. More information regarding the internal audit function are included in the Corporate Governance Code of the Company.

For the fulfillment of the corporate goal and the identification of internal and external risks that may jeopardize Company's operations or results, the Board of Directors regularly evaluates all the data from the Audit Committee, the Internal Audit and the Upper Management of the Company.

Risk Management

Risk management is a continuous and developing task, which runs throughout the internal structure of the Company. The basic principles and goals of risk management are described in the Risk Management Policy included in the Risk Management Manual. The Company has put in place appropriate procedures that allows it to the evaluate and respond to the risks that may arise during its operation. The members of the Board frequently contact the personnel and the committees of the Company and evaluate the existence of risks, their severity regarding the Company's operations and the available options to counter them.

iii. Reference to information required by Article 10 par. 1 items c), d), f), h) and i) of the EU Directive 2004/25/EC

- Regarding the required information of item c) of par.1, Article 10 of the EU Directive 2004/25/EC, this information is already included in the part of the BoD Report that refers to the additional information of article 4 par. 7 of L. 3556/2007.
- Regarding the required information of item d) of par.1, Article 10 of the Directive, there are no Company titles that provide special control rights to their holders.
- Regarding the required information of item f) of par.1, Article 10 of the Directive, there are no restrictions on share voting rights.
- Regarding the required information of item h), of par.1, Article 10 of the Directive, amendments to the Statute require the approval of the General Meeting of the Shareholders, in accordance with C.L. 2190/1920. The appointment of BoD members is made by the General Meeting, following the proposal from the BoD. In case of replacement of a member, the decision is made by the BoD and submitted for validation on the following General Meeting.
- Regarding the required information of item i), of par.1, Article 10 of the Directive, the issuance of new shares is subject to the decisions of the General Meeting of the Shareholders and to the provisions of par. 1b of article 13 and 7b of the C.L. 2190/1920. The allocation of shares to the members of the Board and the personnel, is the form of share options as per the special definitions of the Directive, is subject to the decision of the General Meeting and the provisions of article 13, par. 13 of C.L. 2190/1920.

iv. Information regarding the General Meeting of the Shareholders

The General Meeting of the Shareholders is the supreme body of the Company, convened by the BoD and authorized to decide on every corporate affair, in which all the shareholders are entitled to participate, either directly or through a legally authorized representative, in accordance with the legal procedure.

The Board ensures that the preparation and conduct of the General Meeting of the Shareholders facilitates the effective exercise of the shareholders' rights, who are informed on all matters related to their participation on the General Meeting, including the agenda and their rights during the Meeting. In more detail, and regarding the preparation of the Meeting in accordance with the provisions of L. 3884/2010 the Company uploads on its website, at least twenty (20) days before the Meeting, both in Greek and in English, information regarding the following:

- the date, time and place of the General Meeting,
- the basic rules and practices of the participation, including the right to add matters for discussion in the agenda and submit questions, as well as the deadlines to exercise those rights,
- the procedures of the voting, the terms of representation by proxy and the necessary documents,
- the proposed agenda of the meeting, including draft decisions for discussion and vote and all documents related to them,
- the proposed catalogue of candidate members for the BoD and their curriculums (when the need to elect new members exists), and
- the total number of shares and voting rights existing at the date of the meeting.

i. The Chairman of the Board, the Managing Director and the Chairmen of the other Committees, attend the General Meeting of the Shareholders in order to provide information and updates regarding the matters for discussion and any queries or clarifications need by the shareholders.

ii. During the General Meeting, the Chairman of the Board temporarily chairs. On or two of the attending shareholders or their representatives, selected by the Chairman, is appointed as a temporary secretary for the meeting.

iii. After the validation of the list of shares with voting rights, the General Meeting immediately appoints the final committee, consisting of the Chairman and one or two secretaries with the duty to collect the votes. The Decisions of the General Meeting are taken in accordance with the provisions of the applicable law and those of the Company's Statute.

iv. A summary of the meetings of the General Meeting is made available at the Company's website within fifteen (15) days from the General Meeting, translated also in English.

v. Every shareholder who is included at the records of the institution that maintains the records of the Company's shares, is entitled to participate and vote in the General Meeting. The exercise of those rights does not require the withholding of any shares nor the conduct of any other procedure. The shareholder may appoint a representative is he so wishes. For any other matter the Company complies with the provisions of C.L. 2190/1920 (Article 28a).

v. Information regarding the Board of Directors and its Committees

Composition and Operation of the Board of Directors

The Company is managed by the Board of Directors, which consists of five (5) to eleven (11) members, in accordance with its Statute. The composition of the Board is as follows:

- Aristotle Michael Halikias – Chairman of the Board – Executive Member
- Patricia Michael Halikias – Vice Chairman of the Board – Executive Member
- Marios Apostolos Apostolinas – Managing Director – Executive Member
- Helen Michael Halikias – Non-Executive Member
- George Ioannis Georgopoulos – Independent Non-Executive Member
- Giuseppe Giovanni Giano – Independent Non-Executive Member
- Nikolaos Ioannis Zerdes – Non-Executive Member
- Michael Dimitrios Sapountzoglou – Independent Non-Executive Member

The procedures that relate to the replacement of the members of the Board of Directors, as well as the procedures for the convention and decision making, are included in detail in the Company's Statute and Corporate Governance Code.

The first and foremost obligation and duty of the members of the Board, is the continuous pursuit of the development of the Company's long-term value, the safeguarding of its general interests, as well as the application and upholding of the Corporate Governance Code that has been prepared in support of the above purposes.

The Board consists of both executive and non-executive members. The distinction between executive and non-executive is set by the Board and validated by the General Meeting of the Shareholders.

The non-executive members represent at least one third of the BoD members. Among the non-executive members there are at least two independent members that are appointed by the General Meeting of the Shareholders and during their service they cannot hold shares of the Company at a participation percentage higher than 0,5% of the Company's share capital and must not have a relationship of dependence with the Company.

The Board of Directors determines and reviews the existence of any dependence relationship between the independent candidates and the Company, before proposing their election by the General Meeting of the Shareholders.

Composition and Operation of the BoD Committees

Audit Committee

The Audit Committee consists of three non-executive members of the Board of Directors, with a proven and sufficient knowledge of accounting and auditing. The composition of the Audit Committee is as follows:

- Michael Sapountzoglou – Chairman, independent non-executive member of the BoD
- Nikolaos Zerdes – Secretary, non-executive member of the BoD
- George Georgopoulos – Member, independent non-executive member of the BoD

The Audit Committee is tasked with the monitoring of the financial information processes and the preparation of the financial statements. All its members are appointed by the General Meeting of the Shareholders, following proposition from the Board of Directors. The tasks of the Audit Committee (indicatively) are as follows:

- the monitoring of the financial information process,
- the monitoring of the effective operation of the Internal Control System and the Risk Management System, as well as the monitoring of the proper function of the Internal Audit Service of the Company,
- the monitoring of the statutory audit of the Company's financial statements,
- the evaluation of the actions of Management regarding the compliance with the Corporate Governance Code and the compliance with the regulation regarding the identification and prevention of money laundering.

For the fulfillment of its purpose, the Audit Committee has freedom of communication with the Management and the internal and external auditors, so as to investigate any matter that comes to its attention, having unrestricted access to all records and information, facilities and personnel of the Company.

Investment Committee

The Investment Committee is tasked with the duty of designing the investment policy of the Company, within the framework set by the decisions of the Board, to which the Committee makes proposals over the investment strategy and ensuring the compliance with the provisions of the Statute and the applicable legislation, regulation and recommendations from the competent authorities that regulate the investment activity of the Company.

The Investment Committee consists of 3 members, appointed by the Board of Directors, which appoints its Chairman and Secretary. Its members are specialized professionals and are selected in accordance with the applicable regulation, decisions and directives of the supervising authority.

The composition of the Investment Committee is as follows:

- Marios Apostolinas – Chairman – Managing Director – Executive Member of the BoD
- Aristotle Halikias – Secretary – Chairman of the BoD – Executive Member
- Patricia Halikias – Vice Chairman of the BoD – Executive Member

Remuneration Committee

The tasks of the Remuneration Committee is the processing and proposal to the BoD of the Remuneration Policy of the Company, which regards and applies to the determination of the total remuneration of the Upper Management, as well as to the personnel that has been assigned duties in Investment Risk, as well as Auditing, Management, Marketing, Human Resources and Sales, whether they are executive or non-executive members, but with the purpose of exercising influence, management or participating in decision making in taking investment risk, especially when their remuneration is the same or similar with those of the Upper Management and fully disclosed to the Supervisory Authority.

The composition of the Remuneration Committee is the following:

- Patricia Halikias – Chairman – Vice Chairman of the BoD, Executive Member
- Michael Sapountzoglou – Secretary, Independent Non-Executive Member
- George Georgopoulos – Member, Independent Non-Executive Member

vi. Diversity Practices

The Company supports and adopts the principles of equality and diversity regarding its personnel and upper management, with the purpose of promoting equality and fair treatment.

The Company aims for the recruitment of personnel and upper management of various ages, genders and professional backgrounds. However, mostly due to the limited number of personnel employed, the Company has not included specific diversity policies in its Corporate Governance Code.

For the Board of Directors
Athens, April 25, 2018

The undersigned

The Chairman of the Board	The Managing Director
Aristotle Halikias **ID No. AE 783893**	**Marios Apostolinas** **ID No. AN 024492**

REPORT ON THE APPLICATION OF SHARE CAPITAL INCREASE PROCEEDS

INTERCONTINENTAL INTERNATIONAL R.E.I.C.

HCMC LICENSE NO.: 5/604/6.12.2011

G.E.MI NO: 120108101000

APPLICATION OF PROCEEDS FROM THE SHARE CAPITAL INCREASE OF THE COMPANY FROM THE ISSUANCE OF NEW REGISTERED ORDINARY SHARES WITH VOTING RIGHTS PAID IN CASH, IN ACCORDANCE WITH THE DECISION OF THE GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS ON THE 24TH OF MARCH 2016.

It is disclosed, in accordance with article 4.1.2 of the Athens Exchange regulation, as well as decisions 25/17.7.2008 of the its Board of Directors and 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission, that the share capital of the Company, during year 2016, has been increased with the issuance of 2.625.000 new registered ordinary shares with voting rights and a nominal value of €4,0 per share, paid in cash, from which total capital of 14.490.000€ was raised. The confirmation of the payment of the share capital increase was made by the Company's Board on 12.7.2016.

TABLE OF APPLICATION OF THE SHARE CAPITAL INCREASE PROCEEDS (Amounts in Euro)

Description of the use of proceeds	Total Proceeds	Applied up to 31/12/2017	Remaining Proceeds on 30/06/2017
1. Investments in accordance with the provisions of L. 2778/1999.	13.955.829,73	3.599.337,37	10.356.492,36
2. Expenses of the issuance and the admission to Athens Exchange	534.170,27	534.170,27	0
Totals	**14.490.000,00**	**4.133.507,64**	**10.356.492,36**

Note 1: The Company is planning to utilize the proceeds from the share capital increase to perform investments in accordance with the REIC Law.

Note 2: The remaining proceeds on 31.12.2017 are placed in short-term bank deposits and are included in "Cash and Cash Equivalents" on the Company's Statement of Financial Position.

Note 3: The Company's investments during the year ended on the 31st of December 2017 have been financed in part by the cash reserves that the Company owned before the above Share Capital Increase of 12.7.2016 and in part from the proceeds from the Share Capital Increase.

Athens, April 25, 2018

The undersigned

The Chairman	The Managing Director	The Finance Director
Aristotle Halikias	**Marios Apostolinas**	**Gerasimos Robotis**
ID No. AE 783893	**ID No. AN 024492**	**ID No. AB 595414**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
INTERCONTINENTAL INTERNATIONAL
REAL ESTATE INVESTMENT COMPANY

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of ''Intercontinental International R.E.I.C.'' ("the Company" and "the Group") which comprise the consolidated and separate balance sheet as of December 31, 2017, the consolidated and separate statements of income statement and comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements, present fairly, in all material respects, the financial position of the Company and the Group as at 31st / December 2017, 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 Codified Law 2190/1920.

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.

Independence

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

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

The non-audit services that we have provided to the Company and its subsidiary during the year that ended on 31 December 2017, are disclosed in Note 19 of the accompanying consolidated and separate financial statements.

Key audit matters

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

Key Audit Matter	Our procedures in relation to the Key Audit Matter
Valuation of investment property (Consolidated and Separate Financial Statements, notes 2.4.3, 5.a, 5.b and 6) The investment property portfolio of the Company and the Group comprises mainly of owned land and buildings that are mainly used as offices and retail shops. 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), the Company and the Group measure investment properties at fair value using the discounted cash flow method in combination with the comparative method and, in some cases, residual value method. This accounting policy is consistent with the financial statements of the prior year, as well as with the provisions of the applicable law that regulates the operation of Real Estate Investment Companies (Law 2778/1999). In addition, the application of the abovementioned methods was consistent with those applied in prior year. On the 31st of December 2017, the fair value of the investment property of the Company and the Group was €74,7 and €77,2 million	We performed the following audit procedures in relation to investment property of the Company and the Group for the year ended on the 31st of December 2017: • We agreed the fair value of each investment property of the Company and companies of the Group to the respective accounting records. • We performed procedures in order to determine, on a sample basis, whether the data given from the management to the certified auditor for the determination of the fair value of the investment property of the Company and the Group, are supported by the existing agreements and the approved operational plans (where existed). That data included mostly information relating to the lease of the investment property. • We obtained and reviewed the valuations performed, as well as the engagement agreement signed between the certified valuator and the Company and we did not identify evidence or facts

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IN CASE OF DESCREPANCY THE GREEK DOCUMENT PREVAILS.

respectively, representing 76% and 79% of the total assets of the Company and the Group, while the gain from the fair value adjustments of the investment property for the year then ended was €0,9 million for the Company and €1,1 million for the Group and was correctly recorded in the consolidated and separate statement of comprehensive income, as also presented in Note 6 of the consolidated and separate financial statements. According to the applicable law, the management has engaged a certified valuator to carry out the valuation of the Company's and the Group's investment property as at 31 December 2017, in order to support the assumptions that form the base for the determination of the fair value for those properties. For the determination of the value of a real estate property, specific data was taken into account, such as the rent income from each property. However, for the valuation of the property, certain assumptions that require a high level of judgement have been adopted, such as appropriate discount rates, exit yields of current leases and comparative rents, which depend on the available market data, in order to determine a range of valuation results out of which, a representative valuation is extracted. Management has adopted the abovementioned value of the investment property with the decision of the Board of Directors on the 28th of February 2018, that approved the investment schedule for the year ended on the 31st of December 2017, in accordance with article 25 of L. 2778/1999 and the 8/259/19.12.2002 decision of board of HCMC, as amended by decisions 10/566/26.10.2010 and 5/760/14.09.2016. The existence of uncertainty in the estimation assumptions, in combination with the	that could jeopardize the valuator's objectivity and independence. • We compared the fair values of the investment property for the current period with those of the prior period, in order to evaluate whether they have changed in line with the market trends and we requested explanations from management for any significant deviations. All significant deviations have been adequately explained by the management. • In collaboration with external experts in real estate valuation, we examined, on a sample basis, the extend that the valuation methods used were suitable for each property, in line with those used with prior year and in accordance with the International Valuation Standards and L. 2778/1999. In addition, we evaluated the reasonableness of the assumptions used (such as the discount rates, exit yields and market rents), comparing them with market data, in order to determine a reasonable range for those values. In case that any discount rates, exit yields and market rents were outside the expected values, we inquired management to justify the reasons for the adoption of those assumptions in each individual valuation. According to our audit procedures, the valuations performed by the Company and the Group and the assumptions used were within the expected range and in accordance with the current market conditions. Furthermore, the rental income from the leasing of the investment property of the Company and the Group, that were used for the estimation of their fair values, were supported by the existing agreements on the 31st of December 2017.

***TRANSLATION FROM THE GREEK ORIGINAL.**
IN CASE OF DESCREPANCY THE GREEK DOCUMENT PREVAILS.

significant value of the investment property in the consolidated and separate financial statements and the sensitivity of the valuations in fluctuations in the used assumptions (such as the rent income in less active markets, the discount rates and the exit yield), are the main reasons for our focus in this key audit matter.	Finally, we confirmed that the investment property of the Company and the Group were appropriately disclosed in Note 6 of the consolidated and separate financial statements, in accordance with the provisions 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 report on the share capital increase proceeds and the Board of Directors Report (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 paragraph 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 Codified Law 2190/1920 and whether the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

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

• The information given in the Board of Directors' report for the year ended at 31 December 2017 is consistent with the consolidated and separate financial statements,

• The Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920,

• The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group INTERCONTINENTAL INTERNATIONAL REAL ESTATE INVESTMENT 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 management and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as management 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 consolidated and separate financial statements, the Board of Directors is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or the Group or to cease its operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 the ISAs transposed into the Greek Law will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of our audit in accordance with the ISAs that have been transposed in Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated and separate 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 internal control of the Company and the Group.

- 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 the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to qualify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

Among other matters, we communicate with those charged with governance regarding 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 consolidated and separate 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 matters

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, as required by article 11 of the Regulation (EU) 537/2014.

2. Auditor's appointment

We have been appointed as auditors of the Company for the first time with the 30/06/2014 decision of the Annual General Meeting of the Shareholders. Our appointment has been annually renewed, covering a total uninterrupted period of appointment of 4 years, in accordance with the decisions of each year's Annual General Meeting of the Shareholders.

pwc

Athens, April 25, 2018

THE CERTIFIED AUDITOR

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Certified Auditors
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Dimitrios Sourbis
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ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED THE 31ST OF DECEMBER 2017

***TRANSLATION FROM THE GREEK ORIGINAL.
IN CASE OF DESCREPANCY THE GREEK DOCUMENT PREVAILS.**

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		Group		Company	
ASSETS	**Note**	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Non-current Assets					
Investment property	6	77.234.000	63.150.000	74.701.794	63.150.000
Property, plant and equipment	8	2.475.040	0	2.297.246	0
Investment in subsidiaries	7	0	0	2.371.838	0
		79.709.040	***63.150.000***	***79.370.878***	***63.150.000***
Current Assets					
Trade and other receivables	9	232.542	179.480	237.722	179.480
Available for sale financial assets	10	2.287.402	2.584.618	2.287.402	2.584.618
Cash and cash equivalents	11	16.102.647	32.823.356	15.821.574	32.823.356
		18.622.591	***35.587.454***	***18.346.699***	***35.587.454***
TOTAL ASSETS		**98.331.631**	**98.737.454**	**97.717.576**	**98.737.454**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	42.000.000	42.000.000	42.000.000	42.000.000
Share premium		3.990.000	3.990.000	3.990.000	3.990.000
Statutory reserves		844.714	844.714	844.714	844.714
Other reserves		-11.185	-14.027	-11.185	-14.027
Treasury shares	12	-51.776	0	-51.776	0
Retained earnings		20.652.829	20.850.856	20.095.902	20.850.856
Total Equity		**67.424.582**	**67.671.543**	**66.867.655**	**67.671.543**
LIABILITIES					
Non-current liabilities					
Retirement benefit obligations		5.432	5.432	5.432	5.432
Borrowing	13	27.905.848	29.015.437	27.905.848	29.015.437
Guarantees	14	532.917	174.217	495.648	174.217
		28.444.197	***29.195.086***	***28.406.928***	***29.195.086***
Current Assets					
Trade and other receivables	15	914.494	372.279	905.293	372.279
Borrowing	13	1.183.346	1.125.607	1.183.346	1.125.607
Guarantees	14	420	0	420	0
Current tax obligations		364.593	372.938	353.934	372.938
		2.462.853	***1.870.824***	***2.442.994***	***1.870.824***
Total Liabilities		**30.907.049**	**31.065.911**	**30.849.922**	**31.065.911**
TOTAL EQUITY AND LIABILITIES		**98.331.631**	**98.737.454**	**97.717.576**	**98.737.454**

The notes on pages 42 to 79 form an integral part of these annual consolidated and separate financial statements

***TRANSLATION FROM THE GREEK ORIGINAL.**
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CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
	Note	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Rental Income	16	5.915.351	4.723.896	5.755.033	4.723.896
Net result from fair value adjustments of investment property	6	1.101.545	1.793.164	931.545	1.793.164
Expenses directly related to investment property	17	-518.599	-388.004	-509.787	-388.004
Other income		2.581	118.990	2.581	118.990
Gross profit		**6.500.878**	**6.248.047**	**6.179.372**	**6.248.047**
Payroll and other personnel expenses	18	-218.280	-161.607	-218.280	-161.607
Other income	19	-571.132	-349.597	-565.897	-349.597
Gain from the acquisition of the subsidiary	7	254.396	0	0	0
Allowance for doubtful accounts		-14.879	-114.544	-14.879	-114.544
Operating profit		**5.950.983**	**5.622.298**	**5.380.316**	**5.622.298**
Foreign exchange differences		-2.192.257	670.153	-2.192.257	670.153
Finance income	20	92.571	177.320	92.571	177.320
Finance expense	20	-382.726	-462.034	-382.726	-462.034
Profit before tax		**3.468.571**	**6.007.737**	**2.897.904**	**6.007.737**
Tax expense	21	-726.598	-672.272	-712.858	-672.272
Profit after tax		**2.741.973**	**5.335.464**	**2.185.046**	**5.335.464**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Profit/Loss from the valuation of financial assets available for sale		2.842	-3.541	2.842	-3.541
Total comprehensive income for the year		**2.744.815**	**5.331.923**	**2.187.888**	**5.331.923**
Earnings per Share (expressed in € per share)					
Basic	23	**0,26**	**0,59**	**0,21**	**0,59**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Statutory Reserve	Available for sale Reserve	Retained Earnings	Treasury Shares	Total
Balance on January 1st, 2016	**31.500.000**	**0**	**844.714**	**-86.269**	**16.049.565**	**0**	**48.308.010**
Profit after tax for the year	0	0	0	0	5.335.464	0	**5.335.464**
Share capital increase	10.500.000	3.990.000	0	0	0	0	**14.490.000**
Sale of available for sale investments	0	0	0	75.783	0	0	**75.783**
Cost of admission to Athens Exchange	0	0	0	0	-534.174	0	**-534.174**
Other comprehensive income	0	0	0	-3.541	0	0	**-3.541**
Total comprehensive income for the year	**10.500.000**	**3.990.000**	**0**	**72.242**	**4.801.290**	**0**	**19.363.532**
Balance on December 31st, 2016	**42.000.000**	**3.990.000**	**844.714**	**-14.027**	**20.850.856**	**0**	**67.671.543**
Balance on January 1st, 2017	**42.000.000**	**3.990.000**	**844.714**	**-14.027**	**20.850.856**	**0**	**67.671.543**
Profit after tax for the year	0	0	0	0	2.741.973	0	**2.741.973**
Acquisition of treasury shares	0	0	0	0	0	-51.776	**-51.776**
Other comprehensive income	0	0	0	2.842	0	0	**2.842**
Total Comprehensive income for the year	**0**	**0**	**0**	**2.842**	**2.741.973**	**-51.776**	**2.693.039**
Transactions with shareholders							
Dividend payment for the 2016 period	0	0	0	0	-2.940.000	0	**-2.940.000**
Balance on December 31st, 2017	**42.000.000**	**3.990.000**	**844.714**	**-11.185**	**20.652.829**	**-51.776**	**67.424.582**

The notes on pages 42 to 79 form an integral part of these annual consolidated and separate financial statements

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Statutory Reserve	Available for sale Reserve	Retained Earnings	Treasury Shares	Total
Balance on January 1st, 2016	**31.500.000**	**0**	**844.714**	**-86.269**	**16.049.565**		**48.308.010**
Profit after tax for the year	0	0	0	0	5.335.464		**5.335.464**
Share capital increase	10.500.000	3.990.000	0	0	0		**14.490.000**
Sale of available for sale investments	0	0	0	75.783	0		**75.783**
Cost of admission to Athens Exchange	0	0	0	0	-534.174		**-534.174**
Other comprehensive income	0	0	0	-3.541	0		**-3.541**
Total comprehensive income for the year	**10.500.000**	**3.990.000**	**0**	**72.242**	**4.801.290**		**19.363.532**
Balance on December 31st, 2016	**42.000.000**	**3.990.000**	**844.714**	**-14.027**	**20.850.856**		**67.671.543**
Balance on January 1st, 2017	**42.000.000**	**3.990.000**	**844.714**	**-14.027**	**20.850.856**	**0**	**67.671.543**
Profit after tax for the year	0	0	0	0	2.185.046	0	**2.185.046**
Acquisition of treasury shares	0	0	0	0	0	-51.776	**-51.776**
Other comprehensive income	0	0	0	2.842	0	0	**2.842**
Total Comprehensive income for the year	**0**	**0**	**0**	**2.842**	**2.185.046**	**-51.776**	**2.136.112**
Transactions with shareholders							
Dividend payment for the 2016 period	0	0	0	0	-2.940.000	0	**-2.940.000**
Balance on December 31st, 2017	**42.000.000**	**3.990.000**	**844.714**	**-11.185**	**20.095.902**	**-51.776**	**66.867.655**

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CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

	Note	Group		Company	
		01/01/2017 31/12/2017	01/01/2016 31/12/2016	01/01/2017 31/12/2017	01/01/2016 31/12/2016
Cash flows from operating activities					
Profit before tax		3.468.571	6.007.737	2.897.904	6.007.737
Plus (less) Adjustments for:					
Interest income and income from securities	20	-92.571	-177.320	-92.571	-177.320
Interest expense	20	382.726	462.034	382.726	462.034
Foreign exchange differences		2.192.257	-670.153	2.192.257	-670.153
Gain from the acquisition of the subsidiary		-254.396	0	0	0
(Increase)/decrease in the fair value of investment property	6	-1.101.545	-1.793.164	-931.545	-1.793.164
Provision for employee benefit obligation		0	0	0	0
Depreciation and amortization	8	5.810	2.993	5.810	2.993
		4.600.852	3.832.127	4.454.580	3.832.127
Changes in working capital					
Decrease/ (increase) of receivables		-23.487	-98.133	-58.242	-98.133
(Decrease)/ increase of payables (except for borrowing)		851.704	63.046	854.865	63.046
Cash flows from operating activities		**5.429.068**	**3.797.040**	**5.251.203**	**3.797.040**
Tax paid		-709.381	-365.732	-706.300	-365.732
Interest paid		-386.412	-374.264	-386.412	-374.264
Net cash flows from operating activities (a)		**4.333.275**	**3.057.044**	**4.158.491**	**3.057.044**
Cash flows from investing activities					
Investments in real estate properties	6	-11.962.049	-6.846.643	-11.962.049	-6.846.643
Capital expenditure for investment property	6	-180.406	-97.193	-180.406	-97.193
(Purchase)/ Sale of Property, Plant and Equipment		-780.139	10.507	-780.139	10.507
Investments in subsidiaries	7	-2.265.550	0	-2.371.838	0
(Purchase)/ Sale of available for sale financial assets	10	0	1.736.133	0	1.736.133
Interest received		92.571	177.320	92.571	177.320
Net cash flows from investing activities (b)		**-15.095.573**	**-5.019.876**	**-15.201.861**	**-5.019.876**
Cash flows from financing activities					
Share capital payments		0	14.490.000	0	14.490.000
Dividends paid	22	-2.940.000	0	-2.940.000	0
(Purchase) / Sale of treasury shares		-72.598	0	-72.598	0
Athens Exchange admission costs		0	-534.170	0	-534.170
Bond loan payments	13	-1.048.163	-532.350	-1.048.163	-532.350
Net cash flows from financing activities (c)		**-4.060.761**	**13.423.480**	**-4.060.761**	**13.423.480**
Net increase/ (decrease) in cash and cash equivalents for the period (a)+(b)+(c)		**-14.823.058**	**11.460.647**	**-15.104.131**	**11.460.647**
Cash and cash equivalents at the beginning of the period		**32.823.356**	**20.779.037**	**32.823.356**	**20.779.037**
Effect of foreign exchange differences on cash and cash equivalents		**-1.897.651**	**583.672**	**-1.897.651**	**583.672**
Cash and cash equivalents at the end of the period		**16.102.647**	**32.823.356**	**15.821.575**	**32.823.356**

Change in liabilities from financing activities

	Group		Company	
	Borrowing	**Total**	**Borrowing**	**Total**
Liabilities from financing activities on 1.1.2017	**30.141.044**	**30.141.044**	**30.141.044**	**30.141.044**
Capital repayment of bond loan	-1.048.163	-1.048.163	-1.048.163	-1.048.163
Interest payments (Operating activities)	-340.867	-340.867	-340.867	-340.867
Other non-cash changes	337.180	337.180	337.180	337.180
Liabilities from financing activities on 31.12.2017	**29.089.194**	**29.089.194**	**29.089.194**	**29.089.194**

The notes on pages 42 to 79 form an integral part of these annual consolidated and separate financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. General Information

The current financial statements include the separate financial statements of "**INTERCONTINENTAL INTERNATIONAL REAL ESTATE INVESTMENT COMPANY**" (the "Company") and the consolidated financial statements of the Company and its subsidiary (together "the Group") for the year ended on the 31st of December 2017. Information regarding the subsidiary of the Company is presented on note 7.

The Company is registered as a Real Estate Investment Company of Law 2778/1999 and its subsequent amendments.

The Company has been incorporated on 22.03.2013, after obtaining a license from the Hellenic Capital Market Commission with the decision of its Board, No. 5/604/06.12.2011.

The current Financial Statements (henceforth "the Financial Statements") have been approved by the Board of Directors of the Company on the 25th of April 2018.

The company "AJOLICO TRADING LIMITED" (Reg. No. 284633), which domiciles in Nicosia in Cyprus, participates in the Company with a percentage of 78,78%.

2. Summary of Significant Accounting Policies

The basic accounting policies that have been applied at the preparation of these financial statements are described below. These policies have been consistently applied in all periods presented, unless stated otherwise.

2.1 Basis of preparation

The current financial statements have been prepared by Management in accordance with the International Financial Reporting Standards (IFRS), and the IFRIC interpretations, as adopted by the European Union. These financial statements have been prepared based on the principle of historical cost, as modified to include the valuation of investment property and available for sale financial assets in "fair value".

The preparation of the Financial Statement in accordance with the IFRS required the use of certain accounting estimates and assumptions. In addition, it requires the exercise of judgement from Management during the application of the accounting policies (See Note 5).

2.1.2 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 1.1.2017. 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

IAS 7 (Amendments) "Disclosure initiative"

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The required disclosures have been included below the statement of cash flows.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently evaluating the effect of the amendments for its transition to IFRS 9.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Group cannot early adopt the amendments as they have not yet been endorsed by the EU. The Group is currently evaluating the effect of the amendments for its transition to IFRS 9.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently evaluating the effects of IFRS 15 on its consolidated financial statements, it is estimated however that its adoption will not have a significant effect due to the nature of Group's activities.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

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 recognize 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. Based on the current evaluation from Management, the adoption of the Standard will not have a significant effect to the financial statements of the Group and the Company.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Amendments regarding plan amendments, curtailments or settlements" (effective for annual periods beginning on or after 1 January 2019)

The amendments determine the method under which the entities must estimate the retirement benefit expenses that occur when changes in the retirement benefit plan take place. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

Annual Improvements to IFRSs (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to certain IFRS. The amendments have not yet been endorsed by the EU.

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.

2.2 Going concern

The current financial statements have been prepared based on the principle of going concern, as determined by the Board of Directors which, evaluating the fact that the Company has maintained its profitability, has cash reserves and revenues that are sufficient to cover the Company's short-term liabilities as well as its working capital needs and has entered into long-term lease agreements the majority of which cannot be terminated until 2027, ensuring stable revenue.

2.3 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies**.**

The Company recognizes its investments in subsidiaries in separate financial statements at cost less impairment. In addition, the acquisition cost is adjusted to reflect changes in price resulting from any modifications of contingent consideration.

At each financial statement date, the Company examines whether any indications of impairment of the subsidiary exist. If such indications exist, Management calculates the recovery value as the greater between the cost value and the fair value, decreased by the costs of disposal. When the accounting value of the subsidiary exceeds the recovery amount, the respective loss of impairment is recorded in the statement of comprehensive income.
The calculation of the recovery value of the subsidiary is directly linked to the fair value of its investment property, because those investments are its most significant asset. Impairments recognized in prior periods are re-evaluated at each financial statement date for possible reversal.

2.4. Accounting Principles

2.4.1 Operating Segments

The operating segments, if such segments exist, are presented in a way that is in accordance with the internal information that is available to the head of business decision making. The head of decision making that is responsible for the allocation of sources and the evaluation of the effectiveness of operating segments, is Management, who is making the strategic decisions for the Group.

2.4.2 Foreign currency transactions

The Financial Statements of the Group are presented in **euro (€)** which is the Group's functional currency.

Foreign currency transactions are translated in the Group's functional currency based on the foreign currency rates that applied at the date of the transaction. At the date of the financial statements, receivables and liabilities in foreign currencies, are translated to euro based on the official rate of the foreign currency at that date, as issued by the European Central Bank (henceforth "ECB"). The foreign exchange profit or loss that derives from the settlement of those transactions and from the translation of assets and liabilities in foreign currency, is presented in the statement of comprehensive income.

2.4.3 Investment Property

Real estate property held for long-term lease agreements or capital gains or both, and are not used by the Company, are classified as investment property.

Investments in real estate include owned land plots and buildings that are used mostly as offices and retail shops.

In accordance with the current REIC law (L. 2778/1999), investment property is initially recognized at cost, including direct acquisition costs and borrowing costs. After initial recognition, investment property is measured at "fair value". Fair value is based on prices that apply in an active market, adjusted when necessary, due to differences in nature, location and condition of the individual asset. If this information is not available, then the Company applies alternative methods of valuation, such as recent prices in less active markets or discounted cash flow methods. Those valuations are regularly re-examined on the 30th of June and 31st of December of each year, by independent professional valuators, with market insight, proven professional experience and registered on the competent Independent Valuator Registry of the Ministry of Finance, in accordance with the guidance issued by the International Valuation Standards Committee.

Investments in real estate property that are repurposed to serve as investment property or for which the market has evolved to be less active, are still classified as investment property and measured at “fair value”.

The fair value of investment property represents, inter alia, rental revenue from existing lease agreement and assumptions in relation to rental revenue from future lease agreements, under the light of current conditions in the market.

Fair value also represents, on a similar basis, any cash outflow (including rent payments and other outflows) that is expected for such an asset. Some of those outflows are recognized as a liability, while others, including contingent rent payments, are not recognized in the financial statements.

Subsequent expenditures are added in the cost value of the property only if it is likely that future economic benefit, related to property, will flow to the Company and that these expenditures can be measured reliably. Repairs and maintenance costs affect the results of the period in which they occur.

Changes in the fair value are recorded in the results of the period. Investment property is derecognized when it is sold or when its use as an investment property ceases permanently and no capital gains are expected from its sale.

If an investment property changes into an own-use property, it is reclassified in Property, Plant and Equipment and its fair value at the date of the reclassification, becomes the book value of the property for accounting purposes.

If an asset is reclassified from Property, Plant and Equipment to investment property, due to changes in its use, any difference between its accounting value and its fair value at the date of its reclassification, is recognized in other comprehensive income and is presented in Equity as fair value adjustment reserve in “Other Reserves”, in accordance with IAS 16. However, if the gain from fair value adjustments reverses prior impairment losses, then the gain is recognized in the results of the period, to the extent that it reverses the impairment. Any gain surplus is recognized in other comprehensive income, increasing the reserves from fair value adjustments.

When the use of an investment property is subject to change, with an indication of selling the property without using it again, the property is reclassified in non-current assets as “held for sale” if it meets the criteria of IFRS 5. The cost of the property for the subsequent accounting treatment, is its fair value at the date of the reclassification.

2.4.4 Borrowing Costs

Borrowing costs that directly relate to the acquisition, construction or production of property for which a significant time to construct is required, increase the cost of the property, up to the time that the property is ready for use or sale.

In come gained from the temporary investment of the borrowed funds until their use for the funding of the property, are deducted from the borrowing cost that meets the criteria for capitalization. Up to the current period, the Company does not have property under construction or development, and as such, there are no borrowing costs to increase the cost of the property.

All other borrowing costs are recorded in the finance expenses of the period that they relate to.

2.4.5 Property, Plant and Equipment

All property, plant and equipment are presented in the Statement of Financial Position at historical cost less accumulated depreciation. The historical cost includes all costs that are directly related to the acquisition of the assets.

Subsequent expenditure is recorded as an increase in the accounting value of the property, plant and equipment or as a separate item, only if it is likely that future economic benefit will flow to the Company and their cost can be measured reliably. Repairs and maintenance cost is recorded in the statement of comprehensive income in the period that they occur. Depreciation for the property, plant and equipment is calculated using the straight-line method during the useful life of the asset, which is determined as follows:

Buildings: 25 years
Fixtures and other equipment: 4–7 years
Vehicles: 10 years

The residual values and useful lives of the property, plant and equipment are subject to review and adjusted accordingly at least once at the end of every period. The accounting value of a property, plant and equipment is reduced to its recoverable value, when the accounting value exceeds its estimated recoverable value (note 2.4.7).

Any gain or loss from the sale of a PPE asset is determined as the difference between the consideration received from the sale and its accounting value and is presented in the statement of comprehensive income.

2.4.6 Leases

a) Cases where a company of the Group is the lessee:

(i) Operating lease – leases where the risks and benefits of the property are held by the lessor, are classified as operating leases. The payments made for operating leases, including advances paid (net of any incentive offers made by the lessor), are recognized in the period's results, using the straight-line method, proportionally to the duration of the lease. The Company currently leases its headquarters.

(ii) Finance Lease – No Group company has entered into any finance lease as a lessee yet.

b) Cases where a company of the Group is the lessor:

(i) Operating lease – The Group rents all its owned property under operating lease. When property has been rented under operating lease, it is classified as investment property in the statement of financial position (Note 6). Rental income (less the value of any incentives offered by the lessor) are recognized on a straight-line basis for the duration of the lease. Rent Guarantees received at the beginning of a lease are recorded as liabilities and presented at cost.

(ii) Finance Lease – No Group company has entered into any finance lease as a lessor yet.

2.4.7 Impairment of non-financial assets

Non-financial assets that are depreciated/amortized are regularly examined for impairment when facts or changes in conditions suggest that their accounting value might not be recoverable. When the accounting value of an assets exceeds its recoverable amount, the respective loss from its impairment is recorded in the period's results. The recoverable value is defined as the higher of its fair value less cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash- generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4.8 Trade Receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less any impairments. Impairments for trade receivables take place when there is an objective indication that the Group may not be able to collect the whole amount of the receivables based on the contractual terms. The amount of the allowance for doubtful accounts is the difference between the accounting value of the receivable and the present value if the estimated future cash flows, discounted using the initial effective interest rate and is recorded as a loss in the results of the period.

2.4.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash deposits and highly liquid time deposits held with banks with original maturities of approximately three months or less.

2.4.10 Financial Assets

The financial assets of the Group are classified in the following categories: lending and receivables and available for sale assets. The classification depends on the purpose for which the investment was acquired. Management determines the use at the initial recognition.

(a) Lending and receivables

Includes non-derivative financial assets with fixed or otherwise determined payments, that are not traded in an active market. They are included in the current assets, except for those with a maturity longer than 12 months from the reporting date. The latter are included in the non-current assets. The lending and receivables of the Group include the items “Trade and Other Receivables” and “Cash and Cash Equivalents” that are presented in the statement of financial position (notes 9 and 11).

(b) Available for Sale Financial Assets

Includes non-derivative financial assets which are either determined by this classification, or they cannot be classified in any other categories. They are included in the non-current assets, if they have no maturities or Management has no intention of selling them in the 12 months following the reporting date.

Recognition and measurement

The purchases and sales of financial assets are recognized at the date of the transaction which is the date that the Group commits to the purchase or sale of the asset. The investments are initially recognized at fair value plus the transaction costs. The investments are derecognized when the right to their cash flows ends or is transferred and the Group has essentially transferred all the risks and rewards associated with the ownership of the asset. Available for sale financial assets are subsequently measured at fair value. Lending and receivables are subsequently measured at amortized cost using the effective interest method.

Gains and losses from the change in the fair value of the available for sale financial assets, monetary or otherwise, are recorded in other comprehensive income.

When the available for sale financial assets are sold or impaired, the total accumulated changes in fair value that have been recorded in equity are reclassified in the result for the year.

Interest income from the available for sale investments is calculated using the effective interest rate method and are recorded in the statement of comprehensive income as finance income.

Offsetting financial assets

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position, when there is a legal exercisable right to offset the amounts recognized and at the same time there is the will to settle the amounts or the receipt of the asset and the settlement of the liability occur simultaneously. The legal exercisable right cannot depend on future events and must be exercisable in the normal course of business and in cases of default, insolvency or bankruptcy of the counterparty.

Impairment of financial assets

(a) Financial Assets measured at amortized cost

The Group evaluates on every reporting date, whether there are any indications that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets is impaired, and loss of impairment occurs, if and only if there is an objective indication of impairment as a result of one or more events that took place after the initial recognition of the asset ("loss event") and this event (or events) has an effect on the future cash flows of the asset or the group of assets and that effect can be measured reliably.

Impairment indications may consist of the following events: significant financial difficulties of the issuer or the group of issuers, delays or cessation of interest and capital payments, possibility of default or other financial restructuring, and observable data that show a measurable decline in the expected future cash flows.

If there is an objective indication of an impairment that relates to lending or receivables, the amount of the impairment loss is calculated as the difference between the accounting value of the asset and the present value of its expected cash flows (excluding future credit losses that have not occurred yet), discounted using the effective interest rate for the asset. The accounting value of the assets is decreased by the amount of the impairment loss and the loss is recorded in the results for the year.

If a loan has a floating rate, the discount rate is the current effective interest rest as determined by the load agreement.

If at a subsequent period, the amount of impairment decreases, and the decrease can be objectively related to an event that took place after the initial impairment recognition (for example, improvement of the credit rating of the issuer), the reversal of the impairment is recognized in the results for the period.

(b) Available for sale financial assets

For investments in bonds, if any indications for impairment exist, the accumulated loss – which is calculated as the difference between the purchase cost and the current fair value, less the impairment loss previously recognized in the results for the period – is transferred from equity to the results. If at a subsequent period, the fair value of the available for sale bond is increased and the increase can be objectively related to an event that took place in a period subsequent to the one that the loss of impairment occurred, then the loss of impairment can be reversed in the results.

2.4.11 Share capital

Ordinary shares are presented in Equity. The expenses for share capital increases are presented, net of taxes, deductively in Equity as a decrease in the product of the issue.

2.4.12 Treasury shares

The treasury shares are shares of the Company that have been issued and subsequently repurchased by the Company and have not been cancelled. The cost of purchase of the treasury shares is deducted from the share capital of the Company until those shares are either sold or cancelled. Every gain or loss from the sale of treasury shares, free of transaction costs and taxes, is included as reserve in equity. In case that the treasury shares are cancelled, their purchase cost is deducted from the share capital and the share premium, with any difference being debited in retained earnings.

2.4.13 Employee benefits

Post-employment benefits

Post-employment benefits include both defined benefit plans and defined contribution schemes. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate social security fund. The Group 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 recognized 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, recognized 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 payroll and other employee expenses 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 Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.4.14 Trade and other payables

The liabilities are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate method.

2.4.15 Guarantees

The Group 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 Group 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.

2.4.16 Dividend Distribution

The dividend for distribution to the shareholders of the Company is recognized as a liability in the Financial Statements of the period in which the distribution has been approved by the General Meeting of the Shareholders.

2.4.17 Borrowing

Liabilities from borrowing are recognized initially at fair value, less transaction costs. Subsequently, borrowing liabilities are measured at amortized cost. Any difference between the net amount initially received and the value at the maturity are recognized in the statement of comprehensive income as finance cost for the duration of the borrowing, using the effective interest method. Borrowing liabilities are registered in current liabilities, unless the Company has the right to postpone the settlement of the liability for 12 months after the reporting date.

2.4.18 Current Tax

Current Tax is calculated in accordance with the applicable tax legislation. Management regularly evaluates the Company's position in matters related to the tax authorities and, when necessary, accounts for provisions for amounts expected to be paid to the tax authorities.

As a REIC, the Company is not subject to income tax, but is taxed based on the total value of its assets. In more detail, the Company is taxed with a tax rate equal to 10% of the applicable intervention rate of the ECB, increased by 1 percent, on the six-month average of its investments plus its reserves in current prices.

The payable tax for each six-month period cannot be less than 0,375% of the average investments, plus the reserves, in current prices as presented in the six-month investment schedules.

2.4.19 Provision

Provisions that relate to the outcome of judicial cases are recognized when the Group has a present legal or constructive obligation as a result of past events and when it is considered possible that an outflow of resources will be required in order to settle the obligation, the value of which must be able to be reliably measured. In the cases where there is a number of similar cases, the chance that an outflow of resources will be required is determined by taking into account all the obligations. A provision is recognized even if the chance of an outflow of resources in relation to the obligations is small. The Management of the Company, together with its legal counselor, does not consider that there is currently a reason for any provision to be made.

2.4.20 Revenue recognition

Revenue from operating leases is recognized in the results of the period, using the straight-line method, for the duration of the lease. When the Group provides incentives to its customers, the cost of those incentives is recognized during the duration of the lease, using the straight-line method, decreasing the revenue from the operating leases. Variable (contingent) rents, such as those based on revenue, are recorded as income in the periods that they occur.

2.4.21 Interest income

Interest income is recognized using the effective interest rate. When there is an impairment on lending or receivables, their accounting value decreases to their recoverable amount, which is the present value of the expected future cash flows, discounted using the effective interest rate. Then, interest income is calculated using the same effective interest rate on the impaired value.

2.4.22 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the parent 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 option rights to purchase shares.

3. Financial risk management

3.1 Financial risk factors

The Group is exposed in various financial risks, such as, market risk (cash flow risk from changes in interest rates), credit risk and liquidity risk. The financial risks are related to the following financial assets: Trade and Other Receivables, Cash and Cash Equivalents, Trade and Other Payables, and Borrowing. The accounting principles related to the above financial items are described in Note 2. Risk Management is performed by the Management of the Company. Risk Management is focused mostly on the recognition and evaluation of financial risks such as market risk (foreign exchange risk, interest rate risk), credit risk, liquidity risk and surplus liquidity investment policy.

a) Market risk

i) Foreign Exchange Risk

Foreign Exchange Risk exists due to the cash reserves of the Group and its securities that are denominated in U.S. Dollars. On 31.12.2017 and 31.12.2016 the bank deposits and the security in US Dollars amounted at 18.071.995$ (15.079.278€) and 21.853.662$ (20.732.057€) respectively. The foreign exchange differences that resulted on 31.12.2017 and 31.12.2016, were -2.192.257€ and 670.152€ respectively.

On the 31st of December 2017, if Euro was stronger/weaker in relation to USD by 5%, the results after tax for the period would have decreased/increased by € 728 thousand / € 783 thousand (2016: € 987 thousand / € 1.091 thousand).

ii) Price Risk

Changes in real estate prices have an effect on the statement of comprehensive income and the statement of financial position of the Group (profitability and assets). The Group tries to enter in long-term lease agreements with quality tenants. At the current stage, the Group minimized the above risk by having secured with its prime tenant (ALPHA BANK), lease agreements that cannot legally be terminated by the tenant until the year 2027. From this particular tenant, who as a banking institution is subject to the uncertainties that derive from the current economic conditions, 68% of the total annualized rent income of the Group is generated. During the reporting period, the Group had a positive result from the fair value adjustments of its Investment Property.

The Group does not hold any shares or inventory, apart from an insignificant amount of treasury shares and as such, it is not subject to price risk from those items.

iii) Cash flow risk

Cash flow risk relates to variations in future cash flows of the Group that may affect its ability to meet its financial obligations. Since the Group has, at a significant level, secured rent income until the year 2027, the volatility of its cash flows and as a result the risk derived from it, is not considered to be significant.

iv) Interest rate risk

Interest rate risk derives mostly from the borrowing of the Company. The floating rate of the Company's bond loan, exposes the Company to cash flow risk due to fluctuations on the borrowing rate. In addition, fixed rate securities expose the Company to risk due fluctuations in the fair value of those securities.

During 2017, if the average borrowing rate was 50 basis points higher/lower, with all other variables remaining the same, the Group's results after tax for the period would have been higher/lower by € 66 thousand, i.e. +/- 39,35% over the Company's borrowing interest expense (2016: € 154,3 thousand, i.e. +/- 36,63% over the borrowing interest expense), as a result the increased/decreased interest expense that would have resulted from the floating rate bond loan.

b) Credit risk

The Group is exposed to credit risk in relation to its rent receivables from the lease agreements in place, its cash reserves and securities. The credit risk concerns the cases of counterparty default on their contractual obligations.

During 2017, the Group has recorded an additional allowance for doubtful accounts of 14.879€.

The related entity, Republic Bank of Chicago, in which the Group keeps the majority of its cash reserves, has a capital adequacy Tier 1 ratio of 11,56% and is included in the FDIC list of preferred contractors. As a result, the Group does not expect any losses on its deposits.

The following table presents the Group financial assets per credit rating (by Moody's) on the 31st of December 2017 and 2016:

Credit Rating	**Cash Reserves**		**Financial Assets available for sale**		**Trade and Other Receivables**	
(amounts in thousands of €)	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Aaa	-	-	2.287	2.585	-	-
Caa1			-	-		
Caa2	1.849	-	-	-	-	-
Caa3	1.409	14.744	-	-	-	-
Not Rated	12.844	18.079	-	-	238	294

c) Liquidity risk

Prudent management of liquidity risk means adequate cash reserves, ability to raise capital through a sufficient amount of committed credit facilities and the ability to close out open market positions. The liquidity of the Group is monitored by the Management at regular intervals.

The tables below present an analysis of the maturities of the financial assets and liabilities (the tables include undiscounted cash flows of interest and capital repayments):

YEAR 2017

Group

	Up to 1 year	1 to 2 years	2 to 5 years	Longer than 5 years
Financial Assets				
Trade and other receivables	232.542	-	-	-
Financial assets available for sale	2.287.402	-	-	-
Cash and cash equivalents	16.102.647	-	-	-
	18.622.591	**-**	**-**	**-**
Financial liabilities				
Borrowing	1.470.206	1.381.958	5.057.479	23.834.963
Guarantees	420	-	139.361	393.555
Trade and other payables	1.279.087	-	-	-
	2.749.713	**1.381.958**	**5.196.840**	**24.228.518**

Company

	Up to 1 year	1 to 2 years	2 to 5 years	Longer than 5 years
Financial Assets				
Trade and other receivables	237.722	-	-	-
Financial assets available for sale	2.287.402	-	-	-
Cash and cash equivalents	15.821.574	-	-	-
	18.346.699	**-**	**-**	**-**
Financial liabilities				
Borrowing	1.470.206	1.381.958	5.057.479	23.834.963
Guarantees	420	-	139.361	356.287
Trade and other payables	1.259.227	-	-	-
	2.729.854	**1.381.958**	**5.196.840**	**24.191.249**

YEAR 2016

	Group and Company			
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Longer than 5 years**
Financial Assets				
Trade and other receivables	179.480	-	-	-
Financial assets available for sale	2.584.618	-	-	-
Cash and cash equivalents	32.823.356	-	-	-
	35.587.454	**-**	**-**	**-**
Financial liabilities				
Borrowing	1.422.605	1.334.505	4.872.969	25.537.133
Guarantees	-	-	21.631	152.587
Trade and other payables	1.259.227	-	-	-
	2.681.832	**1.334.505**	**4.894.599**	**25.689.719**

3.2 Capital risk management

The purpose of the Group when managing its capital is to ensure the ability of the Group to continue its activities, in order to secure returns for its shareholders and benefits for other stakeholders of the Group and maintain optimum capital structure, achieving minimum cost of capital. To maintain or change its capital structure, the company may change the distributable income to its shareholders, return capital to them, issue new shares or sell financial assets.

The Group monitors its capital using the debt ratio. The ratio is calculated as the ratio of total borrowing to total assets, as presented in the statement of financial position.

The legal framework that applies REICs, allows borrowing and credit to them for amounts that, in aggregate, do not exceed 75% of their total assets, for the purpose of acquiring and utilizing real estate property. The debt ratio on the 31st of December 2017 was 29,7% for the Company and 29,6% for the Group (2016: 31% for both the Company and the Group).

3.3 Fair value estimation

The Group provides the necessary disclosures regarding fair value measurement using a three-level ranking.

- For financial assets that are traded in an active market, their fair value is determined using the published market prices that apply at the reporting date for similar assets and liabilities ("Level 1").

- For financial assets that are not traded in an active market, their fair value is determined using valuation technics and assumptions that are supported directly or indirectly by market data at the reporting date ("Level 2").

- For financial assets that are not traded in an active market, their fair value is determined using valuation technics and assumptions that are not supported by market data ("Level 3").

The following table presents the fair value of the financial assets and liabilities that are not measured in fair value on the 31st of December 2017:

Liabilities	**Level 1**	**Level 2**	**Level 3**
Long-term borrowing	-	-	20.831.635
Total	**-**	**-**	**20.831.635**

The fair value has been calculated using cash flows that have been discounted to present value, using a discount rate in line with the current market interest rate.

On the 31st of December 2017, the accounting value of trade and other receivables, cash and cash equivalents, short-term borrowing, rent guarantees, as well as trade and other payables, approximated their fair value.

4. Operating Segments

The Group has adopted a single monitoring of Operating Segments, due to similar economic characteristics shared by the Investment Property as a result of the following:

- The homogenous nature of revenue, due to single lease agreements per tenant
- The fact that in the majority of lease agreement, the cost of insurance, management and repair and maintenance burdens the tenants
- The uniform structure of the Company
- The fact that the Company operates only in Greece

- The adoption of a uniform Regulatory Framework for the total investment property portfolio

The Group has the necessary preparation for analytical monitoring of future Operating Segments, as soon as the diversity of its future investments requires it.

5. Significant accounting estimates and assumptions

The Group makes estimates and assumptions regarding future events. Those estimates, by definition, rarely match with the actual results for which they are formed. The estimates and assumptions that have significant risk and may cause material adjustments to the accounting values of assets and liabilities in the following period are the following:

a) The estimation of “fair value” of the real estate investments of the Group

The most suitable indication of “fair value”, are the market prices that apply in an active market for similar leases and other contracts. If such information is unavailable, the Group determines the fair value using a broad range of accounting estimates for the “fair value. According to the legislation applicable to REICs, the estimations for the investments in real estate must be supported by independent valuations performed by Independent Valuators, registered in the Independent Valuators registry of the Ministry of Finance, on the 30th of June and 31st of December of each year. The estimations are based primarily on forecasts of discounted cash flows due to lack of sufficient market prices from an active market. In order to reach such decision, the Group considers data from various sources, which include the following:

(i) Current prices in an active market of real estates of different nature, condition or location (or subject to different leases or contracts), which have been adjusted for those differences.

(ii) Recent prices of similar real estate properties in less active markets, adjusted so as to reflect any changes in economic conditions that took place after the date that the respective transactions took place, and

(iii) Discounted cash flows, based on reliable forecasts of future cash flows, that derive from the terms of existing lease agreements and other contracts and (when possible) from external data such as, current rent prices of similar real estate properties in the same location and condition, using discount rates that reflect the current market expectation regarding the uncertainty for the amount and time of occurrence of those cash flows.

b) Main assumptions of Management in relation to the estimation of “fair value”.

If current or recent market prices are unavailable, the “fair values” of the investment properties are determined using valuation technics of discounted cash flows. The

Group uses assumptions, which rely primarily on the current market conditions at the date that the financial statements are prepared.

The main assumptions that form the bases of the Management's estimates for the determination of "fair value" are those that relate to the collectability of the contractual rents, the expected future market rents, vacancy periods, maintenance requirements, as well as discount rates. Those estimates are regularly compared to actual market data, actual transactions made by the Group or announced in the market. The expected future rents are determined based on the rent market rent for similar real estates in the same location and condition.

6. Investment Property

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening Balance	**63.150.000**	**54.413.000**	**63.150.000**	**54.413.000**
Acquisition of new property and additions	14.502.049	6.846.643	11.962.049	6.846.643
Capital expenditure related to investment property	180.406	97.193	180.406	97.193
Net gains from fair value adjustments of the investment property	1.101.545	1.793.164	931.545	1.793.164
Reclassifications to property, plant and equipment	-1.700.000	0	-1.522.206	0
Closing balance	**77.234.000**	**63.150.000**	**74.701.794**	**63.150.000**

As a REIC, the Company is regulated by specific regulatory framework, according to which:
a) a periodic valuation of the Company's real estate from Independent Valuators is required, **b)** valuation from Independent Valuators is required prior to the acquisition or disposal of real estate property, and **c)** the value of each individual property must not exceed 25% of the total investment property portfolio. As a result, this framework contributes significantly to the avoidance or timely mitigation of related risks.

During the year 2017, the Group purchased the following real estate properties:

- A ground floor retail shop with a basement and a total building area 1.387,14 sq.m. in Aigio, for the price of 400 thousand euro. The property is leased to the electric appliances chain "Dixons South-East Europe S.A." and its fair value on 31.12.2017 was estimated at 510 thousand euro.
- A ground floor retail shop with a basement and a storage room and a total building area of 566,8 sq.m. in the Municipality of Kallithea, for the price of

800 thousand euro. The property is leased to Vodafone and its fair value on 31.12.2017 was estimated at 1.040 thousand euro.

- A five-story building with a mezzanine floor and 2 underground parking lots in Vouliagmenis Avenue in Athens, for the price of 1.741 thousand euro. The ground floor and the mezzanine are used as a retail shop, while the other floors as offices. The building has a total area of 2.574,81 sq.m., is leased to the company ELTA Courier and its fair value on 31.12.2017 was estimated at 1.960 thousand euro.
- A ground floor retail shop with 2 basements and a mezzanine of a total area of 1.878,8 sq.m. in Athens, for a total price of 900 thousand euro. The building is leased to the super market chain “Market In S.A.” and its fair value on 31.12.2017 was estimated at 1.090 thousand euro.
- A corner luxury building of offices and retail stores, with a retail ground floor and offices on the 1st and 2nd floor, in Vouliagmenis Avenue in Glyfada, for the price of 3.412 thousand euro. The building has a total area of 2.729,24 sq.m., it has a modern architecture and was erected on 2005, with high standards and quality materials, over a land plot area of 1.227 sq.m. A major part of the building has been recently upgraded and is equipped with modern office systems. The property is fully leased to companies “Hempel Hellas S.A.” and “Salt Water S.A.” The fair value of the building on 31.12.2017 was estimated at 3.630 thousand euro.
- An independent building of retail shops and offices of a total area of 1.043,29 sq.m. in Volos, for a total price of 3.750 thousand euro. The building consists of a ground floor, a mezzanine floor and four additional floors and is located in the junction of 18’ Eleftheriou Venizelou Str. (former Iolkou Str.) and Ermou Str. On 31.12.2017, the real estate was leased to “B&F S.A.” and its fair value was estimated at 3.800 thousand euro.
- An apartment / office on the third floor in 26’ Rigillis Str. in the Municipality of Athens, for a total price of 750 thousand euro. The building has a total area of 217 sq.m. and on 31.12.2017, the property is used by the Group as the Company’s headquarters.
- A corner apartment in the second floor with an area of 194 sq.m. with a storage basement. The property is located in a luxurious apartment building in the Municipality of Athens, in the junction of 53 Vasilissis Sofias Ave. and 1’ Marasli Str. The total consideration was 370 thousand euro and in 31.12.2017, its fair value was estimated at 490 thousand euro.
- Two properties on the fourth and fifth floor of a total area of 223,8 sq.m. in a luxurious apartment building on 4 Pindarou Str in Kolonaki, for a total

consideration of 450 thousand euro. The fair value of the property on 31.12.2017 was estimated at 520 thousand euro.

The last available valuation is dated on 31.12.2017 and has been performed by an Independent Valuator with experience in the performance of such valuations and registered in the Independent Valuator Registry of the Ministry of Finance.

In the current valuation, the real estate properties have been evaluated using the methods and their weighted average rates presented below:

- the method of comparative data using real estate market data (10%), and
- the discounted cash flow method (DCF) (90%)
- for real estate property with a remaining building coefficient, its value has been estimated using the residual method (100%).

The basic assumptions used in the DCF method are the following:

Minimum (predetermined) annual increase of rents – weighted for all investment property	0% to 3,5%
Market rent adjustment	CPI to CPI +1,00%
Exit yield	4,00% to 10,00%
Discount rate	6,00% to 12,00%

In more detail, the fair value per real estate category, as well as the methods of valuation and their assumptions for 2017 for the Group, are as follows:

Use	Fair Value	Valuation Method	Monthly Market Rent	Discount Rate	Exit Yield
Retail shops	70.615.787	90% DCF - 10% Comparative Method	520.663	8% - 12%	7% - 10%
Offices	5.608.213	90% DCF - 10% Comparative Method	20.092	8% - 12%	7% - 10%
Apartments	1.010.000	90% DCF - 10% Comparative Method	420	6% - 6,5%	4% - 4,5%
	77.234.000				

For the 4 retail shops that are located in Nea Ionia, Corfu, Zakynthos and Volos, there is a remaining building coefficient and its value has been estimated using the residual method and its fair value is included in the figures on the above table.

On the investment property that are currently leased to Alpha Bank, there is a mortgage prenotation for 31.500 thousand euro, i.e. 100% of the initial borrowing of the Company. The investment property is classified as a level 3 investment (financial assets measured using valuation technics using non-observable prices).

If the discount rate used for the DCF method differed by +/- 0,5% from the estimates used by the Management, the value of the investment property would have been 2.500 thousand euro lower or 2.591 thousand higher, respectively.

If the exit yield of the investment property used for the DCF method differed by +/- 1% from the estimates used by Management, the value of the investment property would have been 2.536 thousand euro higher or 2.175 thousand lower, respectively.

The Group has fully insured its total investment property, in accordance with the provisions of par. 12 of article 22 of L. 4141/2013 and the decision of the Board of Directors of the Hellenic Capital Market Commission No. 7/259/19.12.2002.

7. Investments in subsidiaries

On 4.5.2017 the Company acquired the total shares of the limited company BIERCO, for 2.371.838€. BIERCO S.A. has as its sole company objective, the earning of rent revenue from real estate properties and, as at 31.12.2017 owns a real estate investment property consisting of a ground floor retail shop with a basement and a loft, a total building area of 1.661,97 sq.m., in the Municipality of Ierapetra in Crete, which is the most significant asset of the company. The following table depicts the equity of BIERCO S.A. at the date of its acquisition:

Fair value of real estate property:	2.540.000,00
Cash reserves:	106.288,46
Other assets:	34.755,28
Other liabilities:	-54.809,84
Equity:	**2.626.233,90**

The Group's operating profit includes the negative goodwill of 254.396€ that resulted from the above acquisition.

The Company's investments in subsidiaries are presented below:

Subsidiary Name	Domicile	Participation percentage	31/12/2017	31/12/2016
Bierco S.A.	Greece	100%	**2.371.838**	**0**
Total investments in subsidiaries			2.371.838	0

8. Property, plant and equipment

	Group and Company			
	Land and buildings	Vehicles	Fixture and other equipment	Total
<u>**Cost value or valuation**</u>				
As at 31/12/2015	0	20.000	7.873	27.873
Additions for the period	0	0	1327	1.327
Disposals for the period	0	-20.000	0	-20.000

As at 31/12/2016	**0**	**0**	**9.200**	**9.200**
Accumulated Depreciation				
As at 31/12/2015	0	6.500	7.873	14.373
Depreciation for the period	0	1.667	1.327	2.993
Disposals for the period	0	-8.167	0	-8.167
As at 31/12/2016	**0**	**0,10**	**9.200**	**9.200**
Net Book Value				
As at 31/12/2016	**0**	**0**	**0**	**0**

Group

	Land and buildings	Vehicles	Fixture and other equipment	Total
Cost value or valuation				
As at 31/12/2016	0	0	9.200	9.200
Additions for the period	758.367	15.036	6.736	780.139
Reclassifications from investment properties	1.700.000	0	0	1.700.000
Disposals for the period	0	0	0	0
As at 31/12/2017	**2.458.367**	**15.036**	**15.936**	**2.489.339**
Accumulated Depreciation				
As at 31/12/2016	0	0	-9.200	-9.200
Depreciation for the period	0	-1.403	-3.696	-5.100
Disposals for the period	0	0	0	0
As at 31/12/2017	**0**	**-1.403**	**-12.896**	**-14.299**
Net Book Value				
As at 31/12/2017	**2.458.367**	**13.633**	**3.040**	**2.475.040**

Company

	Land and buildings	Vehicles	Fixture and other equipment	Total
Cost value or valuation				
As at 31/12/2016	0	0	9.200	9.200
Additions for the period	758.367	15.036	6.736	780.139

Reclassifications from investment properties	1.522.206	0	0	1.522.206
Disposals for the period	0	0	0	0
As at 31/12/2017	**2.280.573**	**15.036**	**15.936**	**2.311.545**
Accumulated Depreciation				
As at 31/12/2016	0	0	-9.200	-9.200
Depreciation for the period	0	-1.403	-3.696	-5.100
Disposals for the period	0	0	0	0
As at 31/12/2017	**0**	**-1.403**	**-12.896**	**-14.299**
Net Book Value				
As at 31/12/2017	**2.280.573**	**13.633**	**3.040**	**2.297.246**

On 31.12.2017, the Group reclassified the real estate property located in 12 Vas. Georgiou B' & Rigillis street, from investment properties to property, plant and equipment, as from that date forward the property is own-used. The reclassification of the property was made in its fair value at the date of the reclassification, in accordance with the IAS.

9. Trade and other receivables

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Hellenic Public withheld tax	0	1.949	0	1.949
Rent Receivables	235.945	178.950	241.125	178.950
Guarantees	56.819	6.819	56.819	6.819
Advanced payments for real estate property purchases	24.000	0	24.000	0
Other receivables	44.889	89.030	44.889	89.030
Total	**361.653**	**276.748**	**366.833**	**276.748**
Expenses related to future periods	312	17.276	312	17.276
Total	**361.965**	**294.024**	**367.145**	**294.024**
Allowance for doubtful accounts	-129.423	-114.544	-129.423	-114.544
Total	**232.542**	**179.480**	**237.722**	**179.480**

Rent receivables are further analyzed as follows:

	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Non-doubtful accounts				
Receivables aged up to 30 days:	52.112	37.198	53.148	37.198
Receivables aged between 30 and 90 days:	23.970	14.002	28.114	14.002
Receivables aged between 90 and 180 days:	5.484	13.205	5.484	13.205
Receivables aged over 180 days:	24.956	0	24.956	0
Total non-doubtful accounts	**106.522**	**64.406**	**111.702**	**64.406**
Doubtful accounts	**129.423**	**114.544**	**129.423**	**114.544**
Less: Allowance for doubtful accounts:	-129.423	-114.544	**-129.423**	-114.544
Net receivables after allowance:	**106.522**	**64.406**	**111.702**	**64.406**

The fair value of the Group's receivables approximates their fair value on 31.12.2017, since their collection is expected to take place at a such a time interval, that the time value of money is not considered to be significant.

The Group's "other receivables" mainly include advance payments to suppliers.

Customer Aggregation: The Company tenant, Alpha Bank, represents over 10% of the Company's revenue. For the period ended on 31.12.2017 the rent revenue from Alpha Bank was € 4.052.302, i.e. 68% of the total rent revenue of the Group for the year and is ensured for the following 10 years (Note 16).

10. Available for sale financial assets

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Securities in €	0	0	0	0
Securities in USD	2.287.402	2.584.618	2.287.402	2.584.618
Total	**2.287.402**	**2.584.618**	**2.287.402**	**2.584.618**

The available for sale financial assets relate to a listed bond issued by a multinational organization.

11. Cash and cash equivalents

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cash on hand	1.046	43	676	43
Sight deposits in €	3.309.726	3.675.873	3.029.023	3.675.873
Time deposits in €	0	11.000.000	0	11.000.000
USD deposits in €	12.791.876	18.147.440	12.791.876	18.147.440
Total	**16.102.647**	**32.823.356**	**15.821.574**	**32.823.356**

One of the bank accounts has been pledged as a collateral for rent receivables, for the purpose of the activation of the cash sweep mechanism, in case of non-compliance with the contractual terms of the bond loan. For the period ended on 31.12.2017 no such case took place.

12. Share capital

The Company's share capital of € 42.000.000, is divided into 10.500.000 registered ordinary shares with a nominal value of € 4 each.

On 31.12.2017, the Company holds a total of 9.180 treasury shares with a nominal value of 36.720€ and cost 51.776€. The shares held represent 0,09% of the total share capital of the Company.

13. Borrowing

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Bond Loan	27.905.848	29.015.437	27.905.848	29.015.437
Short-term portion of the bond loan	1.109.589	1.048.163	1.109.589	1.048.163
Accrued interest for the period	73.757	77.444	73.757	77.444
Total	**29.089.194**	**30.141.044**	**29.089.194**	**30.141.044**

The maturity of the bond loan is as follows:

	31/12/2017	**31/12/2016**
Payable principal and interest for the following year	1.470.206	1.422.605
Payable principal and interest for the following 2 - 5 years	6.439.437	6.207.474
Payable principal and interest up year 2027	23.834.963	25.537.133
Total	**31.744.606**	**33.167.211**

Bond payments are made quarterly, with a floating interest rate based on 3M Euribor plus spread. The fair value of the borrowing on 31.12.2017, was 20.831.635€.

As a collateral for the repayment of the bond loan, the following pledges have been made:

1. 100% prenotation for mortgage on the investment property leased to Alpha Bank, of a total value of €31.500.000.
2. Pledge on the lease agreements of the total investment property leased to Alpha Bank, for the duration of the bond loan.
3. Guarantees from the main shareholder for the prompt service of the bond loan, and assurances that the shareholder composition will not change in a way that would reduce the main shareholder's participation below 67%.
4. Clause for complete withholding of monthly rents in case of breach of financial covenants that are not remediated within 30 calendar days.

The Company has fully complied with the terms of the bond loan agreement during the period ended on 31.12.2017.

14. Guarantees

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Long-term guarantees	532.917	174217	495.648	174217
Short-term guarantees	420	0	420	0
Total	**533.337**	**174.217**	**496.068**	**174.217**

15. Trade and other payables

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Suppliers	218.158	39.987	223.338	39.987
Insurance organizations	12.986	5.598	12.986	5.598
Stamp duties and other taxes	231.676	159.113	226.516	159.113
Real estate ownership tax (ENFIA)	62.668	54.081	62.668	54.081
Other liabilities	51.864	0	45.644	0
Customer prepayments	264.041	0	264.041	0
Accrued expenses	73.100	113.500	70.100	113.500
Total	**914.494**	**372.279**	**905.293**	**372.279**

16. Rental income

The total rent revenue of the period is generated from operating leases from the investment properties of the Group. The duration of the operating leases for the Group's investment property is at least 12 months.

Rents are adjusted annually in accordance with the lease contract terms and by the CPI increased by 0% - 1%, as well as by 3,5% (at a minimum) for the leases with Alpha Bank. The are no variable (contingent) rents as at 31st of December 2017. Rental revenue is not subject to seasonal variations.

The minimum non-cancelable future rent receivables from operating leases, including the contractual adjustments, are as follows:

Rental income in 2018:	5.100.882
Rental income 2019 - 2023:	27.382.373
Rental income 2024 - 2032:	26.480.506
Total	**58.963.761**

17. Expenses directly related to investment property

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Independent Valuator fees	28.750	40.764	28.750	40.764
Insurance expenses	52.079	48.155	49.732	48.155
Maintenance – common use expenses	52.669	16.707	52.669	16.707
Other taxes and duties	24.048	15.628	23.868	15.628
Other expenses	37.385	6.878	37.385	6.878
Real estate ownership tax (ENFIA)	323.669	259.871	317.384	259.871
Total	**518.599**	**388.004**	**509.787**	**388.004**

18. Payroll and other personnel expenses

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Payroll expense	98.292	83.195	98.292	83.195
Employer contributions	25.709	20.662	25.709	20.662
BoD remuneration	89.400	57.750	89.400	57.750
Other expenses	4.879	0	4.879	0
Total	**218.280**	**161.607**	**218.280**	**161.607**

The Company employed 3 persons on 31.12.2017.

19. Other expenses

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Third party fees	283.478	123.916	278.785	123.916
Rent expense	17.160	15.788	17.160	15.788
Taxes – duties	75.696	113.614	75.696	113.614
Miscellaneous expenses	194.798	96.280	194.255	96.280
Total	**571.132**	**349.597**	**565.897**	**349.597**

The fees of the audit firm PriceWaterhouseCoopers, domiciled in Greece, for the services they provided to the Company and its subsidiary BIERCO S.A. for the years 2017 and 2016, are the following:

	Group		Company	
Amounts in thousands of €	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Statutory audit fees	33	20	30	20
Fees for other services	20	20	20	20
Total	**53**	**40**	**50**	**40**

20. Finance income / (expense)

	Group		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Interest expense from borrowing	-379.738	-422.969	-379.738	-422.969
Interest expense from other liabilities	-1.202	-39.065	-1.202	-39.065
Other expenses	-1.785	0	-1.785	0
Interest income from deposits	39.886	80.792	39.886	80.792
Other interest income	0	5.027	0	5.027
Income from securities	52.686	91.501	52.686	91.501
Net finance expense	**-290.155**	**-284.714**	**-290.155**	**-284.714**

21. Taxes

The tax on assets is calculated based on the provisions of article 31 of L. 2778/1999, according to which, real estate investment companies are required to pay tax at a rate determined as 10% of the applicable intervention rate of the European Central Bank (Reference Rate), increased by one (1) percentage point, and is calculated on the six-month average of their investments, plus their reserves, in current prices, as presented in their semi-annual investment schedules, per par.1 of article 25 of L. 2778/1999.

In the case that the Reference Rate changes, the new tax calculation basis applies on the first day of the month following the change. The payable tax for each six-month period cannot be less than 0,375% of the average the investments, plus the reserves, in current prices, as presented in the abovementioned semi-annual investment schedules.

In case of withheld tax from dividends received, this tax is settled against the tax declared on the tax statement submitted by the REIC on July. Any credit balance is transferred for settlement in future tax statements. With the payment of this tax, the tax liability of the company and its shareholders is exhausted. For the calculation of the above tax, the real estate property held directly or indirectly by the subsidiaries of the REIC is not taken into consideration, as long as those properties are presented separately on their investment schedules.

Current tax liabilities include the short-term obligations towards the tax authorities that relate to the above tax. Management regularly evaluates its position on matters that relate to the tax authorities and, when necessary, records provisions for amounts that are expected to be paid to those authorities.

Since the tax obligation of the Company is calculated based on its investments plus its reserves and not based on its profit, no temporary tax differences emerge and therefore, there are no respective deferred tax assets or liabilities.

The tax expense for the Company and the Group for the period ended on the 31st of December 2017 includes assets tax (current tax) of € 712,9 thousand and €726,6 thousand respectively (31.12.2016: €672,3 thousand). The Group's asset tax relates to the Company and its domestic subsidiary BIERCO S.A., which is domiciled in Greece and is considered a REIC for tax purposes.

22. Dividend per share

On the 7th of April 2017, the Annual General Meeting of the Shareholders approved the distribution of net dividend of 0,28€ per share. The distributed profit resulted from a 100% of the year 2016 realized profit (profit after tax less gains from fair value adjustments and unrealized foreign exchange differences, i.e. 2.865.601,69€) and from part of the realized profit of prior years that amounted to 74.398,31€.

23. Earnings per share

The basic earnings per share (EPS) ratio is calculated by dividing the profit or loss after tax attributable to shareholders, with the weighted average number of ordinary shares in circulation during the period, excluding any treasury shares.

The basic earnings per share for the year ended on 31.12.2017 for the Company and the Group, were 0,21€ and 0,26€ respectively (31.12.2016: 0,59€ for both the Company and the Group).

24. Related party transactions

All related party transactions are made under market terms. As related parties, as defined in IAS 24, the Group has identified the following:

- AJOLICO Trading Limited, main shareholder (78,78%) of INTERCONTINENTAL INTERNATIONAL R.E.I.C. – No related party transactions apart from the initial payment of the Shareholder's Capital.
- REPUBLIC BANK of CHICAGO – USA, keeping of an interest-bearing deposit account of INTERCONTINENTAL INTERNATIONAL R.E.I.C.
- Aristotle Halikias, Chairman of the Board of Directors of INTERCONTINENTAL INTERNATIONAL R.E.I.C., 36,51% shareholder of AJOLICO Trading Limited, Chairman of the Board of Directors of REPUBLIC BANK of CHICAGO – USA.
- Patricia Halikias, Vice Chairman of the Board of Directors of INTERCONTINENTAL INTERNATIONAL R.E.I.C. and 31,75% shareholder of AJOLICO Trading Limited.
- Helene Halikias, Chairman of the Board of Directors of the subsidiary BIERCO S.A. and member of the Board of INTERCONTINENTAL INTERNATIONAL R.E.I.C., 31,74% shareholder of AJOLICO Trading Limited.
- BIERCO S.A., a subsidiary of the Group. The Company holds the total shares of BIERCO S.A.

In addition, key management personnel of the Group, as well as their close relatives and companies owned by them or in which they hold significant influence, are also considered to be related parties.

The related party transactions of the Company and the Group, as well as their open balances, are as follows:

a) Income from leases and provision of services

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Subsidiary "BIERCO S.A."	0	0	5.000	0
	0	0	5.000	0

b) Other expenses

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Loss from the sale of asset to other related parties	0	-9.333	0	-9.333
	0	**-9.333**	**0**	**-9.333**

c) Interest income from Cash and Cash Equivalents

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Republic Bank of Chicago	21.974	46.525	21.974	46.525
	21.974	**46.525**	**21.974**	**46.525**

d) BoD and key management personnel remuneration

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
BoD remuneration	-89.400	-57.750	-89.400	-57.750
Key management personnel remuneration	-153.432	-81.159	-153.432	-81.159
	-242.832	**-138.909**	**-242.832**	**-138.909**

e) Related party balances

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade and other receivables				
Subsidiary "BIERCO S.A."	0	0	5.180	0
Other related parties	2.500	2.502	2.500	2.502
	2.500	**2.502**	**7.680**	**2.502**
Cash and cash equivalents				
Republic Bank of Chicago – Deposits in USD	12.707.816	18.079.411	12.707.816	18.079.411
	12.707.816	**18.079.411**	**12.707.816**	**18.079.411**

***TRANSLATION FROM THE GREEK ORIGINAL.
IN CASE OF DESCREPANCY THE GREEK DOCUMENT PREVAILS.**

Trade and other payables				
Other related parties	0	-100	0	-100
	0	**-100**	**0**	**-100**

The Chairman of the Board Mr. Aristotle Halikias, Vice Chairman of the Board Ms. Patricia Halikias, as well as the Chairman of the Board of the subsidiary Bierco S.A. and member of the Board of the Company, Ms. Helen Halikias, are offering their services without receiving any compensation.

25. Contingent Liabilities

Tax audit

The Company undergoes its 5th financial period. For this period the Company is under tax audit from Certified Auditor Accountants under the provisions of article 65A of L. 4174/2013. This audit is currently in progress and the related report is expected to be issued after the publication of the 2017 financial statements. Management estimates that no additional tax liabilities that may have a material effect on the financial statements will arise.

Unaudited tax years

The Company, since its incorporation in 2013 and up to this day, has not been audited by the competent tax authorities. For the years up to 2016, the Company has been tax audited by PriceWaterhouseCoopers S.A. and received unqualified auditor's opinions for the Tax Compliance Reports issued by that company, is accordance with the provisions of article 82, par. 5 of L. 2238/1994, for year 2013 and article 65A of L. 4174/2013 for years 2014 to 2016. The tax audit for the year 2017 is in progress by the same audit firm and Management estimates that no material tax liabilities will arise, apart from those already presented in the financial statements of 31.12.2017.

Litigation and Claims

There are no litigation cases against the Group that may materially affect its financial position and that should be taken into consideration at this point.

26. Events after the reporting period

In February 2018, the Company sold the apartment on the second floor on the junction of Vasilissis Sofias Avenue and 1' Marasli Street. The total compensation received was 500 thousand euro and the transaction resulted in a profit of 130 thousand euro.

In March 2018, the Company signed a binding preliminary agreement for the acquisition of 100% of the shares of "Idioktitria Zekakou 18", which owns an independent office building in Maroussi, at the junction of 18 Nicolaou Zekakou street and Konstantinou Karamanli. The building has an area of 3,589 sq.m. and has been erected on a plot of 2.136 sq.m. This property is leased to a multinational company and the agreed price for the acquisition of the property amounts to 7.500 thousand euro, which will be adjusted according to the assets and liabilities of the owner at the date of the final agreement.

On April 25, 2018, the Board of Directors decided to propose for approval by the General Meeting of the Shareholders the distribution of profits in the form of a dividend totaling 3.251.536,37€ plus remuneration from the profits to the members of the Board of Directors amounting to 54.000€.

On the 30th of March 2018, Alpha Bank informed the Company that the bank securitized its bond loan receivables, including the 31.500-thousand-euro bond loan issued by the Company on 09.05.2012, towards Epihiro Plc which is domiciled in the United Kingdom. The Bond will continue to be managed and serviced by the Bank, which will remain the Bondholder's Representative under the Bond Loan Program and will therefore continue to collect the interest and other receivables from the Bond Loan.

In addition, in March 2018, the Group has purchased the following real estate property:

- 2 horizontal properties (residential use), one ground floor apartment of 192,18 sq.m. and an apartment on the first floor with an area of 199,25 sq. m. The properties are part of a building of an exquisite architecture, at the junction of 20’ Daidalos str & 12 – 12A’ Moni Asteriou str, in Plaka in Athens. The purchase price of these properties amounted to 640 thousand euro, while their fair value was estimated at 800 thousand euro.
- One apartment on the first floor of an area of 185,50 sq.m. complete with a basement storage of 17,40 sq.m. and exclusive use of underground car park, in Kastri Nea Erythraia, on 47’ Papaflessa str. The purchase price amounted to 240 thousand euro and the estimated value was set at 270 thousand euro.
- A retail shop displaying 2 levels (of a total area 218 sq.m.) and a storage space of 3 sq.m. in Kolonaki, on 7’ Spefsipou str, in Athens. The purchase price amounted to 550 thousand euro, while its fair value was estimated at 600 thousand euro.
- An independent building consisting of 5 levels, at 3’ Haritos and 6’ Spefsipou str., in Kolonaki. The building is luxuriously renovated, it has 2 entrances, a total surface of 838 sq.m. and is fully leased to 5 different tenants as offices

and shops. The purchase price amounted to 2.450 thousand euro, while the value of the property was estimated, at the date of the purchase, to 2.700 thousand euro.

Athens, April 25, 2018

The undersigned

The Chairman of the Board	**The Managing Director**	**The Finance Director**
Aristotle Halikias	**Marios Apostolinas**	**Gerasimos Robotis**
ID No. AE 783893	**ID No. AN 024492**	**ID No. AB 595414**