



**INTERCONTINENTAL INTERNATIONAL
REAL ESTATE INVESTMENT COMPANY
"INTERCONTINENTAL INTERNATIONAL R.E.I.C."
INTERIM FINANCIAL REPORT
For the six-month period ended on 30 June 2019**

September 2019

TABLE OF CONTENTS

	Page
Statement of the Board of Directors of the Company	3
Interim Management Report of the Board of Directors	4
Independent Auditor's review report	15
CONDENSED INTERIM FINANCIAL INFORMATION	
Consolidated and Separate Statement of Financial Position	18
Consolidated and Separate Statement of Comprehensive Income	19
Consolidated Statement of Changes in Equity	20
Separate Statement of Changes in Equity	21
Consolidated and Separate Statement of Cash Flows	22
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	
1. General information	23
2. Summary of significant accounting policies	23
3. Financial risk management	24
4. Operating segments	27
5. Significant accounting estimates and assumptions	27
6. Investment property	28
7. Investments in subsidiaries	31
8. Trade and other receivables	31
9. Cash and cash equivalents	32
10. Share capital	32
11. Borrowing	32
12. Guarantees	33
13. Trade and other payables	33
14. Rental income	33
15. Taxes	33
16. Earnings per share	34
17. Earnings distribution	35
18. Related party transactions	35
19. Contingent liabilities	37
20. Events after the reporting period	38

**Statement of the Board of Directors of the Company
(according to article 5, par.2 of L. 3556/2007)**

The members of the Board, Mr. Aristotle Halikias, Chairman, Ms. Patricia Halikias, Managing Director and Mr. Michail Sapountzoglou, Member, we declare that to our knowledge:

- The attached Condensed Interim Financial Information (Separate and Consolidated) for the six-month period ended on the 30th of June 2019 of **INTERCONTINENTAL R.E.I.C.** (“the Company”), which was prepared in accordance with the applicable standards, truthfully presents the assets and liabilities, the equity and the results of the period for the Company, as well as the for the companies that are included in the consolidation taken together as a whole, in accordance with the provisions of paragraphs 3 and 5 of article 5 of L. 3556/2007.
- The Interim Management Report of the Board of Directors truthfully presents the information required by paragraph 6 of article of L. 3556/2007.

Athens, 20th of September 2019

The undersigned

**The Chairman of the
Board**

The Managing Director

Member of the Board

**Aristotle Halikias
ID No. AE 783893**

**Patricia Halikias
ID No. AE 783894**

**Michail Sapountzoglou
ID No. AM 225224**

Interim Management Report of the Board of Directors for the condensed interim financial information for the six-month period that ended on the 30th of June 2019 (According to article 5 par. 6 of L. 3556/2007)

Dear Shareholders,

In accordance with the provisions of L. 3556/2007 as well as the relative decisions of the Board of Directors of the Hellenic Capital Market Commission, we present to you the Board of Directors' report of **INTERCONTINENTAL INTERNATIONAL R.E.I.C.** ("the Company" / "the Group") for the Condensed Interim Financial Information for the six-month period that ended on the 30th of June 2019.

Financial position of the Company and the Group

The Group continued to implement its investment plan during 2018, evaluating different investment opportunities and purchasing a new real estate property, while turning a profit on the sale of three properties. In total, on 30.06.2019, the Group owned 34 properties, 32 of which are classified as investment property, while two of them are privately used.

The fair value of the investment property of the Group, as estimated by a Certified Valuator, recorded a further increase in 2019, with the total fair value reaching **93.860 thousand euro** (31st of December 2018: 94.733 thousand), while for the Company the fair value was **83.568 thousand euro** (31st of December 2018: 84.445 thousand). The total balance of the investment property is lower in this period, due to the sale of three real estate properties. The Group had the privately used property evaluated and its fair value on 30.06.2019 is estimated at **2.726.000€**.

The rental income of the Group recorded an increase of **23%** compared to the prior period, while operating profits decreased by **30,5%**. The respective figures for the Company are **18,4%** and **29,3%**. The decrease in the operating profit of the Company and the Group, in relation to the prior period, is mostly due to lower gain from the fair value adjustment of the investment property.

The financial results of the Group reflect its momentum and verify the effectiveness of its investment plan. The Group maintains high rent collectability and a lack of material doubtful accounts, a fact that marks the quality of its profits as high.

In more detail:

Income:

The rental income of the Group for the first half of 2019 was **4.172 thousand euro**, compared to 3.392 thousand in the first half of 2018, while for the Company the respective figures were **3.791 thousand euro**, compared to 3.203 thousand.

The Group's gain from the fair value adjustment of its investment property was **338 thousand euro** (first half of 2018: 3.063 thousand), while that of the Company was **334 thousand euro** (first half of 2018: 2.949 thousand).

Operating expenses:

The Group's expenses that are directly related to investment property were **592 thousand euro** for the first half of 2019 (First half of 2018: 625 thousand). These expenses include mostly valuation fees, legal and notary expenses, municipal cleaning fees, insurance premiums, common use expenses and real estate ownership tax (ENFIA). The respective figures for the Company were **591 thousand euro** (first half of 2018: 592 thousand).

The other operating expenses were **645 thousand euro** for the Group and **561 thousand** for the Company (first half of 2018: 592 and 580 thousand respectively).

Operating Profit – Profit before Tax:

The **Operating Profit** for the first half of 2019 was **3.827 thousand euro** i.e. 91,7% of the rental income for the Group and **3.527 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 (first half of 2018: 5.503 thousand euro, i.e. 162,2% of the rental income for the Group and 4.989 thousand for the Company, i.e. 155,8% of the rental income).

The **Profit before Tax** of the Group was **3.648 thousand euro** i.e. 87,4% of rental income, which includes positive foreign exchange differences of **5 thousand** and net finance expense of **184 thousand** (first half of 2018: 5.262 thousand euro, i.e. 155% of the rental income, which includes negative foreign exchange differences of 76 thousand and net finance expense of 165 thousand).

The **Profit before Tax** for the Company was **3.402 thousand euro**, i.e. 89,7% of the rental income, including positive foreign exchange differences of **5 thousand** and net finance expense of **130 thousand** (first half of 2018: 4.748 thousand, i.e. 148% of the rental income, including negative foreign exchange differences of 76 thousand and net finance expense of 165 thousand).

Tax – Profit after Tax:

The tax expense for the Group for the first half of 2019 was **388 thousand euro**, which resulted in a Profit after Tax of **3.260 thousand euro** (first half of 2018: 354 thousand, resulting in a Profit after Tax of 4.908 thousand euro). Respectively, the tax expense for the Company for the first half of 2019 was **345 thousand euro**, resulting in a Profit after tax of **3.057 thousand** (first half of 2018: 333 thousand, resulting in a Profit after Tax of 4.415 thousand euro).

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	$\frac{\text{Operating Profit}}{\text{Rental Income}} \times 100$
Net Asset Value per Share (N.A.V.)	$\frac{\text{Equity}}{\text{Total Number of Shares}}$
Funds From Operations – FFO	Profit after Tax excluding the effect of fair value adjustments, foreign exchange differences, gains from the acquisition of subsidiaries, depreciation and amortization, allowance for bad debt and the net finance expense.
Adjusted EBITDA	Profit before Tax excluding the effect of depreciation and amortization, net financial results, fair value adjustments, allowance for doubtful accounts and foreign exchange differences.
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Assets	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$
Loan to Value	$\frac{\text{Total Borrowing}}{\text{Investment Property}}$

	Group		Company	
Performance Ratios	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Net Operating Margin	0,92	1,62	0,93	1,56
Adjusted EBITDA	3.550.478	2.515.818	3.240.230	2.110.276
FFO	3.162.010	2.122.410	2.894.850	1.753.334
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net Asset Value per Share	6,92	6,97	6,76	6,84
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Liquidity Ratios				
Current Ratio	1,88	2,18	1,52	1,85
Gearing Ratios				
Debt to Assets	28,78%	28,71%	29,11%	28,98%
Loan to Value (LTV)	29,18%	29,53%	32,78%	33,13%

Significant events during the first half of 2019

During the first half of 2019, the Group purchased a commercial real estate of 1.693 sq.m. in Nea Evkarpia. The property is fully leased to the electronics retail franchise “Plaisio Computers S.A.” with a remaining lease duration of twelve years. The total consideration was 1.186.000 euro, while its fair value on 30.06.2019 was 1.327.000 euro.

In addition, the Group has sold the following investment properties:

- A residential real estate property of 98,60 sq.m. on Fokianou 44 Str. in Athens, for 245.000 euro. The apartment had been acquired on May of 2018 for 145.000 euro, while its fair value at the time of the sale was 240.000 euro.
- Two residential real estate properties located on the ground (with an area of 191,18 sq.m.) and first floor (with an area of 199,25 sq.m.), on the junction of Monis Asteriou and Daidalou Str. (Plaka), for 849.000 euro. The properties had been acquired on March 2018 for 640.000 euro, while their fair value at the time of the sale was 850.000 euro.
- Of a building with a total area of 2.574,81 sq.m., on the junction of Vouliagmenis 115 – 117 Ave. and Ilia Iliou, in Athens. The sale price was 2.400.000 euro. The property had been acquired on June 2017 for 1.741.000 euro, while its fair value at the time of the sale was 1.850.000 euro.

Prospects for 2019

The prospects of the group for the following year are influenced by the course of the real estate market. A quality portfolio of investment properties has already been developed, with high occupancy rates, long term lease contracts and reliable tenants. It is noteworthy that the group maintains low operating costs. Considering that the real estate market will follow a controlled but steady recovery, it is expected to continue its profitable course within the 2019.

The Group's forecasts for gradual de-escalation of returns on commercial properties are being confirmed. The REIC industry seems to continue to play a leading role in the domestic real estate market. At the same time, various investment vehicles increase the demand for Greek property, mainly in Athens, Thessaloniki and tourist destinations of high interest.

The Group constantly analyses macroeconomic developments and operates on the basis of its investment strategy. It constantly assesses investment opportunities for further development of its portfolio. The Group remains focused on the creation of medium to long-term value and is driven by high annual dividend returns to shareholders.

Events after the reporting period

On the 1st of July 2019, the Executive member of the Board, Managing Director and Chairman of the Investment Committee of the Company, Mr. Marios Apostolinas, submitted his resignation. In his place, and for the remainder of his term, Ms. Patricia Halikias has assumed the role of Managing Director and Chairman of the Investment Committee, in accordance with article 17, paragraph 2 of the Company's statute.

On the 26th of July 2019, the Company pursuant of the decision of the Annual General Assembly of the Shareholders on 03.05.2019 and the decision of the Board of Directors on 05.07.2019, entered into an agreement for a secured bond loan under the provisions of L. 4548/2018 of a nominal amount of up to 1.100.000 euro with bond lender the bank "Investment Bank of Greece S.A."

Treasury shares

The Company on 30.06.2019 owns a total of 26.714 treasury shares of total nominal value of 106.856€ and cost of 152.967€. The treasury shares correspond to 0,25% of the Company's total share capital, which is less than the maximum permissible 10% as provided for in article 16 of codified law 4548/2018.

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.

No significant losses are expected, since lease agreements are made with clients – tenants that have adequate credibility, and the Group's cash and cash equivalents are invested in systemic banking institutions.

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 11,59% 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 in U.S. Dollars. On 30.06.2019 and 31.12.2018 the bank deposits of the Company amounted at \$ 975.053 (\$ 856.812) and \$ 974.402 (€ 851.006) respectively.

ii) Price Risk

The group is exposed to price risks other than financial instruments, such as the price risk of investment property, including the risk of leasing property.

The group does not hold equity securities or commodities, except for a non-significant number of treasury shares, and is therefore not exposed to substantial price risks from them.

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, 58% 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.

iii) 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.

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 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 30.06.2019.

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.
- Zekakou 18 Owner S.M.P.C., a subsidiary of the Group. The Company owns the entire holding of Zekakou 18 Owner S.M.P.C.

Furthermore, also considered related parties are the members of the Group's management, close relatives to those persons and companies held by them or in which the latter have a substantial influence on their management and economic policy. All transactions with related parties are made in essence in terms identical to those applicable to similar transactions with unrelated parties, including interest rates and collateral and do not involve Risk higher than normal.

The transactions of the Company and the Group with related parties for the first half of 2019, as well as their open balances on 30.06.2019 are as follows:

a) Income from leases and provision of services

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Subsidiary "BIERCO S.A."	-	-	8.000	6.000
Subsidiary "Zekakou 18 Owner S.M.P.C."	-	-	3.000	3.000
Other related parties	3.000	-	3.000	-
	<u>3.000</u>	<u>-</u>	<u>14.000</u>	<u>9.000</u>

b) Dividend income

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Dividends from subsidiary "BIERCO S.A."	-	-	53.114	-
	-	-	53.114	-

c) Interest income from Cash and Cash Equivalents

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Republic Bank of Chicago	575	6.049	575	6.049
	575	6.049	575	6.049

d) BoD and key management personnel remuneration

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
BoD remuneration	118.000	54.000	54.000	54.000
Key management personnel remuneration	170.662	130.394	170.622	130.394
	288.662	184.394	224.662	184.394

e) Related party balances

	Group		Company	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Trade and other receivables				
Subsidiary "BIERCO S.A."	-	-	-	3.108
Subsidiary "Zekakou 18 Owner S.M.P.C."	-	-	-	3.108
Other related parties	1.611	2.500	1.611	2.500
	1.611	2.500	1.611	8.716
Cash and cash equivalents				
Republic Bank of Chicago – Deposits in USD	768.222	748.779	768.222	748.779
	768.222	748.779	768.222	748.779
Trade and other payables				
Other related parties	8.152	-	5.656	-
	8.152	-	5.656	-

Earnings distribution

On the first half of 2019, the Company has distributed earnings in the form of dividend of a total amount of 3.774.585 euro, plus remuneration to the members of the Board of 54.000 euro.

**For the Board of Directors
Athens, 20th of September 2019**

The undersigned

The Chairman of the Board

The Managing Director

**Aristotle Halikias
ID No. AE 783893**

**Patricia Halikias
ID No. 783894**

[Translation from the original document in Greek]

Independent Auditor's review report

To the Board of Directors of **"INTERCONTINENTAL INTERNATIONAL REAL ESTATE INVESTMENT COMPANY"**

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed statement of financial position of "INTERCONTINENTAL INTERNATIONAL REAL ESTATE INVESTMENT COMPANY" of 30 June 2019 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the condensed interim financial information and which form an integral part of the interim financial report of L. 3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as incorporated in the Greek Law, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy in the statement of the Board of Directors or the information on the interim financial report, as defined by article 5 and 5a of L.3556/2007, in relation to the accompanying condensed interim consolidated and separate financial information.



PriceWaterhouseCoopers S.A.
Kifissias Ave. 268, Chalandri
SOEL Reg. No. 113

Athens, 20th of September 2019

Certified Public Accountant

Fotis Smirnis
SOEL Registry No. 52861



CONDENSED INTERIM FINANCIAL INFORMATION

For the period from the 1st of January 2019 to the 30th of June 2019

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		Group		Company	
ASSETS	Note	30/06/2019	31/12/2018	30/6/2019	31/12/2018
Non-current Assets					
Investment property	6	93.859.755	94.733.000	83.568.400	84.444.948
Property, plant and equipment		2.074.421	2.512.874	1.756.243	2.180.862
Intangible assets		47.975	50.500	47.975	50.500
Other receivables		1.033.688	726.120	1.033.688	726.120
Investment in subsidiaries	7	-	-	9.865.396	9.865.396
		<u>97.015.838</u>	<u>98.022.494</u>	<u>96.271.702</u>	<u>97.267.827</u>
Current Assets					
Trade and other receivables	8	175.362	203.706	175.362	203.706
Current tax receivables		112.454	119.113	-	-
Cash and cash equivalents	9	4.651.645	4.327.481	3.702.107	3.598.503
		<u>4.939.461</u>	<u>4.650.300</u>	<u>3.877.469</u>	<u>3.802.209</u>
TOTAL ASSETS		<u>101.955.300</u>	<u>102.672.794</u>	<u>100.149.171</u>	<u>101.070.036</u>
EQUITY AND LIABILITIES					
EQUITY					
Share Capital	10	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		888.960	875.598	844.714	844.714
Treasury shares		-152.967	-82.258	-152.967	-82.258
Retained earnings		25.887.895	26.416.233	24.313.517	25.031.346
Total Equity		<u>72.613.888</u>	<u>73.199.573</u>	<u>70.995.264</u>	<u>71.783.802</u>
LIABILITIES					
Non-current liabilities					
Retirement benefit obligations		13.857	13.857	13.857	13.857
Borrowing	11	26.115.073	26.729.323	26.115.073	26.729.323
Guarantees	12	582.523	603.304	465.753	487.502
		<u>26.711.453</u>	<u>27.346.484</u>	<u>26.594.683</u>	<u>27.230.682</u>
Current Assets					
Trade and other payables	13	968.158	483.857	933.865	454.983
Borrowing	11	1.277.708	1.246.142	1.277.708	1.246.142
Guarantees	12	4.631	15.459	4.631	15.459
Current tax liabilities		379.462	381.278	343.021	338.967
		<u>2.629.959</u>	<u>2.126.737</u>	<u>2.559.224</u>	<u>2.055.552</u>
Total Liabilities		<u>29.341.412</u>	<u>29.473.221</u>	<u>29.153.907</u>	<u>29.286.234</u>
TOTAL EQUITY AND LIABILITIES		<u>101.955.300</u>	<u>102.672.794</u>	<u>100.149.171</u>	<u>101.070.036</u>

The notes on pages 23 to 38 form an integral part of this condensed interim financial information

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		1/1/2019 - 30/06/2019	1/1/2018 - 30/6/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/6/2018
Rental Income	14	4.172.398	3.392.061	3.791.316	3.202.513
Net result from fair value adjustments of investment property	6	337.721	3.063.184	334.418	2.949.287
Expenses directly related to investment property		-591.750	-624.944	-591.096	-592.325
Gross profit		3.918.369	5.830.301	3.534.638	5.559.475
Payroll and other personnel expenses		-311.979	-139.966	-247.979	-139.966
Other income / expense		-333.399	-452.365	-313.386	-440.329
Gain from sale of investment property		554.000	10.000	554.000	10.000
Gain from acquisition of subsidiary		-	255.414	-	-
Operating profit		3.826.992	5.503.385	3.527.274	4.989.181
Foreign exchange differences		5.231	-75.916	5.231	-75.916
Finance income		2.384	19.221	55.413	19.206
Finance expense		-186.528	-184.331	-185.781	-184.331
Profit before tax		3.648.079	5.262.359	3.402.137	4.748.140
Tax expense	15	-388.469	-354.153	-345.380	-332.922
Profit after tax		3.259.610	4.908.206	3.056.757	4.415.218
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Profit/Loss from measuring financial assets at fair value through other comprehensive income		-	-16.258	-	-16.258
Total comprehensive income for the year		3.259.610	4.891.948	3.056.757	4.398.960
Earnings per Share (expressed in € per share)					
Basic and diluted	16	0,31	0,47	0,29	0,42

The notes on pages 23 to 38 form an integral part of this condensed interim financial information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Statutory reserve	Financial assets available for sale reserve	Retained earnings	Treasury shares	Total
Balance on the 1st of January 2018		42.000.000	3.990.000	844.714	-11.185	20.652.829	-51.776	67.424.582
Profit after Tax for the year		-	-	-	-	4.891.949	-	4.891.949
Other comprehensive income		-	-	-	11.185	-	-	11.185
Total comprehensive income for the year		-	-	-	11.185	4.891.949	-	4.903.134
Transactions with shareholders								
Purchase of treasury shares		-	-	-	-	-	-12.254	-12.254
Dividend payment for year 2017		-	-	-	-	-3.251.536	-	-3.251.536
Balance on the 30th of June 2018		42.000.000	3.990.000	844.714	-	22.293.240	-64.030	69.063.925
Balance on the 1st of January 2019		42.000.000	3.990.000	875.598	-	26.416.232	-82.258	73.199.573
Profit after Tax for the year		-	-	-	-	3.259.610	-	3.259.610
Total comprehensive income for the year		-	-	-	-	3.259.610	-	3.259.610
Formation of statutory reserve		-	-	13.362	-	-13.362	-	-
Transactions with shareholders								
Purchase of treasury shares		-	-	-	-	-	-70.709	-70.709
Dividend payment for year 2018	17	-	-	-	-	-3.774.585	-	-3.774.585
Balance on the 30th of June 2019		42.000.000	3.990.000	888.960	-	25.887.895	-152.967	72.613.888

The notes on pages 23 to 38 form an integral part of this condensed interim financial information

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Statutory reserve	Financial assets available for sale reserve	Retained earnings	Treasury shares	Total
Balance on the 1st of January 2018		42.000.000	3.990.000	844.714	-11.185	20.095.902	-51.776	66.867.655
Profit after Tax for the year		-	-	-	-	4.398.960	-	4.398.960
Other comprehensive income		-	-	-	11.185	-	-	11.185
Total comprehensive income for the year		-	-	-	11.185	4.398.960	-	4.410.145
Transactions with shareholders								
Purchase of treasury shares		-	-	-	-	-	-12.254	-12.254
Dividend payment for year 2017		-	-	-	-	-3.251.536	-	-3.251.536
Balance on the 30th of June 2018		42.000.000	3.990.000	844.714	-	21.243.326	-64.030	68.014.010
Balance on the 1st of January 2019		42.000.000	3.990.000	844.714	-	25.031.347	-82.258	71.783.802
Profit after Tax for the year		-	-	-	-	3.056.757	-	3.056.757
Total comprehensive income for the year		-	-	-	-	3.056.757	-	3.056.757
Transactions with shareholders								
Purchase of treasury shares		-	-	-	-	-	-70.709	-70.709
Dividend payment for year 2018	17	-	-	-	-	-3.774.585	-	-3.774.585
Balance on the 30th of June 2019		42.000.000	3.990.000	844.714	-	24.313.517	-152.967	70.995.264

The notes on pages 23 to 38 form an integral part of this condensed interim financial information

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		Group		Company	
Note		<u>01/01/2019</u> <u>30/06/2019</u>	<u>01/01/2018</u> <u>30/06/2018</u>	<u>01/01/2019</u> <u>30/06/2019</u>	<u>01/01/2018</u> <u>30/06/2018</u>
Cash flows from operating activities					
Profit before tax		3.648.079	5.262.359	3.402.137	4.748.140
Plus (less) Adjustments for:					
Finance income		-2.384	-19.221	-55.413	-19.206
Interest expense		186.528	184.331	185.781	184.331
Foreign exchange differences		-5.231	75.916	-5.231	75.916
Gain from the acquisition of subsidiary		-	-255.414	-	-
Gain from the sale of real estate		-554.000	-	-554.000	-
(Increase)/decrease in the fair value of investment property	6	-337.721	-3.063.184	-334.418	-2.949.287
Allowance for doubtful accounts		-4.897	-	-4.897	-
Depreciation and amortization		66.104	51.598	52.270	46.362
		<u>2.996.478</u>	<u>2.236.384</u>	<u>2.686.230</u>	<u>2.086.256</u>
Changes in working capital					
Decrease/ (increase) of receivables		-268.672	-215.513	-269.685	-64.882
(Decrease)/ increase of payables (except for borrowing)		444.764	219.329	439.122	17.446
Cash flows from operating activities		3.172.570	2.240.200	2.855.667	2.038.820
Tax paid		-376.531	-135.707	-333.216	-156.892
Interest paid		-182.974	-185.663	-182.974	-185.663
Net cash flows from operating activities (a)		2.613.065	1.918.830	2.339.477	1.696.265
Cash flows from investing activities					
Purchase of investment property	6	-1.331.000	-6.885.700	-1.331.000	-6.885.700
Sale of investment property		3.494.000	500.000	3.494.000	500.000
Capital expenditure for investment property		-24.160	-177.116	-24.160	-177.116
Prepayments for the purchase of investment property		-	-50.000	-	-50.000
(Purchase)/ Sale of Property, Plant and Equipment		-	-138.126	-	-138.126
Investment in subsidiaries	7	-	-7.327.429	-	-7.493.558
(Purchase)/ Sale of financial assets measured at fair value through other comprehensive income		-	2.271.144	-	2.271.144
Dividends received		-	-	53.114	-
Interest received		2.384	19.221	2.298	19.206
Net cash flows from investing activities (b)		2.141.224	-11.788.006	2.194.253	-11.954.151
Cash flows from financing activities					
Dividends paid	17	-3.774.585	-3.251.536	-3.774.585	-3.251.536
(Purchase) / Sale of treasury shares		-70.709	-12.254	-70.709	-12.254
Bond loan payments	11	-579.600	-547.858	-579.600	-547.858
Net cash flows from financing activities (c)		-4.424.894	-3.811.648	-4.424.894	-3.811.648
Net increase/ (decrease) in cash and cash equivalents for the period (a)+(b)+(c)		<u>329.395</u>	<u>-13.680.823</u>	<u>108.835</u>	<u>-14.069.535</u>
Cash and cash equivalents at the beginning of the period		4.327.481	16.102.647	3.598.503	15.821.574
Effect of foreign exchange differences on cash and cash equivalents		-5.231	-75.916	-5.231	-75.916
Cash and cash equivalents at the end of the period		4.651.645	2.345.907	3.702.107	1.676.123

The notes on pages 23 to 38 form an integral part of this condensed interim financial information

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. General Information

The current Condensed Interim Consolidated and Separate Financial Information includes the separate financial statements of “**INTERCONTINENTAL INTERNATIONAL REAL ESTATE INVESTMENT COMPANY**” (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month period ended on the 30th of June 2019. Information regarding the subsidiaries 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 Condensed Interim Financial Information has been approved by the Board of Directors on the 20th of September 2019.

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 in the Consolidated and Separate Financial Statements for the year ended on 31.12.2018. These policies have been consistently applied in all periods presented, unless stated otherwise.

2.1 Basis of preparation of the Condensed Interim Financial Information

The current Condensed Interim Consolidated and Separate Financial Information has been prepared in accordance with the International Accounting Standard (IAS) 34 “Interim Financial Reporting” and read together with the published annual consolidated and separate financial statements for the year ended on the 31st of December 2018, that are available on the Company’s website www.ici-reic.com.

The accounting principles and methods that have been applied at the preparation of the Condensed Interim Consolidated and Separate Financial Information are consistent with those applied on the published annual consolidated and separate financial statements for the year ended on the 31st of December 2018, with the exception of the new and amended standards presented below (note 2.2.).

2.2 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 1.1.2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 16 "Leases"

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

IAS 19 (Amendments) "Amendments regarding plan amendments, curtailments or settlements"

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.

Standards and Interpretations effective in subsequent periods

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

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

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.

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 in U.S. Dollars. On 30.06.2019 and 31.12.2018 the bank deposits of the Company amounted at \$ 975.053 (\$ 856.812) and \$ 974.402 (€ 851.006) respectively.

ii) Price Risk

The group is exposed to price risks other than financial instruments, such as the price risk of investment property, including the risk of leasing property.

The group does not hold equity securities or commodities, except for a non-significant number of treasury shares, and is therefore not exposed to substantial price risks from them.

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, 58% 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.

iii) 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.

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.

No significant losses are expected, since lease agreements are made with clients – tenants that have adequate credibility, and the Group's cash and cash equivalents are invested in systemic banking institutions.

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 11,59% and is included in the FDIC list of preferred contractors. As a result, the Group does not expect any losses on its deposits.

c) Liquidity

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.

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.

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 Group does not hold financial assets measured in fair value. However, the Group owns investment property that is measured at fair value (Note 6). On 30.06.2019, the book value of the Company's floating rate bond loan was approaching its fair value.

In addition, at the same date the accounting value of trade and other receivables, cash and cash equivalents, 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

In conclusion, the investment property of the Group constitutes a single operating segment. The total comprehensive income of the Group derives from investment property leases in Greece.

In the first half of 2019, the lease income of the Group in Greece was 4.172 thousand euro (first half of 2018: 3.392 thousand euro). The non-current assets of the Group in Greece, on 30.06.2019, was 97.016 thousand euro (31.12.2018: 98.022 thousand euro).

The Company has the necessary readiness for detailed monitoring of its future Operating Segments, as soon as the diversity and variety of its future acquisitions demands 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:

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” (refer to Note 6). According to the legislation applicable to REICs, the estimations for the investments in real estate must be supported by independent valuations performed by Independent Valuers, registered in the Independent Valuers 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.

6. Investment property

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Opening Balance	94.733.000	77.234.000	84.444.948	74.701.794
Acquisition of new property and additions	1.331.000	6.905.368	1.331.000	6.905.368
Additions from the acquisition of subsidiary	-	7.720.000	-	-
Capital expenditure related to investment property	24.160	171.790	24.160	171.790
Net gains from fair value adjustments of the investment property	337.721	3.711.842	334.418	3.507.945
Sale of investment property	-2.940.000	-1.010.000	-2.940.000	-1.010.000
Reclassifications from Property, Plant and Equipment	373.873	-	373.873	168.052
Reclassifications to Property, Plant and Equipment	-	-	-	-
Closing Balance	93.859.755	94.733.000	83.568.400	84.444.948

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 Valuers is required, **b)** valuation from Independent Valuers 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 first half of 2019, the Group purchased a commercial real estate of 1.693 sq.m. in Nea Evkarpia. The property is fully leased to the electronics retail franchise "Plaisio Computers S.A." with a remaining lease duration of twelve years. The total consideration was 1.186.000 euro, while its fair value on 30.06.2019 was 1.327.000 euro.

In addition, the Group has sold the following investment properties:

- A residential real estate property of 98,60 sq.m. on Fokianou 44 Str. in Athens, for 245.000 euro. The apartment had been acquired on May of 2018 for 145.000 euro, while its fair value at the time of the sale was 240.000 euro.
- Two residential real estate properties located on the ground (with an area of 191,18 sq.m.) and first floor (with an area of 199,25 sq.m.), on the junction of Monis Asteriou and Daidalou Str. (Plaka), for 849.000 euro. The properties had been acquired on March 2018 for 640.000 euro, while their fair value at the time of the sale was 850.000 euro.
- Of a building with a total area of 2.574,81 sq.m., on the junction of Vouliagmenis 115 – 117 Ave. and Ilia Iliou, in Athens. The sale price was 2.400.000 euro. The property had been acquired on June 2017 for 1.741.000 euro, while its fair value at the time of the sale was 1.850.000 euro.

The last available valuation is dated on 30.06.2019 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. Based on the above valuation the Group recorded a profit of 338 thousand euro in the consolidated statement of comprehensive income, while the respective figure for the Company was 334 thousand euro.

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	4,7% to 9%
Discount rate	6,51% to 10,95%

In more detail, the fair value per real estate category, as well as the methods of valuation and their assumptions for the first half of 2019 for the Group, are as follows:

Use	Fair Value	Valuation Method	Monthly Market Rent	Discount Rate	Exit Yield
Retail Shops	67.000.020	90% DCF - 10% Comparative Method	529.383	8,46% - 10,95%	6,7% - 9%
Retail Shops		90% DCF - 10% Comparative Method plus Residual Method	78.072	8,94% - 9,7%	7,75% - 8,25%
	17.851.000				
Offices	7.917.735	90% DCF - 10% Comparative Method	97.786	6,51% - 10,29%	4,7% - 8,75%
Apartments	1.091.000	90% DCF - 10% Comparative Method	-	-	5% - 5,25%
	93.859.755				

For the Company, the table is as follows:

Use	Fair Value	Valuation Method	Monthly Market Rent	Discount Rate	Exit Yield
Retail Shops	56.338.020	90% DCF - 10% Comparative Method	464.036	8,46% - 10,95%	6,7% - 9%
Retail Shops		90% DCF - 10% Comparative Method plus Residual Method	78.072	8,94% - 9,7%	7,75% - 8,25%
	17.851.000				
Offices	8.288.380	90% DCF - 10% Comparative Method	97.786	6,51% - 10,29%	4,7% - 8,75%
Apartments	1.091.000	90% DCF - 10% Comparative Method	-	-	5% - 5,25%
	83.568.400				

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).

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. Investment in subsidiaries

The Company's investments in subsidiaries are presented below:

Subsidiary Name	Domicile	Participation percentage	30/06/2019	31/12/2018
Bierco S.A.	Greece	100%	2.371.838	2.371.838
Zekakou 18 Owner S.M.P.C.	Greece	100%	7.493.558	7.493.558
Total Investments in subsidiaries			9.865.396	9.865.396

8. Trade and other receivables

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Rent receivables	222.322	190.902	222.322	190.902
Guarantees	8.642	8.772	8.642	8.772
Other receivables	6.899	71.430	6.899	71.430
Total	237.864	271.104	237.864	271.104
Allowance for doubtful accounts	-62.502	-67.398	-62.502	-67.398
Total	175.362	203.706	175.362	203.706

Rent receivables are further analyzed as follows:

	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Non-doubtful accounts				
Receivables up to 30 days:	133.413	62.926	133.413	62.926
Receivables between 30 and 60 days:	8.225	29.724	8.225	29.724
Receivables between 60 and 90 days:	8.921	35.248	8.921	35.248
Receivables between 90 and 120 days:	7.095	6.331	7.095	6.331
Receivables between 120 and 150 days:	4.100	1.837	4.100	1.837
Receivables between 150 and 180 days:	3.943	1.555	3.943	1.555
Receivables over 180 days:	13.247	9.903	13.247	9.903
Total Non-doubtful accounts	178.943	147.523	178.943	147.523

The fair value of the Group's receivables approximates their fair value on 30.06.2019, 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.

9. Cash and cash equivalents

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Cash on hand	1.848	1.663	1.412	1227
Sight deposits in €	3.792.985	3.474.812	2.843.883	2.746.271
USD deposits in Euro	856.813	851.006	856.813	851.006
Total	4.651.645	4.327.481	3.702.107	3.598.503

As referenced in Note 11, in order to secure the debt from the bond loan to Alpha Bank, the total lease income for the property leased to Alpha Bank has been pledged as collateral for the duration of the loan. The lease payments are deposited to a specific bank account, with the intention of activating the cash sweep mechanism in case of breach in the bond loan contractual terms.

Specifically, in case of breach of the minimum debt service coverage ratio (DSCR) > 120% without it being rectified within 30 calendar days with equity from the issuer, the abovementioned cash sweep mechanism will activate, by withholding the lease payments from the abovementioned property until the required amount for the restoration of the breach has been aggregated.

For the period 01.01.2019 – 30.06.2019 no such case took place.

10. 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 30.06.2019, the Company holds a total of 26.714 treasury shares with a nominal value of 106.856€ and cost of 152.967€. The shares held represent 0,25% of the total share capital of the Company.

11. Borrowing

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Bond Loan	26.115.073	26.729.323	26.115.073	26.729.323
Short-term portion of the bond loan	1.211.175	1.176.525	1.211.175	1.176.525
Accrued interest for the period	66.533	69.617	66.533	69.617
Total	27.392.781	27.975.465	27.392.781	27.975.465

Bond payments are made quarterly, with a floating interest rate based on 3M Euribor plus spread. The fair value of the borrowing on 30.06.2019, was 18.585.210€. The bond loan of the Company and the Group matures in 2027.

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.

12. Guarantees

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Long-term guarantees				
Rent guarantees	582.523	603.304	465.753	487.502
Short-term guarantees				
Rent guarantees	4.631	15.459	4.631	15.459
Total	587.153	618.763	470.383	502.962

13. Trade and other payables

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Suppliers	46.490	111.101	36.911	108.607
Insurance organizations	-	18.903	-	18.903
Stamp duties and other taxes	375.278	287.217	354.559	270.833
Real estate ownership tax (ENFIA)	475.146	-	475.146	-
Other liabilities	24.384	7.436	21.888	4.940
Customer prepayments	-	7.600	-	7.600
Accrued expenses	46.861	51.600	45.361	44.100
Total	968.158	483.857	933.865	454.983

14. 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 years.

Rents are adjusted annually in accordance with the lease contract terms and by the CPI increased by 0% - 3%, as well as by 3,5% (at a minimum) for the leases with Alpha Bank. There are no variable (contingent) rents as at the 30th of June 2019. Rental revenue is not subject to seasonal variations.

15. Taxes

According to article 31 of L. 2778/1999, 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 2018 includes assets tax (current tax) of € 671,9 thousand and € 736,4 thousand respectively (31.12.2017: € 712,9 thousand and € 726,6 thousand euro respectively). The Group's asset tax relates to the Company and its domestic subsidiaries BIERCO S.A. and Zekakou 18 Owner S.M.P.C., which are domiciled in Greece and are considered REICs for tax purposes.

16. 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. For the current as well as the prior year, the basic earnings per share were equal to the diluted and their calculation is as follows:

	Group		Company	
	1.1.2019 - 30.06.2019	1.1.2018 - 30.06.2018	1.1.2019 - 30.06.2019	1.1.2018 - 30.06.2018
Profit/(loss) attributed to the shareholders of the parent	3.259.610	4.908.206	3.056.757	4.415.218
Weighted average of the number of shares	10.479.123	10.487.890	10.479.123	10.487.890
Basic earnings/(losses) per share (Euro per share)	0,31	0,47	0,29	0,42

17. Earnings distribution

On the first half of 2019, the Company has distributed earnings in the form of dividend of a total amount of 3.774.585 euro, plus remuneration to the members of the Board of 54.000 euro.

18. 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.
- Zekakou 18 Owner S.M.P.C., a subsidiary of the Group. The Company owns the entire holding of Zekakou 18 Owner S.M.P.C.

Furthermore, also considered related parties are the members of the Group's management, close relatives to those persons and companies held by them or in which the latter have a substantial influence on their management and economic policy. All transactions with related parties are made in essence in terms identical to those applicable to similar transactions with unrelated parties, including interest rates and collateral and do not involve Risk higher than normal.

The transactions of the Company and the Group with related parties for the first half of 2019, as well as their open balances on 30.06.2019 are as follows:

a) Income from leases and provision of services

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Subsidiary "BIERCO S.A."	-	-	8.000	6.000
Subsidiary "Zekakou 18 Owner S.M.P.C."	-	-	3.000	3.000
Other related parties	3.000	-	3.000	-
	<u>3.000</u>	<u>-</u>	<u>14.000</u>	<u>9.000</u>

b) Dividend income

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Dividends from subsidiary "BIERCO S.A."	-	-	53.114	-
	<u>-</u>	<u>-</u>	<u>53.114</u>	<u>-</u>

c) Interest income from Cash and Cash Equivalents

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
Republic Bank of Chicago	575	6.049	575	6.049
	<u>575</u>	<u>6.049</u>	<u>575</u>	<u>6.049</u>

d) BoD and key management personnel remuneration

	Group		Company	
	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018	1/1/2019 - 30/06/2019	1/1/2018 - 30/06/2018
BoD remuneration	118.000	54.000	54.000	54.000
Key management personnel remuneration	170.662	130.394	170.622	130.394
	<u>288.662</u>	<u>184.394</u>	<u>224.662</u>	<u>184.394</u>

e) Related party balances

	Group		Company	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
Trade and other receivables				
Subsidiary "BIERCO S.A."	-	-	-	3.108
Subsidiary "Zekakou 18 Owner S.M.P.C."	-	-	-	3.108
Other related parties	1.611	2.500	1.611	2.500
	1.611	2.500	1.611	8.716
Cash and cash equivalents				
Republic Bank of Chicago – Deposits in USD	768.222	748.779	768.222	748.779
	768.222	748.779	768.222	748.779
Trade and other payables				
Other related parties	8.152	-	5.656	-
	8.152	-	5.656	-

19. Contingent Liabilities

Tax compliance report

The Company undergoes its 7th 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 2019 financial statements.

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 2017, 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, in 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 2017. The tax audit for the year 2018 is in progress by the same audit firm and Management estimates that no material tax liabilities will arise, apart from those already presented in this Condensed Interim Financial Information.

Regarding the subsidiaries "BIERCO S.A." and "Zekakou 18 Owner S.M.P.C." are not audited for the purposes of a tax compliance report and, so far, have not been tax audited by the tax authorities. Management estimates that no material tax liabilities will arise, apart from those already presented in this Condensed Interim Financial Information.

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.

20. Events after the reporting period

On the 1st of July 2019, the Executive member of the Board, Managing Director and Chairman of the Investment Committee of the Company, Mr. Marios Apostolinas, submitted his resignation. In his place, and for the remainder of his term, Ms. Patricia Halikias has assumed the role of Managing Director and Chairman of the Investment Committee, in accordance with article 17, paragraph 2 of the Company's statute.

On the 26th of July 2019, the Company pursuant of the decision of the Annual General Assembly of the Shareholders on 03.05.2019 and the decision of the Board of Directors on 05.07.2019, entered into an agreement for a secured bond loan under the provisions of L. 4548/2018 of a nominal amount of up to 1.100.000 euro with bond lender the bank "Investment Bank of Greece S.A."

Athens, 20th of September 2019

The Chairman of the Board	The undersigned The Managing Director	The Finance Director
Aristotle Halikias ID No. AE 783893	Patricia Halikias ID No. AE 783894	Gerasimos Robotis ID No. AN 139944