

# **BIERCO S.A.**

- **Annual Board of Directors' management report**
- **Financial Statements for the year ended on the 31<sup>st</sup> of December 2019 in accordance with the International Financial Reporting Standards (IFRS)**

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## Management report of the Board of Directors for the year ended on the 31<sup>st</sup> of December 2019

Dear Shareholders,

We present to you the Company information regarding its activities for the year ended on the 31<sup>st</sup> of December 2019.

### ECONOMIC POSITION OF THE COMPANY

The company's financial position for 2019 remained stable as there were no significant developments. The company continues the long-term lease of its property in Ierapetra to the company Greek Hypermarkets Sklavenitis S.A., which generated a revenue of **223 thousand euro** for the year 2019. In addition, on 31.12.2019 the property was valued by certified valuers at **2.77 million euro** (2,8 million on 31.12.2018) and as a result the company recorded a loss from its revaluation at a fair value of **30 thousand euro**.

### NET RESULTS FOR THE YEAR

The results for the year ended on 31.12.2019 are as follows:

	<b>1.1.2019 - 31.12.2019</b>	<b>1.1.2018 - 31.12.2018</b>
Rental Income	223.332	222.000
Net result from fair value adjustments of investment property	-30.000	90.000
Expenses directly related to investment property	-11.619	-14.711
Other income	164	437
<b>Gross profit</b>	<b>181.877</b>	<b>297.726</b>
Operating expense	-79.825	-21.446
<b>Operating profit</b>	<b>102.052</b>	<b>276.280</b>
Finance income	-	3.175
Finance expense	-4.466	-
<b>Profit before tax</b>	<b>97.586</b>	<b>279.455</b>
Tax expense	-13.730	-23.775
<b>Profit after tax</b>	<b>83.855</b>	<b>255.700</b>

## **Basic Ratios**

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

Net Operating Margin	$\frac{\text{Operating Profit}}{\text{Rental Income}} \times 100$
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Assets	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$

	31/12/2019	31/12/2018
<b>Performance Ratios</b>		
Net Operating Margin	0,46	1,24
<b>Liquidity Ratios</b>		
Current Ratio	22,98	21,16
<b>Gearing Ratios</b>		
Debt to Assets	3,25%	1,68%

## **Going Concern**

In December 2019, the World Health Organization (WHO) was informed about the identification of certain pneumonia cases of unknown cause in Wuhan, Hubei, China. On January 2020, the Chinese authorities have identified the cause to be a new corona virus (COVID-19) and on March 2020 the WHO declared COVID-19 to be a pandemic and urged all countries to intensify their efforts in dealing with it. Since January 2020 the corona virus had begun to spread on a world-wide scale and on March 2020 the first confirmed cases were identified in Greece.

The European countries, attempting to decrease the spread of the virus are taking a series of emergency measures to limit transportation of the local population as well as the arrival of visitors. The Greek Government promptly decides the application of temporary, emergency measures (e.g. limit civilian movement and the closing of schools and retail shops). The emergency measures may escalate depending on the course of the pandemic on the Greek dominion.

Without a doubt, the economic effect of this phenomenon will slow down the upward development of the Global as well as the Greek Economy. Any quantitative forecast would not be possible, since the phenomenon is still in development and neither its peak, nor its duration can be reliably estimated.

It should also be noted, that both the Parent company, "Intercontinental International R.E.I.C." and the Company, constantly evaluate the macroeconomic developments as well as the that of the current market, in order to re-evaluate and re-define their investment plan as well as the overall business strategy of the Company.

Management's decision to apply the going concern principle is based on a series of reason that are analyzed further below.

There is a strong capital adequacy, with cash reserves in the Company's bank accounts amounting to 490,9 thousand euro, an amount that more than covers the Company's total short-term liabilities of 21,4 thousand euro, as well as any expenses for a period that exceeds 12 months, even under the extreme scenarios of a significant decline or elimination of the rental revenue.

## **THE EFFECTS OF THE CORONA VIRUS ON THE REAL ESTATE MARKET**

Changes in property values can have a significant impact on the income statement and other comprehensive income and the statement of financial position due to changes in fair value, in the event of adverse scenarios. Recent developments regarding the COVID-19 pandemic and the uncertainty of the financial implications could potentially shape new real estate market data. As the phenomenon is in progress, the full reflection of its effects on the fair value of the Company's property is under evaluation and will be included in subsequent financial statements.

The last available valuation of the Company's property made with a reference date of June 30, 2020 by a Certified Appraiser, included in the Register of Certified Appraisers of the Ministry of Finance, with experience in making such appraisals for the purpose of preparing the condensed interim financial information of the Parent, resulted in a loss of 20 thousand euros compared to the corresponding valuation with a reference date of December 31, 2019 reflected in these financial statements.

## **FINANCIAL RISK FACTORS**

### **Foreign exchange risk**

The Company operates in Greece and does not have foreign currency. As such, it is not exposed to exchange rate risks from various currencies. As a standard tactic, the Company does not buy foreign currencies and does not enter into foreign exchange contracts with external counterparties.

### **Credit risk**

The Company, apart from its cash equivalents which are deposited in a domestic bank, does not have any other assets that are subject to credit risk on 31.12.2019, as all the Company's trade receivables had been collected. The company does not expect any losses related to its cash equivalents.

Regarding the credit risk in relation to the rents of the Company, the Company leases its property to a large group and estimates that the credit risk for the collection of these rents is not significant.

### **Price risk**

The Company does not hold any financial assets at fair value through profit or loss or through other comprehensive income, so it is not exposed to price risks from them. The Company leases its property and is therefore subject to a risk of change in the price of rents. The Company's Management however, looking at the situation in the real estate market, estimates that the risk in the immediate future is not significant.

### **Liquidity risk**

The Company has sufficient reserves to cover its short-term liabilities. In addition, the Company estimates that the rents it receives from the future lease of the property will be sufficient to cover future operating expenses and its short-term liabilities.

## **ENVIRONMENTAL MATTERS**

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

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

## **EMPLOYMENT MATTERS**

The Company, both in year 2019 and 2018, did not employ any personnel. If recruitment is deemed necessary in the future, the personnel will be chosen on the basis of equal opportunities. Future candidates will be evaluated solely on the basis of their skills and experience, regardless of gender, age or other characteristics.

## **BRANCHES**

The Company does not have any branches as at 31.12.2019.

## **TREASURY SHARES**

The Company did not hold any treasury shares on 31.12.2019.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no events after the reporting period that could have a significant effect on the financial statements, except for the following:

The Parent and the Company closely monitor the developments regarding the SARS COVID 19 pandemic. According to IAS 10, the effects from the outbreak of the virus do not constitute an adjusting event that may affect the financial statements of the Company for the year ended on the 31<sup>st</sup> of December 2019.

The Board of Directors decided to propose for approval by the Annual General Meeting of the shareholders, the distribution of earnings, in the form of dividend, of a total amount of € 180.000.

## **PROSPECTS**

Despite the spread of the COVID 19 pandemic that started at the end of 2019 but intensified mainly in 2020, the Company's prospects are not expected to be significantly affected and it is estimated that its profitability will continue at satisfactory levels. The impact of the epidemic applies on two levels. On the one hand in the rental income that the Company receives for the lease of its property, on the other hand in its fair value.

Regarding the rents, the Company leases its sole property to the company Hellenic Hypermarkets Sklavenitis SA. which is considered to be a quality tenant whose activities are estimated not to have been affected by the pandemic and therefore no doubts are expressed regarding the amount and collection of rents from it.

Regarding the fair value of the Company's property, it should be noted that most of it (90%) is estimated by the income method (i.e. discounted cash flows), while the rest by the comparative method. Therefore, and taking into account the immaterial expected change in future rents as mentioned above, no significant effect on the estimated value of the property is expected due to the COVID 19 pandemic.

In conclusion, the Company estimates that its participation in the group of "Intercontinental International" as well as the lease agreement with the company Hellenic Hypermarkets Sklavenitis SA. lays the foundation for solid growth and expects a steady profitability in the coming years.

**Athens, 2<sup>nd</sup> of September 2020**

**The undersigned**

**The Chairman of the Board**

**The Managing Director**

**Helen Halikias**  
**ID No. AE 783895**

**Patricia Halikias**  
**ID No. AE 783894**



**[Translation from the original text in Greek]**

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of "BIERCO S.A."

**Report on the audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of BIERCO S.A. (hereafter "Company") which comprise the statement of financial position as of 31 December 2019, the statements of comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2019, its financial 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 L. 4548/2018.

**Basis for opinion**

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

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

**Independence**

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, 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, and the requirements of the IESBA Code.

**Other Information**

The members of the Board of Directors are responsible for the Other Information. The Other Information is 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 section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by article 150 of L. 4548/2018 to which article 98 of L. 4072/2012 redirects.

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of L. 4548/2018 to which article 98 of L. 4072/2012 redirects.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

### **Report on other legal and regulatory requirements**

With respect to the Board of Directors Report, the procedures we performed are described in the “Other Information” section of our report.



PricewaterhouseCoopers  
Auditing Company S.A.  
268 Kifissias Avenue  
Halandri 153 32  
Athens, Greece  
SOEL Reg No 113

Athens, 3<sup>rd</sup> of September 2020

The Certified Auditor Accountant

Fotis Smirnis  
SOEL Reg No. 52861

## STATEMENT OF FINANCIAL POSITION

	Note	31.12.2019	31.12.2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Investment property	5	2.770.000	2.800.000
Rights-of-use on assets		62.226	-
		<b>2.832.226</b>	<b>2.800.000</b>
<b>Current Assets</b>			
Cash and cash equivalents	6	490.902	439.040
		<b>490.902</b>	<b>439.040</b>
<b>TOTAL ASSETS</b>		<b>3.323.128</b>	<b>3.239.040</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	7	1.900.000	1.900.000
Statutory reserves		18.701	12.785
Retained earnings		1.296.505	1.271.680
<b>Total Equity</b>		<b>3.215.206</b>	<b>3.184.465</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		52.098	-
Guarantees	9	34.466	33.825
		<b>86.564</b>	<b>33.825</b>
<b>Current Liabilities</b>			
Trade and other payables	8	7.739	8.640
Lease liabilities		12.000	-
Current tax liabilities		1.620	12.110
		<b>21.359</b>	<b>20.750</b>
<b>Total Liabilities</b>		<b>107.923</b>	<b>54.575</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3.323.128</b>	<b>3.239.040</b>

The notes on pages 15 to 31 form an integral part of these financial statements

## STATEMENT OF COMPREHENSIVE INCOME

	Note	1.1.2019 - 31.12.2019	1.1.2018 - 31.12.2018
Rental Income	10	223.332	222.000
Net result from fair value adjustments of investment property	5	-30.000	90.000
Expenses directly related to investment property	11	-11.619	-14.711
Other income		164	437
<b>Gross profit</b>		<b>181.877</b>	<b>297.726</b>
Payroll and other personnel expenses	12	-64.000	-
Other expense	13	-15.825	-21.446
<b>Operating profit</b>		<b>102.052</b>	<b>276.280</b>
Finance income		-	3.175
Finance expense		-4.466	-
<b>Profit before tax</b>		<b>97.586</b>	<b>279.455</b>
Tax expense	14	-13.730	-23.755
<b>Profit after tax</b>		<b>83.855</b>	<b>255.700</b>
<b>Total comprehensive income for the year</b>		<b>83.855</b>	<b>255.700</b>

The notes on pages 15 to 31 form an integral part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Statutory Reserves	Total
<b>Balance on January 1st, 2018</b>	1.900.000	1.028.765	-	2.928.765
Profit after tax for the year	-	255.700	-	255.700
<b>Total comprehensive income for the year</b>	1.900.000	1.284.465	-	3.184.465
Formation of statutory reserve	-	-12.785	12.785	-
<b>Balance on December 31st, 2018</b>	<b>1.900.000</b>	<b>1.271.680</b>	<b>12.785</b>	<b>3.184.465</b>
	Share Capital	Retained Earnings	Statutory Reserves	Total
<b>Balance on January 1st, 2019</b>	1.900.000	1.271.680	12.785	3.184.465
Profit after tax for the year	-	83.855	-	83.855
<b>Total comprehensive income for the year</b>	<b>1.900.000</b>	<b>1.355.535</b>	<b>12.785</b>	<b>3.268.320</b>
Formation of statutory reserve	-	-5.916	5.916	-
<b>Transactions with shareholders</b>				
Payment of dividend for year 2018	-	-53.114	-	-53.114
<b>Balance on December 31st, 2019</b>	<b>1.900.000</b>	<b>1.296.505</b>	<b>18.701</b>	<b>3.215.206</b>

The notes on pages 15 to 31 form an integral part of these financial statements

## STATEMENT OF CASH FLOWS

<u>Cash flows from operating activities</u>	<u>Note</u>	<b>1.1.2019 - 31.12.2019</b>	<b>1.1.2018 - 31.12.2018</b>
Profit before tax		97.586	279.455
<b>Plus (less) Adjustments for:</b>			
Interest income		-	-3.175
(Increase)/decrease in the fair value of investment property	<b>5</b>	30.000	-90.000
Depreciation and amortization	<b>13</b>	9.825	-
Interest expense		4.466	-
<b>Changes in working capital</b>			
Decrease/ (increase) of receivables		-	-
(Decrease)/ increase of payables		-260	-6.009
<b>Cash flows from operating activities</b>		<b>141.617</b>	<b>180.271</b>
Tax paid		-24.220	-22.304
Interest paid		-4.466	-
<b>Net cash flows from operating activities (a)</b>		<b>112.930</b>	<b>157.967</b>
<u>Cash flows from investing activities</u>			
<b>Net cash flows from investing activities (b)</b>		-	-
<u>Cash flows from financing activities</u>			
Dividend payment		-53.114	-
Repayment of lease liabilities		-7.953	-
<b>Net cash flows from financing activities (c)</b>		<b>-61.067</b>	-
<b>Net increase/ (decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>		<b>51.863</b>	<b>157.967</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>439.040</b>	<b>281.073</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>490.902</b>	<b>439.040</b>

The notes on pages 15 to 31 form an integral part of these financial statements

## **Notes to the financial statements**

### **1. General Information**

BIERCO S.A. (henceforth “the Company”), was established as a limited company in 2016 and is registered in the General Commercial Registry with the number 138830501000. The Company is domiciled in Greece, Vas. Georgiou B’ 12, 10674, Athens. On 31.12.2019, the main business activity of the Company is the development, utilization and management of real estate.

The company “Intercontinental International R.E.I.C.” (Parent of the Company), domiciled in Athens, owns a 100% of the Company’s shares since 04.05.2017, and as such, the financial statements of the Company are included in the consolidated financial statements of the Parent.

The financial statements dated 31<sup>st</sup> of December 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

These financial statements have been approved by the Board of Directors of the Company on the 2<sup>nd</sup> of September 2020 and are subject to the approval by the Annual General Assembly of the Shareholders.

### **2. Summary of Significant Accounting Policies**

#### **2.1 Basis of preparation of the Financial Statements**

These financial statements have been prepared by the Management in accordance with the International Financial Reporting Standards (IFRS), and the IFRIC interpretations, as adopted by the European Union with a first-time adoption date on the 1st of January 2017. The financial statements present the Company’s financial position, performance and cash flows under the going concern assumption, after taking into account various macroeconomic and microeconomic factors and their impact on the Company’s business activities. Based on the above, the Management has concluded that a) the going concern assumption is appropriate and b) the total assets and liabilities are appropriately presented in accordance with the accounting policies of the Company.

#### **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 Company’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**

### **FRS 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 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.

The effect of the standard on the Company on the 1<sup>st</sup> of January 2019, is analyzed below in note 2.6.

The Company applies the IFRS 16 from its effective date on the 1<sup>st</sup> of January 2019.

## **Standards and Interpretations effective for subsequent periods**

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

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

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

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

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

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

## **2.3 Going concern**

In December 2019, the World Health Organization (WHO) was informed about the identification of certain pneumonia cases of unknown cause in Wuhan, Hubei, China. On January 2020, the Chinese authorities have identified the cause to be a new corona virus (COVID-19) and on March 2020 the WHO declared COVID-19 to be a pandemic and urged all countries to intensify their efforts in dealing with it. Since January 2020 the corona virus had begun to spread on a world-wide scale and on March 2020 the first confirmed cases were identified in Greece.

The European countries, attempting to decrease the spread of the virus are taking a series of emergency measures to limit transportation of the local population as well as the arrival of visitors. The Greek Government promptly decides the application of temporary, emergency measures (e.g. limit civilian movement and the closing of schools and retail shops). The emergency measures may escalate depending on the course of the pandemic on the Greek dominion.

Without a doubt, the economic effect of this phenomenon will slow down the upward development of the Global as well as the Greek Economy. Any quantitative forecast would not be possible, since the phenomenon is still in development and neither its peak, nor its duration can be reliably estimated.

It should also be noted, that both the Parent company, “Intercontinental International R.E.I.C.” and the Company, constantly evaluate the macroeconomic developments as well as the that of the current market, in order to re-evaluate and re-define their investment plan as well as the overall business strategy of the Company.

Management’s decision to apply the going concern principle is based on a series of reason that are analyzed further below.

There is a strong capital adequacy, with cash reserves in the Company’s bank accounts amounting to 490,9 thousand euro, an amount that more than covers the Company’s total short-term liabilities of 21,4 thousand euro, as well as any expenses for a period that exceeds 12 months, even under the extreme scenarios of a significant decline or elimination of the rental revenue.

Regarding the rents, the Company leases its sole property to the company Hellenic Hypermarkets Sklavenitis SA. which is considered to be a quality tenant whose activities are estimated not to have been affected by the pandemic and therefore no doubts are expressed regarding the amount and collection of rents from it.

## **THE EFFECTS OF THE CORONA VIRUS ON THE REAL ESTATE MARKET**

Changes in property values can have a significant impact on the income statement and other comprehensive income and the statement of financial position due to changes in fair value, in the event of adverse scenarios. Recent developments regarding the COVID-19 pandemic and the uncertainty of the financial implications could potentially shape new real estate

market data. As the phenomenon is in progress, the full reflection of its effects on the fair value of the Company's property is under evaluation and will be included in subsequent financial statements.

Regarding the fair value of the Company's property, it should be noted that most of it (90%) is estimated by the income method (i.e. discounted cash flows), while the rest by the comparative method. Therefore, and taking into account the immaterial expected change in future rents as mentioned above, no significant effect on the estimated value of the property is expected due to the COVID 19 pandemic.

The last available valuation of the Company's property made with a reference date of June 30, 2020 by a Certified Appraiser, included in the Register of Certified Appraisers of the Ministry of Finance, with experience in making such appraisals for the purpose of preparing the condensed interim financial information, resulted in a loss of 20 thousand euros compared to the corresponding valuation with a reference date of December 31, 2019 reflected in these financial statements.

In conclusion, the Company estimates that its participation in the group of "Intercontinental International" as well as the lease agreement with the company Hellenic Hypermarkets Sklavenitis SA. lays the foundation for solid growth and expects a steady profitability in the coming years.

## **2.4 Foreign currencies**

### ***(a) Functional currency and Presentation currency***

Items in the financial statements of the Company are denominated in the currency of its primary economic environment (functional currency). The financial statements are presented in Euro, which is both the functional and the presentation currency of the Company.

### ***(b) Transactions and balances***

Transactions in foreign currencies are converted in the Company's functional currency according to the foreign exchange rate that are applicable at the transaction dates. The foreign exchange differences (gains or losses) that occur from the settlement of the foreign exchange transactions, as well as the from the conversion of the cash balances in foreign currency to the functional currency using the exchange rates applicable at the financial statements date, are recorded in the statement of comprehensive income.

## **2.5 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.

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 valuers, 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, indicating a sale without re-utilization, the property is classified as non-current asset held for sale as long as it meets the criteria of IFRS 5. The cost of the property for the purpose of its subsequent accounting treatment is its fair value at the date of the reclassification.

## 2.6 Leases

### Cases where the Company is the lessor

**(i) Operating lease** – The Company rents 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 5). 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** – So far, the Company has not entered into any finance lease as a lessee.

### Cases where the Company is the lessee

**(i) Operating lease** – Up until financial year 2018, the Company's lease of its headquarters, of a property owned by the Parent, was classified as an operating lease. Lease payments made were recorded through profit and loss using the straight-line method for the duration of the lease.

Since the 1<sup>st</sup> of January 2019, the lease is recognized as an asset together with the respective liability towards the Parent at the date on which the leased asset is ready for use by the Company (Initial recognition on 01/01/2019: €72.051). Any change in the lease is allocated between the liability and finance cost. Finance cost burdens the financial results for the year for the duration of the lease period, so that a fixed periodic interest rate applies on the liability balance for each period.

Lease liabilities are initially recognized at present value. Lease liabilities include the present value of the following:

- Fixed rent payments (including in-substance fixed payments), reduced by any lease incentives.
- Variable rent payments that depend on an index or rate, which are initially measured using the index or rate at the starting date of the lease period.
- Amounts that are expected to be paid by the Company based on guaranteed residual values.
- The exercise price of a purchase right if it is almost certain that the Company will exercise that right.
- The penalty for terminating the lease, if the duration of the lease provides for a termination right for the Company.

The initial recognition of the lease liability also includes payments that relate to expansion rights that are almost certain to be exercised. Lease payments are discounted using the rate implicit in the lease.

If that rate cannot be determined directly, the incremental borrowing rate of the lessee is used, i.e. the rate with which the lessee would borrow the necessary funds to purchase an asset of a similar value with the right-of-use asset, for a similar period, with similar collaterals and in a similar economic environment.

The cost of the right-of-use asset consists of:

- (a) the amount of the initial measurement of the lease liability.
- (b) any lease payments made at or before the commencement date, less any lease incentives received
- (c) any initial direct costs incurred by the lessee and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right-of-use assets are amortized using the straight-line method and a duration that is the shortest between the asset's useful life and the duration of the lease. Payments that relate to short-term leases of equipment and vehicles and all low value leases are recognized using the straight-line method through profit and loss. Short-term leases are those with a duration of 12 months or less.

**(ii) Finance lease** – The Company has not yet entered into finance leases as a lessee.

## **2.7 Financial Assets**

### **Classification and measurement**

According to IFRS 9, financial instruments are subsequently measured at fair value through profit and loss, at amortized cost or at fair value through other comprehensive income.

The classification depends on two criteria:

- the business model within which the financial asset is held, i.e. whether it is held with the intention to collect its contractual cash flows or with the intention to collect its contractual cash flows and sell or with the intention to sell the financial asset.
- whether the contractual cash flows of the financial asset consist exclusively of principal repayments and interest on the outstanding principal ("SPPI").

The Company uses the following classifications for the measurement for its financial assets:

Financial assets measured at amortized cost.

Financial assets that are held within the business model with the intention to collect the contractual cash flows that meet the SPPI. This classification includes all the financial assets of the Company.

The financial assets classified in this category include the following assets:

- Cash and cash equivalents
- Trade receivables

Trade receivables are the receivable amounts from clients from the provision of service to them during the usual activity of the company. If receivables are collected during the normal operating cycle of the company, which does not exceed one year, they are recorded as current assets. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment. On 31.12.2019, the Company did not have any trade receivables.

#### Financial assets measured at fair value through other comprehensive income

Relates to financial assets that are held with the intention to collect contractual cash flows as well as for their sale and which create, at specific dates, cash flows that consist entirely of principal repayments and interest on the remaining principal.

Changes in their current value are recognized in other comprehensive income, except for impairment losses, interest income and gains/losses from foreign exchange differences, which are recognized in profit and loss. When the financial asset is derecognized, the accumulated gain/loss that has been recognized in other comprehensive income is reclassified in profit and loss under "Other income/expense". Interest income is calculated using the effective interest method and recognized in finance income. Foreign exchange gains/losses are recognized in under "Foreign exchange differences" and the impairment losses are recognized in a separate financial statement line in the statement of comprehensive income. On 31.12.2019, the Company did not hold any financial assets under this classification.

#### Fair value through profit and loss

Financial assets that do not meet the classification criteria of "Financial assets at amortized cost" and "Financial assets measured at fair value through other comprehensive income" are measured at fair value through profit and loss. The profit/loss is recognized in profit and loss under "Other income/expense" in the period it has occurred. On 31.12.2019, the Company did not hold any financial assets under this classification.

#### **Impairment**

For investments in securities that are measured at amortized cost or at fair value through other comprehensive income, the Company determines impairment loss due to expected credit loss. The relative methodology depends on whether there is significant increase of credit risk.

Expected credit loss is recognized based on the following:

- expected credit loss within 12 months are recognized at initial recognition, reflecting part of the lost cash flows during the asset's lifetime that may occur due to default within 12 months from the financial statement date, weighted by their possibility of default.
- lifetime expected credit loss are recognized in the case of significant increase of credit risk that is identified subsequently to the asset's initial recognition and reflects loss of cash flows from any possible eventuality of default during the lifetime of the asset, weighted by their possibility of default.

### **Trade and other receivables**

The Company applies the simplified approach of IFRS 9 for the calculation of the expected credit loss. The allowance for the loss, is always measured at an amount equal to the lifetime expected credit loss of the receivable. To determine the expected credit loss from its trade and other receivables, the Company uses a table of expected credit loss based on the aging of the receivable balances. Expected credit losses are based on historical data taking into account future factors in relation to the debtors and the economic environment.

No expected credit losses are estimated for the year 2019, due to the Company having collected all its trade and other receivables on 31.12.2019.

### **2.8 Offsetting of financial assets**

Financial assets and liabilities may be offset against each other and the net amount be presented on the statement of financial position, when there is a legal exercisable right to do so and there is the will to settle the amounts on a clear basis or the recovery of the asset and the settlement of the liability take place simultaneously. The legal right to settle must not be dependent on future events and must be exercised within the usual activities of the Company, as well as in cases of default, insolvency or bankruptcy of the Company or the counterparty.

### **2.9 Impairment of non-financial assets**

Assets that have an indefinite useful economic life are not being depreciated or amortized, but instead are subject to impairment test annually and any some events may indicate that their accounting value may not be recoverable. Financial assets that are depreciated or amortized are subject to impairment test whenever there is indication that their accounting value may not be recoverable. The recoverable value is the greater between the net realizable value of the asset (reduced by the cost of the sale) and its value-in-use. For impairment purposes, the assets are grouped by the lowest possible level for which cash flows may be separately determined. The impairment losses are recorded as expenses in the statement of comprehensive income in the year that they occur.

### **2.10 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 up to three months or less and of low risk.



### **2.11 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.

### **2.12 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.

### **2.13 Guarantees**

The Company receives advance payments from tenants as a guarantee under operating leases. These guarantees are financial liabilities under IFRS 9 and are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Guarantees are recognized in short-term liabilities unless the Company has the right to postpone the settlement of the liability for 12 months after the balance sheet date, in which case they are recognized in the long-term liabilities.

### **2.14 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 subsidiary, 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.

### **2.15 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 Company 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. Both in the current year and in the prior year, the Company did not earn any contingent revenue.

### **2.16 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.

### **3. Financial risk management**

#### **Financial risk factors**

The Company 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.

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.

#### **Foreign exchange risk**

The Company operates in Greece and does not have foreign currency. As such, it is not exposed to exchange rate risks from various currencies. As a standard tactic, the Company does not buy foreign currencies and does not enter into foreign exchange contracts with external counterparties.

#### **Credit risk**

The Company, apart from its cash equivalents which are deposited in a domestic bank, does not have any other assets that are subject to credit risk on 31.12.2019, as all the Company's trade receivables had been collected. The company does not expect any losses related to its cash equivalents.

Regarding the credit risk in relation to the rents of the Company, the Company leases its property to a large group and estimates that the credit risk for the collection of these rents is not significant.

#### **Price risk**

The Company does not hold any financial assets at fair value through profit or loss or through other comprehensive income, so it is not exposed to price risks from them. The Company leases its property and is therefore subject to a risk of change in the price of rents. The Company's Management however, looking at the situation in the real estate market, estimates that the risk in the immediate future is not significant.

#### **Liquidity risk**

The Company has sufficient reserves to cover its short-term liabilities. In addition, the Company estimates that the rents it receives from the future lease of the property will be sufficient to cover future operating expenses and its short-term liabilities.

The tables below present an analysis of the maturities of the financial assets and liabilities:

## 2019

	Up to 1 year	1 to 2 years	2 to 5 years	Longer than 5 years
<b>Financial Assets</b>				
Cash and cash equivalents	490.902	-	-	-
<b>Total</b>	<b>490.902</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>				
Guarantees	-	-	-	37.222
Lease liabilities	12.000	12.000	36.000	6.000
Trade and other payables	7.739	-	-	-
<b>Total</b>	<b>19.739</b>	<b>12.000</b>	<b>36.000</b>	<b>43.222</b>

## 2018

	Up to 1 year	1 to 2 years	2 to 5 years	Longer than 5 years
<b>Financial Assets</b>				
Cash and cash equivalents	439.040	-	-	-
<b>Total</b>	<b>439.040</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>				
Guarantees	-	-	-	37.000
Trade and other payables	8.640	-	-	-
<b>Total</b>	<b>8.640</b>	<b>-</b>	<b>-</b>	<b>37.000</b>

## 4. Significant Management accounting estimates and assumptions

The Management's estimates and assumptions are constantly re-evaluated and are based on historical information and on expectations for future events that are considered reasonable under the circumstances.

The Company makes estimates and assumptions in relation to future events. The estimates and assumptions that have a higher risk to cause material adjustments in the accounting values of the assets and liabilities for the following 12 months relate to the following:

### ***Estimation of investment property fair value***

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 Company

determines the fair value using a broad range of accounting estimates for the fair value. In order to reach such decision, the Company 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.

Disclosures regarding the estimation of the fair value of the real estate investment property is thoroughly presented in Note 5.

## 5. Investment Property

	31.12.2019	31.12.2018
<b>Opening Balance</b>	<b>2.800.000</b>	<b>2.710.000</b>
Net gain from fair value adjustment of investment property	-30.000	90.000
<b>Closing Balance</b>	<b>2.770.000</b>	<b>2.800.000</b>

The Company leases its real estate in Ierapetra to the company Greek Hypermarkets Sklavenitis S.A. The Company revaluated its real estate property to its fair value on 31.12.2019, according to IAS 40. The valuation was performed by certified valuers and resulted in a net gain from the revaluation to fair value of € 30.000.

The valuation of the investment property is performed by certified valuers using the discounted cash flow method (DCF), which is based on estimations of future cash flows according to the terms of the active lease agreements and other contracts, as well as (where possible), on external data such as, current rent levels of similar real estate in the same location and condition, using discount rates that are connected to the industry of each tenant as well as the current evaluation of the market regarding the uncertainty of the magnitude and timing of those cash flows. In addition, in combination with the DCF, the comparative method is used based on comparative indications of the market, which have been adjusted appropriately in order to reflect the condition and the circumstances regarding the particular real estate.

The yield of the real estate property with which the annual income was capitalized was 8% for 2019, while the discount rate used on the future cash flows was 9,63%.

The fair value estimation of the real estate property is classified as level 3.

## 6. Cash and cash equivalents

	<b>31.12.2019</b>	<b>31.12.2018</b>
Cash on hand	400	420
Sight deposits in €	490.502	438.620
<b>Total</b>	<b>490.902</b>	<b>439.040</b>

## 7. Share capital

The share capital of the Company on 31.12.2019 and 31.12.2018 was 1.900.000€, fully paid in cash and divided in 19.000 registered shares with a nominal value of 100€ each.

## 8. Trade and other payables

	<b>31.12.2019</b>	<b>31.12.2018</b>
Taxes and duties	4.419	4.392
Other liabilities	3.320	1.248
Accrued expenses	-	3.000
<b>Total</b>	<b>7.739</b>	<b>8.640</b>

## 9. Guarantees

By 31.12.2019, the Company had received the total amount of **€37.222** as a long-term guarantee for its leased real estate (31.12.2018: €37.000). The fair value of this long-term liability on 31.12.2019 was **€34.466** (31.12.2018: €33.825).

## 10. Rental income

The total rental income of the year is generated from the operating lease of the real estate investment property of the Company. The rent of the real estate property of the Company is annually adjusted by the CPI. The Company did not earn any variable rents during the year.

The minimum non-cancellable future rental income from the lease of the Company's investment property, including the contractual rent adjustments are as follows:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Rental income within the following year:	224.449	223.332
Rental income within 2 to 5 years:	934.286	931.945
Rental income after 5 years and up to 2026:	263.561	511.016
	<b>1.422.296</b>	<b>1.666.293</b>

## 11. Expenses directly related to investment property

	31.12.2019	31.12.2018
Insurance expenses	1.702	2.002
Other taxes and duties	432	432
Real estate ownership tax (ENFIA)	9.485	12.277
<b>Total</b>	<b>11.619</b>	<b>14.711</b>

## 12. Payroll and other personnel expenses

The amount of €64.000 in the payroll and other personnel expenses financial line item relates to remuneration towards members of the Board of Directors that were paid from the earnings of year 2018.

## 13. Other expenses

	31.12.2019	31.12.2018
Third party fees	3.950	6.850
Rent expense	-	12.000
Depreciation and amortization	9.825	-
Taxes – duties	1.000	1.000
Miscellaneous expenses	1.050	1.596
<b>Total</b>	<b>15.825</b>	<b>21.446</b>

## 14. Taxes

As a Real Estate Investment Company subsidiary after its acquisition, the Company is taxed in accordance with article 31 of L. 2778/1999. According to the article, 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. In case of change in the Reference Rate, the new tax calculation basis is effective on the first date of the following month.

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.

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.

## 15. Contingent Liabilities

### Tax Compliance Report and unaudited tax years

Since the year ended on the 31<sup>st</sup> of December of 2011, according to L. 4174/2013 (article 65A), as applicable (and as defined by article 82 of L. 2238/1994), Greek limited companies whose financial statements have statutory audit requirements, were required to receive a “Tax Compliance Certificate” for the years ending before the 1<sup>st</sup> of January 2016. The certificate is issued after the completion of the tax audit by the statutory auditor or audit firm that audits the annual financial statements of the Company.

For the years starting after the 1<sup>st</sup> of January 2016, the “Tax Compliance Certificate” is optional and the Company has opted out for the years ended up to 31.12.2018. The Company has not been audited by the tax authorities for the years ended on 31.12.2016, 31.12.2017, 31.12.2018 and 31.12.2019. For the unaudited tax years, there is the possibility of added imposed taxes and surcharges, for the year that they are identified and finalized. The Management estimates that any additional taxes that might be imposed will not have a material impact on the financial statements of the Company.

### Litigation and Claims

There is no outstanding litigation or claims against the Company that may materially affect the financial position and which should be taken into account presently.

## 16. Related Party balances and transactions

The following table presents the balances and transactions of the Company with related parties:

<b>Receivables from related parties</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Right-of-use on assets	62.226	-
<b>Liabilities towards related parties</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Payables to the Parent	66.170	-
Payables to other related parties	1.248	1.248
<b>Related party transactions</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Service purchases from the Parent	13.872	12.000
BoD and key management personnel remuneration	66.400	-
Dividends paid to the Parent	53.114	-

## 17. Events after the reporting period

There are no events after the reporting period that could have a significant effect on the financial statements, except for the following:

The Parent and the Company closely monitor the developments regarding the SARS COVID 19 pandemic (see also the reference in the BoD report and note 2.3.). According to IAS 10,

the effects from the outbreak of the virus do not constitute an adjusting event that may affect the financial statements of the Company for the year ended on the 31<sup>st</sup> of December 2019.

The Board of Directors decided to propose for approval by the Annual General Meeting of the shareholders, the distribution of earnings, in the form of dividend, of a total amount of € 180.000.

**Athens, 02<sup>nd</sup> of September 2020**

**The undersigned**

**The Chairman of the Board**

**The Managing Director**

**The Finance Director**

**Helen Halikias**  
**ID No. AE 783895**

**Patricia Halikias**  
**ID No. AE 783894**

**Gerasimos Robotis**  
**ID No. AN 139944**