TRASTOR
REAL ESTATE INVESTMENT COMPANY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

(according to art 4 of Law 3556/2007)

MARCH 2019

The attached Financial Statements were approved by Trastor REIC's Board of Directors on 1st March 2019 and have been published on the Company's website: www.trastor.gr

The present financial report is a translation of the original Financial Report, which was compiled in the Greek language. Due professional care has been exercised to ensure a proper translation of the Greek text. If differences in meaning exist between this translation and the original Financial Report presented in Greek, the version in Greek will prevail over the present document.

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STATEMENT OF BOARD OF DIRECTORS
(According to article 4 paragraph 2 of L. 3556/2007)

We declare that, to the best of our knowledge,

a) The annual financial statements for the year ended December 31 2018, which have been prepared in accordance with the applicable International Financial Reporting Standards, reflect fairly the results, assets, liabilities and the financial position of "TRASTOR REAL ESTATE INVESTMENT COMPANY' during the year 2018, according to art.4 par. 3-5 of Law 3556/2007.

b) Furthermore, the Board of Director’s Annual Report gives a true and fair view of all information required by art. 4, par. 6-8 of Law 3556/2007.

Athens, 1st March 2019

THE BoD CHAIRMAN & CEO	THE VICE-CHAIRMAN OF THE BOARD	BoD MEMBER
TASSOS KAZINOS IDENTITY CARD NO. 669747	GEORGIOS TINGIS IDENTITY CARD NO. 748181	LAMBROS PAPADOPOULOS IDENTITY CARD NO. 700587

BOARD OF DIRECTORS' MANAGEMENT REPORT OF TRASTOR S.A. ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2018

To the Annual General Meeting for the year 2018

Shareholders,

We present you the Board of Directors' Management Report (hereinafter referred to as the "Report"), of the company TRASTOR S.A, which refers to the financial year 2018 (period from 01.01.2018 to 31.12.2018). The Report has been compiled in accordance with the provisions of Codified Law 2190/1920 as in force, of par. 7 4 of Law 3556/2007 and the decision no 8/754/14.04.2016 of the BoD of Hellenic Capital Market Commission.

The Report is included along with the Company's financial statements and the other information required by Law and statements in the Annual Financial Report for the year 2018.

COMPANY'S FINANCIAL STATEMENT

Investment Property

At 31.12.2018, the Company's investment portfolio comprised 43 properties with a total rentable area of approximately 87,699.63 sq.m. with a fair value of € 113,251 thous., as valued by the independent valuers CBE Values S.A.. In the current fiscal year, the Company acquired 12 new properties with a total acquisition cost of € 30,390 thous., using the funds raised by the Company's share capital increase in the year 2017.

During 2018, the gain from adjustment to fair value of investment properties of the Company amounted to € 3,255 thous. compared to gain of € 269 thous. for 2017.

Cash and Cash Equivalents - Debt

Cash and cash equivalents of the Company as at 31.12.2018 amounted to € 3,587 thous. (including pledged deposits) compared to € 5,762 thous. as at 31.12.2017.

The borrowings of the Company as at 31.12.2018 (net of borrowing issue costs) amounted to € 33,216 thous. compared to € 5,061 thous. as at 31.12.2017, due to the conclusion of a bank loan with Piraeus Bank Frankfurt amounting to up to € 20,000.00 thous. and a bond loan with Piraeus Bank and Piraeus Leasing of a total nominal value of up to € 24,000.00 thous., from which € 10,000.00 thous. has been raised.

Rental Income

The Company's rental income in 2018 amounted to € 5,578 thous. compared to € 4,169 thous. for 2017, an increase of 34 % from leases on acquired properties.

Operating Results

The operating results of the Company for 2018 amounted to a profit of € 4,449 thous. compared to a profit of € 816 thous. in 2017.

The Company's operating results for 2018 net of adjustment to fair value of investment properties and provision for asset impairment, amounted to € 1,308 thous., compared to € 827 thous. for 2017.

Financial Income and expenses

The Company's financial income for 2018 amounted to € 66 thous. compared to € 83 thous. for year 2017.

The Company's financial expenses for 2018 amounted to € 1,026 thous. compared to € 295 thous. for year 2017.

Income Tax

The tax on the investments and cash of the Company for 2018 amounted to € 753 thous. compared to € 602 thous. for 2017.

Results after tax

The results after tax amounted to a profit of € 2,738 thous. compared to a profit of € 3 thous. for 2017.

The Board of Directors proposes to the Annual General Meeting of the Company's shareholders that the Company should not distribute a dividend due to the fact that the profits are attributable to the adjustment to fair value of investment properties.

Basic Ratios

	31.12.2018	31.12.2017
I. General Liquidity Ratio(Current Ratio)		
Current assets to short term liabilities	1.8 : 1	5.3 : 1
II. Gearing Ratio		
Total debt (net of borrowing issue costs) to total equity plus total debt	28.8%	6.0%
III. LTV		
Total debt (net of borrowing issue costs) to Investments (L.T.V.):	29.3%	6.4%

It is noted that "borrowing" refers to the total debt net of borrowing issue costs (see note 16 of financial statements).

IV. Funds from Operations (amounts in thous. €)

	01.01.-31.12.2018	01.01.-31.12.2017	Change %
Profit after tax	2,737.52	2.65	
Less : Gain from adjustment of investment properties to fair value	(3,255.28)	(268.93)	
Plus: Depreciation	27.31	38.99	
Plus: Provision for asset impairment	113.72	279.54	
Plus: Financial Results	959.28	211.92	
Funds form operations (F.F.O.):	582.54	264.17	120.52%

V. Adjusted EBITDA (amounts in thous. €)

	01.01.-31.12.2018	01.01.-31.12.2017	Change %
Profit before tax	3,490.04	604.47	
Less : Gain from adjustment of investment properties to fair value	(3,255.28)	(268.93)	
Plus: Depreciation	27.31	38.99	
Plus: Provision for asset impairment	113.72	279.54	
Plus: Financial Results	959.28	211.92	
Adjusted EBITDA net of adjustment of investment properties to fair value and provision for asset impairment	1,335.06	865.99	54.17%

VI. Share information (amounts in €)

	31.12.2018	31.12.2017
Share price:	0.790	0.850
Net asset value per share (N.A.V.): (Total Equity divided by total number of shares)	1.024	0.987

Branches

At 31.12.2018, as well as 31.12.2017, the Company had no branches.

Own Shares

The Company has not acquired own shares.

Research and development

The Company does not engage in research and development activities.

DEVELOPMENTS AND PROSPECTS IN THE REAL ESTATE MARKET

In 2018, the Greek economy continued its recovery path, which started in mid-2016, maintaining a positive quarterly rate of change in its GDP. At a macroeconomic level, the economy has been enhanced through improvements in all business sub-sectors and the consumer confidence index. Inflation in 2018 was 0,6% reflecting price stability, while the unemployment rate continued to decline thus supporting employment growth. Improved fiscal credibility and confidence-building were confirmed in the country's long-term credit rating with S&P set on 18 January 2019 as "B +" with a positive outlook.

DEVELOPMENTS AND PROSPECTS IN THE REAL ESTATE MARKET

Real Estate sector, in which the Company operates, showed upward trends both in rent and value trends that are becoming stronger for high quality commercial properties, which constitute the core of the Company's portfolio.

Private equity funds target the same investments as the real estate sector with the result properties with institutional investment characteristics decrease gradually (investment grade properties). As a result, interest parties invest in properties that require capital expenditure that however provide remarkable short-term capital gains due to the lack of a new product.

The sector of real estate is expected to continue to consist the main pillar of domestic markets' investment, due to both sector's liquidity and sector's strengthening by the establishment of new companies. However, growth is also expected from other investment schemes that operate in more flexible legal or regulatory framework.

In the sub-sectors, the high street retail sector had the highest rental growth, confirming the Company's forecasts, while the decline in required returns (40 basis points) is now a secondary factor in the annual growth of value, which shows the strength of the real estate market, with limited supply.

COMPANY'S PERSPECTIVES FOR THE YEAR 2019

In 2018, the Company achieved a profit of € 2.74 million, including gain from adjustment to fair value of investment properties (€ 3.26 million), a fact that illustrates the recovery of the real estate market.

In the previous year, the Company acquired 12 properties of a high standard with a total cost of € 30.4 million. Rental income in 2018 was increased by 34% mainly due to new investments, while at the same time the high occupancy rates of the portfolio were also secured. The Company also has ugraded the existing portfolio with a target to modernise the working spaces of its lessees.

In 2019, the Greek economy is expected to continue to grow, while the perpectives for the real estate sector are favorable. The Company expects a further growth in leasing activity, mainly in the retail sector and offices, while a further decline in yields is expected, mainly due to increased competition for investments.

The Company's turnover in 2019 is expected to increase, mainly due to new real estate investments made in 2018 and the properties expected to be acquired in 2019.

The Company will continue to implement its strategy of investing in high quality assets. At the same time, the Company seeks investment opportunities in order to take advantage of its liquidity, by analyzing and assessing continuously the changing economic conditions.

In conclusion, the Company remains focused on its fundamental investment objective, that is to create long-term value for its Shareholders, making optimal use of all its financial resources by enhancing its portfolio with high quality and significant value adding property investments in Greece.

MAIN RISKS AND UNCERTAINTIES

The Company recognises and classifies all the financial risks to which it is exposed. The Risk Manager monitors and evaluates these risks regularly, both quantitatively and qualitatively.

Real Estate Market Risk

The real estate market suffers risks that are mainly related to:

(a) the geographical location and the desirability of the property,

(b) the lessee's credibility and solvency;

(c) the type of use by the lessee,

(d) the general business activity of the area in which the property is located; and

(e) trends in commercial upgrading or downgrading of the area in which the property is located.

Generally, when the economy is strong and / or is going through periods of economic growth, with low inflation and interest rates, where there is an increase in investment, employment and corresponding increase in consumption, trade conditions are created to increase the demand for new stores and office space.

On the other hand, in the case of adverse economic conditions in the economy generally or in some areas, with low demand for products and services, the production sectors are adversely affected, with the direct effect of reducing the demand for business premises.

The Company's institutional framework of operation is based on :

a) Investment property is valued regularly, as well as before acquisition and sale, by an independent certified property valuer

b) Property development and construction is undertaken only under specific terms and restrictions,

c) A maximum value of each property as a percentage of the total value of investments has been set, with the total value of the three largest investment properties of the Company being less than 32% of the total value of its portfolio,

and the Company's strategy, according to which its portfolio consists of properties of different uses, contributes significantly to the avoidance and / or timely identification and treatment of the relevant risks, significantly avoiding and/or promptly recognizing and dealing with the relevant risks.

Price Risk

The Company is exposed to risk from changes in the value of property and rental rates. To mitigate the price risk, the Company seeks to conclude long term operating leases with annual readjustments of rents in line with the Consumer Price Index. In the event of negative inflation, there is no reduction in rents.

Additionally, in some commercial leases, lease terms include a sales based rent.

Risk of lessee concentration

The Company due to a shareholder, had a significant proportion of its investment properties leased to Piraeus Bank. This percentage is decreasing due to the expansion of the Company's portfolio, which reduces dependence on the above lessee. It is worth mentioning that Piraeus Bank is one of the four systemic banks with an excellent record of rent payments to the Company, therefore the risk of default is minimal. In 2018, rental income from Piraeus Bank as a percentage of total annual rents amounted to 27%, compared with 39% in 2017.

Credit Risk

The Company has credit risk concentrations with respect to rental income received from tenants under property operating lease contracts.

Credit risk arises from default by counter-parties in fulfilling their transactional liabilities.

No significant losses are anticipated because the Company's transactions with customers - tenants are based on an assesment of their solvency and reliability so as to avoid payment delays and bad debts.

The Company has adopted a system of provisioning doubtful debts by examining individually each case, but based on a model, which contains historical information of bad debts over the past three years.

Liquidity Risk

Prudent liquidity risk management implies adequate cash balances, availability of funding and ability to close out market positions (trade receivables from customers, namely tenants).

Proper management of cash, appropriate financial structure and careful investment management ensures the required liquidity for the Company's operations. The Company also ensures the satisfactory diversity of cash equivalents between systemic and non-systemic banks, as well as between domestic and foreign banks.

The Company's liquidity is monitored by the Company's management regularly.

Capital Risk

The Company's objective in managing its capital is to ensure its ability to continue in business in order to safeguard returns for its shareholders and the benefits of other stakeholders involved with the Company, to preserve an optimal capital structure and to comply with L. 2778/1999.

A high borrowing cost may lead to a failure to repay debt obligations (capital and interest), non-compliance with loan terms and possible failure to conclude new borrowing contracts.

To mitigate this risk, capital structure is monitored using a gearing ratio, which is the ratio between borrowing and capital employed (note 4.1 of the annual financial statements). The Company's Board of Directors approves any new borrowings, taking account of the above risks and the change in the Company's gearing ratio. Any increase in the Company's property portfolio may be paid for either by cash or by borrowing within the scope of Law 2778/1999, or by an increase in the Company's Share Capital.

The Company monitors on a regular basis all the financial ratios of its loans.

Lender Risk

The Company has received all its loans from Piraeus Bank. The risk that the Bank will face a liquidity issue and be unable to meet the Company's financing needs is considered to be low but the Company is seeking funding from other banks to reduce the risk of exclusive reliance on a single lender.

Interest Rate Risk

Company's assets include substantial interest-bearing assets such as demand deposits and at times term deposits.

The Company's exposure to interest rate risk derives from bank loans.

The Company is exposed to fluctuations in market interest rates that affect its financial position and its cash flows. Borrowing costs may increase as a result of such changes and may result in losses or decrease when unexpected events occur.

If the interest rate is changed by +/- 1%, the effect on the Company's results is estimated to be - / + € 327.15 thousand in 2018 (2017: € 50.61 thousand).

Finally, even in the event of an increase in Euribor (which is the base of the variable cost of borrowing of the Company) by 0.50%, there is no risk of breach in of the Company's loan covenants.

Foreign Exchange Risk

The Company operates solely in one monetary economic environment (Greece) and is not exposed to risks from a foreign currency.

LABOUR ISSUES

Promoting equal opportunities and protecting diversity are fundamental principles to which the Company adheres. The Company’s management does not discriminate when recruiting/selecting, remunerating, training, delegating job tasks or in any other work activities. The only criteria taken into account are the individual’s experience, personality, education, qualifications, performance and skills.

(a) Diversification and equal opportunities policy (irrespective of gender, religion, disability or other aspects)

In its capacity as employer, the Company is required to respect the principle of equality in labour relations in all its aspects, including equality between women and men. In 2018, the Company employed 16 people of both genders and all ages and its standard policy is to provide equal opportunities to employees, regardless of gender, religion, disability or other aspects.

The Company’s relationship with its employees are excellent and there have been no labour issues.

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

The Company respects the rights of employees and adheres to labor law. In 2018, no violations of labor law have been found by any inspection body.

There exists no staff union in the Company.

(c) Safety and hygiene at work

Employee safety at work is a top priority and a necessary requirement for the operation of the Company. The Company keeps first aid material (medicines, bandages, etc.) at the workplace.

The Company systematically trains its employees in matters of first aid, fire safety, and earthquake safety.

The Company employs a safety technician, in accordance with the current legislation.

(d) Training systems, promotion terms, etc.

The procedures for selecting and recruiting personnel are based on the required qualifications for the post without any discrimination. The Company offers training to all categories of employees through internal and external training sessions.

Promotion in the Company is based on the management's evaluation, which is transmitted to the Remuneration and Nominations Committee, which in turn makes a proposal for approval to the BoD. There exist Human Resources Policies which include written procedures/rules, i.e. Recruiting and Evaluation Procedures for Managerial – Senior Posts, and Remuneration Policy.

NON-FINANCIAL PERFORMANCE INDICATORS (NFPI)

The Company gives special attention to non-financial performance indicators, considering this information to be of particular importance to the investing public.

The non-financial performance indicators used are presented below.

Indicators of employees' health and safety

The safety and health of employees is of particular concern to the Company.

During 2018, all employees attended the following seminars:

a) First Aid with the help of "ERITHROS STAVROS".
b) Fire protection by personnel of Fire Department.

The Company also monitors the following health and safety indicators for employees:

• Injury Index at Work: 0%
• Idle working days index: 0% (how many days the workers were absent due to an accident or illness in the workplace or workplace)

Company Office Security Indicators

In order to ensure the physical security of both the employees and the Company's physical records, all necessary safety requirements (security systems, fire detection system and office evacuation plan) are met.

Social and Human Resources Indicators

The Company employs 16 employees, of which 11 are men and 5 are women.

A main purpose of the Company is to enhance the skills of its personnel by conducting training seminars in the areas that are deemed necessary.

Specifically, during the year 2018, five executives of the Company attended six short-term seminars, while three executives will take part in professional certification exams.

Finally, within the framework of Corporate Social Responsibility and Social Contribution, the Company took the following actions within 2018:

• Donating equipment to the Fire Department.

• Donation of equipment for the Creative Employment Center of the Association of Parents and Friends of Parents and Adults with Pervasive Developmental Disorder, Autism & Asperger in Komotini.

• Free provision of space for activities of children's villages SOS and the animal welfare bazaar in Komotini.

• Cultural activities with free participation in the Kosmopolis Shopping Center.

TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with its related companies and persons, referenced in the Company's Financial Statements 2018 (for further informaton see note 28), are as follows:

	31.12.2018		01.01.-31.12.2018	
	ASSETS	LIABILITIES	REVENUES	EXPENSES
PIRAEUS BANK	1,572,783.85	13,511,965.00	2,202,610.96	364,345.23
PIRAEUS BANK FRANKFURT	700,035.35	19,718,750.00	0.00	600,991.36
ACT SERVICES S.A.	0.00	0.00	0.00	9,677.11
OLYMPIC S.A.	0.00	0.00	0.00	4,114.05
VARDE PARTNERS GREECE LIMITED	0.00	0.00	22,596.00	0.00
REMUNERATION OF BOD & COMMITTEE MEMBERS	0.00	0.00	0.00	375,000.00
INCENTIVE PLAN FOR THE EXECUTIVE MANAGEMENT	0.00	43,663.44	0.00	316,753.01
TOTAL	**2,272,819.20**	**33,274,378.44**	**2,225,206.96**	**1,670,880.76**

	31.12.2017		01.01.-31.12.2017	
	ASSETS	LIABILITIES	REVENUES	EXPENSES
PIRAEUS BANK	378,862.89	5,075,983.90	2,157,328.24	287,624.47
ACT SERVICES S.A.	0.00	1,122.57	0.00	84,412.03
OLYMPIC S.A.	0.00	80.60	0.00	12,911.92
VARDE PARTNERS GREECE LIMITED	0.00	0.00	5,649.00	0.00
REMUNERATION OF BOD & COMMITTEE MEMBERS	0.00	0.00	0.00	368,500.00
INCENTIVE PLAN FOR THE EXECUTIVE MANAGEMENT	0.00	25,645.00	0.00	62,255.00
TOTAL	**378,862.89**	**5,102,832.07**	**2,162,977.24**	**815,703.42**

The assets related to Piraeus Bank are deposits; liabilities related to Piraeus Bank are bond loans designated for the purchase of investment property; income relates to rent from investment property and deposit interest while expenses relate to loan interest. Liabilities related to Piraeus Bank Franfurt are loans while expenses relate to loan interest. Additionally, ACT Services S.A. (previously Piraeus ACT Services S.A.) and Olympic S.A. expenses relate to services provided while income from Varde Partners Hellas LTD relates to subleasing of office area.

The remuneration of Board members and Committee members, as well as the incentive plan for senior executives, include fees for members of BoD and executive management totalling € 260 thousand and 317 thousand respectively for 2018. (2017: 260 thousand and 62 thousand) respectively.

SIGNIFICANT EVENTS DURING THE PERIOD

1. On 05.02.2018, the Company announced the acquisition of 80% ownership of the horizontal properties of the Kronos Business Center, which is located at Agiou Konstantinou 49 & Grammou in Marousi. The consideration for the property's acquisition amounted to € 6,500,00.00 and was funded by borrowing and funds raised from the Company's Share Capital Increase carried out in 2017.

2. On 29.03.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a property at Ermou 16 - 18 in Athens. It is a store of a total area of 109.62 sq.m. The consideration for the property's acquisition amounted to € 2,561,500.00 and was funded by borrowing.

3. On 02.04.2018, the Company announced the acquisition of a shop of a total area of 70.00 sq.m, which is located at Skalidi 53 & Manousogiannakidon in Chania. The acquisition of the property was approved by the 22.02.2018 Extraordinary General Meeting of the Company's Shareholders as the acquisition was from "Piraeus Bank". The consideration for the property's acquisition amounted to € 1,300,000.00 and was funded by borrowing.

4. On 11.04.2018 the Company announced the expansion of its cooperation with the Inditex Group by leasing its newly acquired historical property to "Pull & Bear", located on 64 Tsimiski Street in the commercial center of Thessaloniki.

5. On 24.05.2018, the Company: a) announced the acquisition of a property of a total area of 4,692.3 sq.m., which is located at Leoforos Mesogeion 515 in Agia Paraskevi for a consideration of € 4,250,000.00, b) was proclaimed the highest bidder in a public auction for the acquisition of a property of a total area of 1,009.80 sq.m on the 6th floor, as well as, 8 underground parking spaces in an office / shop building, located at Theofanous Street 4 in Athens. Both acquisitions were funded by borrowing.

6. At 10.08.2018, a mortrage of € 4,050,000.00 on the property located at Grammou and St. Konstantinou 49 in the Municipality of Marousi was registered.

7. On 05.09.2018, the Company announced the acquisition of a property on the 7th floor, of a total area of 781.67 sq.m., which is located at Leoforos Mesogeion 109-111 in Agia Paraskevi. The consideration for the property's acquisition amounted to € 965,000.00 and was funded by borrowing.

8. On September 11, 2018, the Company, in accordance with the decision of the Extraordinary General Meeting of its shareholders dated 29.06.2018, concluded a "Common Bond Loan Program", secured by collateral, primary disposal and transfer of bonds with a total nominal value of up to € 24,000,000.00 with Piraeus Bank SA and Piraeus Leasing Leasing SA, in accordance with the provisions of Law 3156/2003, for the purchase of investment property.

9. On 26.09.2018 the Company announced the resignation of the non-executive member of Mr. Dimitrios Voukas on 24.09.2018 for personal reasons. The Board of Directors of the Company had not decided whether or not to replace the resigned member, in accordance with article 22 par. 1 and 2 of the Articles of Incorporation and article 18 par. 8 of CL. 2190/1920, as in force.

10. On 10.10.2018, the Company announced the acquisition of office spaces, of a total area of 1,605.50 sq.m., in a modern building which is located at Leoforos Kifisias 270. The consideration for the property's acquisition amounted to € 2,102,469.00 and was funded by borrowing.

11. On 10.10.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a property of a total area of 211.67 sq.m on the second floor of the historic building at Fillelinon & Othonos in Athens. In this building the Company already owns the 4th and 5th floor. The consideration for the property's acquisition amounted to € 682,500.00 and was funded by borrowing. An amount of € 102,050.00 was advanced against this consideration, while the remaining amount was paid on 05.02.2019 upon completion of the acquisition of the property.

12. On 15.10.2018, the Company announced the acquisition of a commercial store, of a total area of 138 sq.m., which is located at Voukourestiou 24 & Valaoritou 4. The property is leased. The consideration for the property's acquisition amounted to € 2,500,000.00 and was funded by borrowing.

13. On 08.11.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a modern retail property of a total area of 3,923.72 sq.m, located at Leoforos Kifisias 278 in Chalandri. It is a three-storey retail building, consisting of ground floor, semi floor and two basement levels. The consideration for the property's acquisition amounted to € 4,000,000.00 and was funded by borrowing.

14. On 27.11.2018, the Board of Directors, decided against replacing the Chairman and Non-Executive Member of the BoD, Mr. Michalis Hadjipavlou, who resigned on 26.11.2018, in accordance with article 22 par. 1 and 2 of the Articles of Incorporation and article 18 para. 8 of Cod. 2190/1920. Board of Directors' composition is as follows:

- Tassos Kazinos - Chairman & CEO, Executive Member
- George Tingis - Vice President., Non Executive Member
- Anthony Clifford Iannazzo - Non Executive Member
- Jeremy Greenhalgh - Independent Non Executive Member
- Lambros Papadopoulos - Independent Non Executive Member

15. On 30.11.2018, the Company announced the acquisition of a property, of a total area of 1,600.06 sq.m, which is located at Leoforos Kifisias 194 in Chalandri. The building consists of 4 levels of a total area of 902.67 sq.m and two basement levels of a total area of 679.37 sq.m. The consideration for the property's acquisition amounted to € 1,600,000.00 and was funded by borrowing.

16. On 05.12.2018, the Company announced the acquisition of 3rd floor office space, of a total area of 371.96 sq.m, which is located at Fillelinon & Othonos. The consideration for the property's acquisition amounted to € 1,275,000.00 and was funded by borrowing.

17. On 12.12.2018, the Company announced the acquisition of a property, of a total area of 90.35 sq.m, which is located at Panagitsas 6 in Kifisia. The consideration for the property's acquisition amounted to € 1,070,000.00 and was funded by borrowing.

18. On 17.12.2018 the Extraordinary General Meeting of the Company's Shareholders elected a new Board of Directors which was follows:

- Tassos Kazinos - Chairman & CEO, Executive Member
- George Tingis - Vice President., Non Executive Member
- Anthony Clifford Iannazzo - Non Executive Member
- Jeremy Greenhalgh - Independent Non Executive Member
- Lambros Papadopoulos - Independent Non Executive Member
- Georgios Kormas - Non Executive Member
- Hugo Manuel Gomes da Silva Moreira - Non Executive Member

The term of the members of the Audit Committee is set at four (4) years, extending to the annual General Meeting that will take place after the expiry of its term.

19. On 17.12.2018 an Extraordinary General Meeting of the Company's Shareholders approved a Long-Term Incentive Scheme (LTI Plan) with own shares of the Company to Company's employees and members of the Board of Directors in accordance with the Law 4209/2013.

20. On 17.12.2018 the Board of Directors decided:

a) the election of a new investment committee for four years composed as follows:

Chairman: Tassos Kazinos

Members: George Tingis and Hugo Moreira

b) the election of a new Remuneration And Nominations Committee for four years composed as follows:

Chairman: Jeremy Greenhalgh

Members: George Tingis and Lambros Papadopoulos

SIGNIFICANT EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

1. On 30.01.2019, the Company announced the acquisition of a commercial store, of a total area of 227.15 sq.m, located at Voukourestiou 24 in Athens. The store is leased. The consideration for the property's acquisition amounted to € 6,000,000.00 and was funded by borrowing.

2. On 05.02.2019, the Company announced the completion of the acquisition of the 2nd floor of the property, of a total area of 211.67 sq.m, located at Filellinon and Othonos in Athens. On 10.10.2018, the Company had been proclaimed the highest bidder in a public auction for this property. The consideration for the property's acquisition amounted to € 682,500.00 and was funded by borrowing.

3. On 22.02.2019, the Company, in accordance with the decision of the Board of Directors dated 21.02.2019, concluded a "Common Bond Loan Program", secured by collateral, primary disposal and transfer of bonds with a total nominal value of up to € 26,000,000.00 with Piraeus Bank SA, in accordance with the provisions of Law 4548/2018 and Law 3156/2003. The Loan will be used for the repayment of existing bank loans and for the financing of Company's investment plan.

4. On 27.02.2019, the Company announced that on 25.02.2019 it was proclaimed the highest bidder in a public auction, which was carried out by the owner of Promitheus Gas SA for the sale of two properties located at Gravias 4 & Granikou, in Paradeisos Amarousiou. The consideration for the properties' acquisition amounted to € 12,000,000.00.

Other than the above, there are no other material events subsequent to 31 December 2018 to be disclosed.

TRANSACTIONS AND SETTLEMENTS NOT INCLUDED IN THE FINANCIAL STATEMENTS.

There exist no transactions, operations, agreements or other settlements by the Company which are not included in the financial statements for the year ended 31 December 2018.

EXPLANATORY REPORT

This explanatory report by the Board of Directors to the Company's Annual General Meeting of Shareholders contains the information required, as laid down in para. 7, article 4 of L. 3556/2007 on the reporting date 31.12.2018.

1. Company share capital structure

The Company's share capital amounts to forty million three hundred forty five thousand three hundred twenty six Euro and fifty cents (€ 40,345,326.50), divided into eighty million six hundred ninety thousand six hundred and fifty three (80,690,653) common registered shares, of fifty cents nominal value (€ 0.50) per share. The Company's shares are listed for trading on the Athens Stock Exchange.

2. Restrictions on transfer of Company shares

The transfer of Company shares is carried out as the Law stipulates and there are no restrictions on their transfer created by the articles of association.

3. Large direct or indirect participations in the Company's voting rights

On 31.12.2018, the following shareholders held more than 5% of the total number of Company shares with voting rights:

Wert Red S.a.r.l. (VARDE Partners interests) :	55.99%
Piraeus Bank S.A.:	39.41% (39.39% directly and 0.02% indirectly)

On the above date, no other person held shares with voting rights exceeding 5%.

4. Shares granting special rights of controlo

There are no Company shares conferring on their holders special rights of control.

5. Restrictions of voting right

The Company's Articles of Association does not provide restrictions on the voting rights deriving from its shares.

6. Agreements between the Company's shareholders resulting in restrictions in the transfer of shares or restrictions in exercising voting rights

a) As laid down in the agreement dated 07.06.2016 between Piraeus Bank and Wert Red S.à.r.l., by virtue of which the latter on 13.06.2016 acquired 18,551,880 Company shares owned by Piraeus Bank, Wert Red S.à.r.l. undertook not to transfer the acquired Company shares as above for a period of one year from their acquisition date. In light of the above agreement, Piraeus Bank undertook for a period of 2 years from the sale date (13.06.2016), not to transfer, without the prior consent of Wert Red S.à.r.l., more than 10% of the Company's shares in any one year. The exception to this restriction is if Piraeus Bank is required to sell the Company's shares, pursuant to a decision by the supervisory authority or a provision of the law. Other than the above, the Company has no knowledge of any other relevant agreement.

b) On 23 January 2017, Piraeus Bank acquired from Wert Red S.a.r.l. the option to purchase 2,444,682 shares issued by Trastor REIC. representing 3.0297% of the total voting rights of the Issuer. Piraeus Bank was able to exercise the above stock option at any time until 23.01.2019, a date which passed without Piraeus Bank exercising this right.

Other than the above, the Company declares that it has not been aware of any other relevant agreement.

7. Rules of appointment and replacement of members of Board of Directors and amendment of Articles of Association

According to article 22 of the Company's Articles of Association, the election of members of the Board of Directors to replace members who have resigned, died or are not capable is possible, provided that the replacement of the above members is not possible by substitute members already elected by the General Assembly. The above election by the Board of Directors shall be carried out by the decision of the remaining members, if there are at least three (3) and applies for the remaining term of the member being replaced. Furthermore, the remaining members may continue to manage and represent the Company without replacing the missing members, provided that the number of such members exceeds one half of the members as they were before the above events occurred. These members may not be less than three (3). In any case, the remaining members of the Board of Directors, irrespective of their number, may convene a General Meeting for the sole purpose of electing a new Board of Directors.

8. BoD authority to issue new shares or acquire Treasury shares

There is no valid authorization of the General Meeting to the Board of Directors to increase the share capital in accordance with the provisions of paragraph 1b of article 13 of CL. 2190/1920.

There is no decision of the General Meeting to establish a stock option plan for the members of the Board of Directors and employees, in the form of an option to acquire shares in accordance with the provisions of paragraph 13 of article 13 of Codified Law 2190/1920.

There is no decision of the General Meeting to acquire treasury shares in accordance with the provisions of paragraphs 1 to 9 of article 16 of Codified Law 2190/1920.

9. Any significant agreement concluded by the Company and already enacted, which is amended or expires as a result of a change in the control of the Company following a public offering and the effects of any such agreement

There are no agreements activated, amended or expiring as a result of a change in the control of the Company following a public offer.

10. Every agreement concluded by the Company with its BoD members or its employees, providing for compensation in case of resignation or dismissal for no substantial reason or termination of tenure or employment due to a public offer

There are no agreements with members of the Board of Directors or the Company's employees, providing compensation in the event of resignation or dismissal, without a valid reason or expiry of term in office or employment due to a public offer.

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement of the Company addressed to the Ordinary General Shareholders Meeting contains information covering the requirements of article 43bb of Codified Law. 2190/1920 on the reporting date 31.12.2018.

A. CORPORATE GOVERNANCE CODE

In order to establish its corporate governance, the Company has adopted the Greek Corporate Governance Code (hereinafter referred to as "the Code"). The Code aims at recording the best corporate governance practices which are applied by the Company, taking account of current legislation. The Code was prepared in accordance with the OECD Corporate Governance Principles and the Greek Corporate Governance Code, as drawned up by Hellenic Federation of Enterprises (SEV) in October 2013, as well as the generally accepted corporate governance principles applicable within the Member States of the European Union.

The Code was adopted by a decision of the Board of Directors dated 12.04.2018 and is fully in line with the Company's internal regulation.

The Code is available at http://www.trastor.gr.

B. CORPORATE GOVERNANCE PRACTICES APPLIED IN ADDITION TO LEGAL PROVISIONS

There are no Corporate Governance practices in addition to the provisions of the law followed by the Company.

C. INTERNAL AUDIT & RISK MANAGEMENT SYSTEM

1. Main characteristics of the internal audit system

The Company's internal audit system includes policies, procedures and practices put in place by the Company to attain its corporate objectives, safeguard and monitor its assets and manage its business risks. The internal audit system is set by the BoD and is supervised by the Audit Committee.

Specifically the Board of Directors:

- Monitors the implementation of the corporate strategy and reviews it regularly.
- Reviews on a regular basis the main business risks that the company faces and the effectiveness of the Internal Audit Department in mitigating these risks.
- Develops through the Audit Committee direct and regular contact with external and internal auditors in order to receive relevant information concerning the effectiveness of control system.
- Establishes an Internal Audit Department according to the requirements of the Greek legislation, operating in accordance with the internal regulation.
- Performs an annual assessment of the Internal Audit System.

The Internal Audit Department assists with the evaluation of the Internal Audit System by adopting a systematic and professional approach to assessing and improving the effectiveness of risk management processes, internal control systems and corporate governance. The Internal Audit Department during the audits submits proposals aim at the continuous improvement of the internal control systems in order to increase transparency.

2. Company risk management with regard to the preparation of financial statements.

The procedures and policies for risk management in relation to the preparation of financial statements are monitored by the Risk Manager according to specific rules set by the Board which aim, among other things, to achieve proper recording of income and expenses as well as the monitoring of the Company's assets and liabilities in accordance with IFRS, corporate and tax legislation, in order to ensure the accurate presentation of the financial position and its performance through the financial statements.

These policies and procedures, among other, include:

- The application of specific accounting principles and assumptions, and monitoring of their implementation by independent auditors and valuers.

- The drawing up of budgets and the monitoring of both income and expenses through reports to the BoD.

- Keeping the Company's financial records using a reliable computerised system with back-up and restricted access.

- Approval of income and expenses, monitoring by compliance with the terms of relevant agreements and the approval of supporting documents and payments.

- Monitoring and reporting of transactions, assets and liabilities with related parties.

D. MODE OF OPERATION & POWERS OF SHAREHOLDERS GENERAL MEETING

1. Operation of General Meeting

The General Shareholders Meeting, in accordance with the articles of association, is the senior management body and may decide any corporate matter. Its decisions bind all shareholders; it is convened by the Board of Directors and meets regularly at a place and time during the half year following the end of each financial year.

The general meeting is convened on at least 20 days notice specifying clearly the place and time of the meeting, the items on the agenda and the procedure to be followed by shareholders in order to participate and vote. The notice is published as the law stipulates and is uploaded to the Company's website.

The general meeting is quorate if 1/5 of the share capital is present and represented, except for cases in which increased quorum of 2/3 of the share capital is required according to the articles of association.

Shareholders participating in the general meeting with a voting right elect its Chairman and secretary. Subsequently the items on the agenda are discussed and decisions are taken on these issues by simple majority. Minutes are kept on all matters discussed and decided upon which are signed by the Chairman and the secretary of the meeting and published in accordance with the provisions on regulated information.

The General Meeting, according to the article 9, par.2 of company's association, is the only body competent to decide on the following issues:

a) Extension of duration, conversion, merger or company dissolution

b) Modification of the articles of association

c) Share capital increase or decrease .

d) Issue of a bond loan which entitles the bondholders to convert their bonds into Company's shares.

e) Election of BoD members.

f) Appointment of independent auditors.

g) Appointment of a valuer of the Body of Chartered Valuers to assess the value of the Company's investments in accordance with paragraph 7 of article 22 of Law 2778/1999, as in effect.

h) Appointment of liquidators.

i) Approval of annual financial statements.

g) Profit Distribution.

k) Any other matter, indicated by Laws or by the Company's Articles of Association.

2. Shareholders rights

The rights of shareholders in the Company are in proportion to paid up value of the shareholders' shares compared with the paid up value of all outstanding shares. Each share provides all rights stipulated by the Codified Law 2190/1920, as modified and in force, and its articles of association. In particular:

a) The right to dividends from the Company's annual profit. 50% of the annual net profit of the Company is to be distributed (after subtracting the statutory reserve) as dividend to shareholders, which amount may be increased by decision of the General Meeting.

Every shareholder listed in the register of shareholders kept by the Company on the determination date of dividend beneficiaries, is entitled to a dividend. The dividend is paid to shareholders within two (2) months of the Ordinary General Meeting date at which the annual financial statements were approved. The method and place of dividend payment is announced in the press. The right to collect the dividend is forfeited 5 years after the end of the year in which the General Meeting approved the dividend's distribution, and the corresponding amount is paid to the Greek State.

b) Preemptive rights apply to every share capital increase for cash and new shares acquisition.

c) The right to receive a copy of the financial statements and reports by certified auditors and Company's BoD.

d) The right to participate in the General Meeting, including the following rights: legalization, presence, participation in the discussions, submission of proposals on agenda items, recording of views in the minutes and voting rights.

e) The right to receive payments of capital during a winding up or capital reduction in proportion to the number of shares held, if the General Meeting reaches such decision.

f) the Company's General Shareholders Meeting retains all its rights during liquidation (pursuant to para. 4, article 34 of the Company's Articles of Association).

g) The liability of shareholders in the Company is limited to the nominal value of the shares held.

E. COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AND OTHER MANAGING OR SUPERVISORY BODIES OR COMMITTEES

1. Board of Directors

The Company is managed by the Board of Directors, each having a term of five years and consists of 5 to 15 members elected by the General Meeting with a specific term. A legal entity may be elected as a member of the Board. The Board of Directors is elected by the shareholders, with a maximum term of 4 years, however they can be reelected. The Board of Directors shall be composed of a majority of non-executive members, including at least two independent non-executive members, who fulfill the conditions of independence according to the applicable legislation.

The Board of Directors decides on any issue relating to the management of the Company, the management of its assets and the realization of its purpose, within the limits of the law and excluding matters on which, in accordance with the law and the Articles of Association, the General Meeting of Shareholders is responsible. The Board of Directors should effectively exercise its role and manage corporate affairs in favor of the Company and all shareholders, ensuring that Management follows the corporate strategy. It should also ensure a fair and equal treatment of all shareholders.

The role and responsibilities of the Board of Directors are clearly identified and documented in the Company's Articles of Association, in its Internal Regulation as well as in any other documents of the Company which provide for such. The Board of Directors shall adopt a clear policy of delegating or not, powers to Board members, including a list of issues for which the Board of Directors, may have the power to decide.

The Company is represented by the executive members of the Board of Directors, which deal with the day-to-day management issues of the Company. The non-executive members have a supervisory role and are responsible for the promotion of all corporate issues at the Board meetings and the committees that support the Board.

Meetings of the Board are convened by its chairman when required by the law, the Company's articles of association or the Company's needs.

The meetings are held at the Company's headquarters based on an agenda set by the Chairman. The Board of Directors may also meet by teleconference.

The Board of Directors decides by majority. In order to be quorate, at least five members must be present or represented.

Executives and Advisors to the Company may attend the Board meetings, following invitation of the Chairman, in order to support the Board, without a right to vote on agenda items.

The current composition of the Company's BoD, as resulting from the BoD decision on 17.12.2018, is the following:

- Tassos Kazinos - Chairman, Executive member

- George Tingis - Vice President, Non Executive member

- Anthony Clifford Iannazzo - Member, Non Executive member

- Jeremy Greenhalgh - Member, Independent Non Executive member

- Lambros Papadopoulos - Member, Independent Non Executive member

- Georgios Kormas - Member, Non Executive member

- Hugo Manuel Gomes da Silva Moreira - Member, Non Executive member

CVs of Board of Directors are available at company's website, http://www.trastor.gr.

2. Audit Committee

The Audit Committee is either an independent committee or a committee of the Board of Directors in order to assist in the supervision of the financial information and information process, in the Company's compliance with the legal and regulatory framework, in internal audit system and in supervising the audit and risk management, the monitoring of the statutory audit of the Company's annual financial statements, evaluation of the additional audit report under article 11 of Regulation 537/2014, the choice of chartered accountants or audit firms in accordance with Article 16 of Regulation (EU) No. 537/2014 and the review and monitoring of the independence of statutory auditors or audit firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) 537/2014 and, in particular, the suitability of providing non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) 537/2014.

The members of the Audit Committee are appointed by the General Meeting of Shareholders of the Company. The Committee consists of three-members, the majority of which are independent. Executive members of the BoD cannot be members of the Audit Committee. The Chairman of the Committee is appointed by its members or elected by the General Meeting of the Company's shareholders and is independent of the Company. Members of the Committee may be re-elected. The Chairman of the Board of Directors cannot be appointed as a member of the audit committee. At least one member of the Audit Committee must have sufficient knowledge in auditing and accounting.

Audit Committee's responsibility includes, among other, responsibilities related to the external audit and the financial statements of the Company. In particular, the Committee:

- Supervises and evaluates the procedures for the preparation of the annual and periodic financial statements, in accordance with the accounting standards, before submitting them to the Board of Directors for approval, in order to ensure the accuracy and completeness of the information contained in them and to evaluate the statements / issues identified in the auditor's report and the additional report of the auditors to the Committee.

- Suggests the auditor or audit firm to the BoD for it to submit the relevant proposal to the General Meeting of Shareholders. It also evaluates the effectiveness of external auditors and, whenever it deems appropriate, submits a proposal to the Board of Directors to replace them after the end of each fiscal year or whenever there is a significant reason, in accordance with the Company's procedures and applicable law.

- Ensures the independence of Company's external auditors and examines the provision of the non-auditing services by the auditors in accordance with the applicable legislation taking into account the nature of the services provided, the threats to their independence and the safeguards applied.

The term of the members of the Audit Committee is set at four (4) years and may be amended by decision of the Board of Directors. The duties and responsibilities of the Audit Committee are defined in detail in Company's Internal Regulation and Audit Committee's Regulation.

Audit Committee's composition has been determined by the 27.07.2017 General Meeting of Shareholders and is as follows:

Lambros Papadopoulos	Chairman
George Tingis	Member
Dimitrios Goumas	Member

3. Remuneration and Nominations Committee

The Nomination and Remuneration Committee consists of three (3) to (4) members, which are exclusively non-executive and the majority of them are independent. The Chairman of the Committee is appointed by the Board of Directors of the Company or the members of the Commitee and has to be independent.

The purpose of the Committee is to assist the Board of Directors in the performance of its duties regarding the adequacy and efficiency of the members and the composition of the Board of Directors and its Committees, the appointment or termination of Directors and other Executives of the Company, the determination of their remuneration, as well as the planning, implementation and periodic review of the Company's Compensation Policy so that it is always in line with current legislation.

The Nomination and Remuneration Committee consists of three members. Its composition has been set by the 17.12.2018 Board of Directors meeting and is as follows:

Jeremy Greenhalgh Chairman

George Tingis Member

Lambros Papadopoulos Member

4. Investment Committee

The Investment Committee is responsible for submitting recommendations to the Board of Directors for decision, in accordance with the existing Corporate Decision-Making Framework for the acquisition of new and sale of existing investments of the Company, the conclusion of new and modification of existing leases, the management of the Company's assets and other relevant activities.

The Investment Committee consists of three (3) to five (5) members, appointed by the Board of Directors, who should have significant relevant professional experience, one of which is necessarily the CEO of the Company. The CEO is also the Chairman of the Commmittee. The term of the members of the Investment Committee is set at four (4) years and may be renewed by decision of the Board of Directors.

Investment Committee's composition has been determined by the 17.12.2018 Board of Directors meeting and is as follows:

Tassos Kazinos Chairman

George Tingis Member

Hugo Moreira Member

F. DIVERSITY PRACTICES

The Company has committed to provide equal opportunities to all employees and candidates, at all levels of the corporate ladder, irrespective of age, gender, race, and family status. Decisions on employment are free from any kind of bias. The Company seeks increased diversity in the BoD and among its Senior Executives whilst ensuring that corporate objectives are pursued in the best possible manner, through the diverse experience and points of view that the Company encourages at its highest level. The minimum qualifications for candidates to the BoD and Senior Executive posts include individual skills, experience and capabilities, and no appropriate candidate is excluded on grounds of gender, race or age.

Athens, 1 March 2019

THE CHAIRMAN OF THE BOARD & CEO

TASSOS KAZINOS

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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TRASTOR REAL ESTATE INVESTEMENT COMPANY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of «TRASTOR REAL ESTATE INVESTEMENT COMPANY» (the Company), which comprise the statement of financial position as of December 31, 2018, the statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of «TRASTOR REAL ESTATE INVESTEMENT COMPANY» as at December 31, 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matter is that matter which, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter and the related risks of material misstatement, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of Investment Properties	
As described in Note 2.6 of the financial statements, the Company initially recognises Investment Properties at cost and subsequently at fair value. In the statement of financial position as of December 31, 2018, the Company presents Investment Properties amounting to €113,3 million. The Company's Management exercises critical judgements and estimates in assessing the fair value of the Investment Properties. To this respect the Company's Management engages independent certified valuer who performed the calculation of the fair value of Investment Properties as at December 31, 2018. The critical judgments and estimates used in the fair value exercise, include among other the following: • Judgment regarding future rental income • Estimation for vacancies • Estimation about the discount rate used in the discounted cash flows • Estimation about the yields used for the properties under valuation • Judgment about the weight given between the discounted cash flows method and the market comparable method We consider that because of the subjective nature of the critical judgments and estimates used by Management, in combination with the significance of the amount of Investment Properties to the financial statements, valuation of Investment Properties is a key audit matter. The Company discloses the related accounting policies and estimates, and the assumptions used for Investment Properties valuation, in Notes 2.6, 3.1 and 8 of the financial statements.	We have performed, among others, the following audit procedures: • We documented our understanding of the processes, policie and methodologies used by management for valuing Investment Properties and performed walkthrough tests to confirm our understanding. • We traced on a sample basis the details of the Investmer Properties included in the financial statements with those included in the latest submitted Statement of Properties (E9) of the Company and/or with the corresponding purchase agreements of the properties. • We traced the fair values of the Investment Properties include in the financial statements with those that are included in the corresponding valuation reports issued by the independent valuers, as of December 31, 2018. • We examined on a sample basis whether significant informatio about the properties used in the valuations by the independent valuers (specifically the contractual rental income and the area in square metres of the leased properties) are in line with the corresponding agreements. • We engaged our own internal valuation experts to: (a) asses and corroborate, for a sample of Investment Properties, the market related judgements and valuation inputs used by the independent valuers (including discount rates, exit yields, future rental revenues, vacancies and comparable sales values); (b) compare the fair values as at December 31, 2018 with the corresponding fair values as at December 31, 2017 or with the original cost for properties purchased within 2018 and assess whether the variations are reasonable based on market trends; and (c) assess whether the independent valuers were appropriately qualified, experienced and reputable. • Furthermore, on a sample basis, we validated the mathematica accuracy of the independent valuers' calculations. • We also assessed the adequacy of the disclosures which ar included in the notes to the financial statements.

Other Matter

The financial statements of the Company for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2018.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Company's 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, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 management.

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

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

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

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

From the matters communicated with those charged with governance, we determine that matter which was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended December 31, 2018.

c) Based on the knowledge and understanding concerning the company «TRASTOR REAL ESTATE INVESTEMENT COMPANY» and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

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

3. Provision of Non-audit Services

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

Non-audit services provided by us to the Company during the year ended December 31, 2018, are disclosed in Note 31 of the financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the Annual General Assembly on April 4, 2018.

Athens, March 4, 2019

The Certified Auditor Accountant

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

TRASTOR

TRASTOR
REAL ESTATE INVESTMENT COMPANY

FINANCIAL STATEMENTS

for the period from 01.01.2018 till 31.12.2018

Based on International Financial Reporting Standards (IFRS)

STATEMENT OF FINANCIAL POSITION

	Note	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Tangible assets	6	69,691.75	81,288.59
Intangible assets	7	12,244.08	1,995.84
Investment properties	8	113,251,000.00	79,497,000.00
Advance payments for the purchase of property	8	102,050.00	0.00
Other receivables	9	117,930.85	85,238.32
		113,552,916.68	**79,665,522.75**
Current assets			
Trade receivables	10	214,584.68	213,333.72
Other receivables	9	117,183.88	338,011.48
Cash and cash equivalents	11	3,586,542.97	5,761,596.00
		3,918,311.53	**6,312,941.20**
TOTAL ASSETS		**117,471,228.21**	**85,978,463.95**
EQUITY AND LIABILITIES			
EQUITY			
Equity and reserves attributable to parent company shareholders			
Share capital	12	40,345,326.50	40,345,326.50
Share premium	12	7,387,866.39	7,387,866.39
Reserves	13	37,848,386.37	37,547,590.11
(Losses carried forward) / Retained earnings	14	(2,936,347.59)	(5,673,869.82)
Total Equity		**82,645,231.67**	**79,606,913.18**
LIABILITIES			
Long term liabilities			
Retirement benefit liabilities	15	75,895.00	75,814.00
Loans	16	31,777,702.02	4,795,495.00
Other long term liabilities	17	738,518.70	319,358.70
		32,592,115.72	**5,190,667.70**
Short term liabilities			
Trade and other payables	18	890,239.03	595,381.30
Loans	16	937,682.38	265,608.90
Current tax liabilities	19	405,959.41	319,892.87
		2,233,880.82	**1,180,883.07**
Total Liabilities		**34,825,996.54**	**6,371,550.77**
TOTAL EQUITY AND LIABILITIES		**117,471,228.21**	**85,978,463.95**

STATEMENT OF COMPREHENSIVE INCOME

	Note	01.01.-31.12.2018	01.01.-31.12.2017
Rental Income from investment properties	20	5,577,628.20	4,168,988.81
Invoiced Maintenance & Common Charges	21	230,964.38	256,601.41
Total Income		**5,808,592.58**	**4,425,590.22**
Gain from adjustment of investment properties to fair value	8	3,255,278.17	268,925.18
Property expenses	22	(1,898,654.82)	(1,336,752.85)
Personnel expenses	23	(1,434,302.66)	(973,691.74)
Other operating expenses	24	(1,204,624.98)	(1,254,904.99)
Provision for asset impairment	9, 10	(113,717.11)	(279,540.75)
Depreciation of tangible assets	6, 7	(27,305.69)	(38,985.18)
Other income		64,050.18	5,745.82
Result from operating activity		**4,449,315.67**	**816,385.71**
Financial income	25	66,276.14	83,211.17
Financial expense	25	(1,025,552.62)	(295,127.10)
Profit / (Loss) before tax		**3,490,039.19**	**604,469.78**
Tax	19	(752,516.96)	(601,820.01)
Profit / (Loss) after tax		**2,737,522.23**	**2,649.77**
Other comprehensive income:			
Items that will not be carried over to results posteriorly :			
Actuarial profits/(losses) from provision for personnel retirement benefits	15	17,511.00	(29,412.00)
Total comprehensive result [profit / (loss)] after tax		**2,755,033.23**	**(26,762.23)**
Profit / (Loss) after tax attributed to:			
-Parent company shareholders		2,737,522.23	2,649.77
		2,737,522.23	**2,649.77**
Total comprehensive result [profit / (loss)] after tax attributed to:			
-Parent company shareholders		2,755,033.23	(26,762.23)
		2,755,033.23	**(26,762.23)**
Profit per share			
Basic & fully diluted	26	**0.034**	**0.000**

The notes presented on pages 30 to 49 constitute an integral part of the Financial Statements dated December 31, 2018.

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Statutory reserve	Special reserve under article 4, para. 4a of the codified law 2190/1920	Other reserves	Profits/(losses) from provision of incentive plans	(Losses carried forward)/Retained earnings	Total Equity
Opening balance as at January 1, 2017		**27,444,120.00**	**163,190.75**	**2,956,713.54**	**34,579,591.20**	**3,344.37**	**0.00**	**(5,642,761.26)**	**59,504,198.60**
Total comprehensive result for the period									
Profit after tax for the period 01.01.2017 – 31.12.2017		0.00	0.00	0.00	0.00	0.00	0.00	2,649.77	**2,649.77**
Actuarial profits/(losses) from provision for personnel retirement benefits	15	0.00	0.00	0.00	0.00	(29,412.00)	0.00	0.00	(29,412.00)
Total other comprehensive income		**0.00**	**0.00**	**0.00**	**0.00**	**(29,412.00)**	**0.00**	**0.00**	**(29,412.00)**
Total comprehensive result [profit / (loss)] after tax		**0.00**	**0.00**	**0.00**	**0.00**	**(29,412.00)**	**0.00**	**2,649.77**	**(26,762.23)**
Transactions with shareholders affecting Equity									
Share capital increase	12	12,901,206.50	7,224,675.64	0.00	0.00	0.00	0.00	0.00	**20,125,882.14**
Share capital increase expenses		0.00	0.00	0.00	0.00	0.00	0.00	(33,758.33)	**(33,758.33)**
Profits/(losses) from provision of employee short-term share schemes	13	0.00	0.00	0.00	0.00	0.00	37,353.00	0.00	**37,353.00**
Total transactions with shareholders		**12,901,206.50**	**7,224,675.64**	**0.00**	**0.00**	**0.00**	**37,353.00**	**(33,758.33)**	**20,129,476.81**
Balance as at December 31, 2017		**40,345,326.50**	**7,387,866.39**	**2,956,713.54**	**34,579,591.20**	**(26,067.63)**	**37,353.00**	**(5,673,869.82)**	**79,606,913.18**
Opening balance as at January 1, 2018		**40,345,326.50**	**7,387,866.39**	**2,956,713.54**	**34,579,591.20**	**(26,067.63)**	**37,353.00**	**(5,673,869.82)**	**79,606,913.18**
Total comprehensive result for the period									
Profit after tax for the period 01.01.2018 – 31.12.2018		0.00	0.00	0.00	0.00	0.00	0.00	2,737,522.23	**2,737,522.23**
Actuarial profits/(losses) from provision for personnel retirement benefits	15	0.00	0.00	0.00	0.00	17,511.00	0.00	0.00	**17,511.00**
Total other comprehensive income		**0.00**	**0.00**	**0.00**	**0.00**	**17,511.00**	**0.00**	**0.00**	**17,511.00**
Total comprehensive result [profit / (loss)] after tax		**0.00**	**0.00**	**0.00**	**0.00**	**17,511.00**	**0.00**	**2,737,522.23**	**2,755,033.23**
Transactions with shareholders affecting Equity									
Profits/(losses) from provision of employee short-term share schemes	13	0.00	0.00	0.00	0.00	0.00	50,201.66	0.00	**50,201.66**
Profits/(losses) from provision of employee Long-term share schemes	13	0.00	0.00	0.00	0.00	0.00	233,083.60	0.00	**233,083.60**
Total transactions with shareholders		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**283,285.26**	**0.00**	**283,285.26**
Balance as at December 31, 2018		**40,345,326.50**	**7,387,866.39**	**2,956,713.54**	**34,579,591.20**	**(8,556.63)**	**320,638.26**	**(2,936,347.59)**	**82,645,231.67**

STATEMENT OF CASH FLOW

	Note	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
Cash Flow from Operating Activities			
Profit before tax		3,490,039.19	604,469.78
Plus / minus adjustments for:			
Depreciation		27,305.69	38,985.18
Provision for asset impairment		113,717.11	279,540.75
Provision for personnel retirement benefits		17,592.00	9,213.00
Other provisions for personnel		283,285.26	37,353.00
(Gain) from adjustment of investment properties to fair value	8	(3,255,278.17)	(268,925.18)
Interest income	25	(66,276.14)	(83,211.17)
Interest and related expenses	25	1,025,552.62	295,127.10
Plus/minus adjustments for changes in working capital related to operating activities:			
Decrease / (increase) in receivables		(62,020.67)	(255,553.01)
Increase / (decrease) in liabilities (excluding loans)		485,859.04	359,724.39
Less:			
Interest and related expenses		(779,388.26)	(295,127.10)
Tax paid		(666,450.42)	(528,514.17)
Net cash flow from operating activities		**613,937.25**	**193,082.57**
Cash Flow from Investment Activities			
Purchase of tangible and intangible assets		(25,957.09)	(104,579.14)
Acquisition of property investments	8	(30,390,008.42)	(19,109,606.39)
Improvements to property investments	8	(108,713.41)	(64,468.43)
Cash advance for acquisition of property investments		(102,050.00)	0.00
Interest income	25	66,276.14	83,211.17
Net Cash Flow from Investment Activities		**(30,560,452.78)**	**(19,195,442.79)**
Cash Flow from Financing Activities			
Loans received	16	30,000,000.00	0.00
Loan issuance costs		(432,000.00)	0.00
Repayments of Loans	16	(1,796,537.50)	(216,877.50)
Share capital increase		0.00	20,125,882.14
Share capital increase expenses		0.00	(33,758.33)
Net cash flow from financing activities		**27,771,462.50**	**19,875,246.31**
Net increase / (decrease) in cash and cash equivalents		**(2,175,053.03)**	**872,886.09**
Cash and cash equivalents at beginning of period		**5,761,596.00**	**4,888,709.91**
Cash and cash equivalents at end of period		**3,586,542.97**	**5,761,596.00**

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1 GENERAL INFORMATION ABOUT THE COMPANY

TRASTOR REAL ESTATE INVESTMENT COMPANY's (''Company'') operations are exclusively investment in real estate and securities, in accordance with the Law 2778/1999 and Codified Law 2190/1920. Its main activity is leasing commercial property under operating leases.

The Hellenic Capital Market Commission's Board of Directors, at its 740/26.11.2015 meeting, granted an operating license to the Company as an Alternative Investment Fund with internal management, pursuant to the provisions of para. (b), article 5, L. 4209/2013.

The Company's duration is 50 years and expires on 25.11.2049. It operates in Greece and its headquarters are on 5 Himarras Street in Maroussi, Attica.

The Company's shares are traded on the Athens Stock Exchange.

The Company's shareholder structure as of 31.12.2018, is as follows:

- Wert Red S.à r.l. (VARDE Partners interests)	55.99 %
- Piraeus Bank S.A.	39.39 %
- Other Shareholders	4.62 %

All transactions with related parties are carried out in the context of its activities.

The present annual condensed financial report was approved by the Company's Board of Directors on 1st March 2019, has been published on the Company's website www.trastor.gr and is subject to approval at the Annual General Assembly Meeting.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF THE COMPANY

2.1. Basis of preparation of Financial Statements

The attached company financial statements (hereinafter ''the financial statements'') have been drawn up in accordance with the International Financial Reporting Standards (hereinafter (''IFRS'') issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

The attached company financial statements have been drawn up on the basis of historic cost, as adjusted for the fair value of investment properties.

Under the IFRS, the preparation of financial statements requires the use of some accounting estimates and assumptions. It also requires judgment by the Management in the selection of Company accounting principles.

Any changes in the assumptions are likely to affect assets and liabilities as well as recognition of contingent liabilities. Notwithstanding the fact that they are based on Management's best knowledge of current conditions and actions, the true results may actually differ from such estimates.

The areas involving a significant degree of judgment or complexity, or where assumptions and estimates significantly affect the preparation of the Financial Statements, are mentioned in Note 3.

There was no early adoption of any IFRS by the Company.

2.2. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity (note 5). The Company has appointed the Chief Executive Officer as the key person for business decision making.

2.3. Financial Statements Currency

The Company Financial Statements are presented in Euro, the Company's operating currency. The Company keeps its accounting records in Euro.

2.4. Property, plant and equipment

Furniture and other fixtures are valued at their historic acquisition cost less accumulated depreciation and any value impairment. Depreciation is calculated using the straight line method, based on a life approximating the average useful life of the assets, being the following:

• Furniture and other fixtures : 5 years.

• Personal Computers: 3 years.

Residual value and useful life are subject to revision and are readjusted accordingly, at least each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The profit or loss that results from the disposal of a fixed asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the income statement.

2.5. Intangible assets

Intangible assets are initially carried at acquisition cost. Thereafter they are carried at this amount less accumulated depreciation and any accumulated value impairment. Their depreciation is calculated using the straight line method, based on their average useful life of 3-4 years. The Company's intangible assets include software programs. Expenses incurred for software maintenance are recognized when incurred.

2.6. Investment properties

Property held for long term rent or for capital appeciation or both are classified as investment property. Investment property includes freehold land and freehold buildings built thereon.

Investment property is initially carried at cost, including direct acquisition expenses. Investment property is subsequently carried at fair value. Fair value is based on active market comparables, revisited when deemed necessary, due to change in the nature, location or condition of an asset. If such information is not available, the Company applies alternative valuation methods, such as recent prices in less active markets or the discounted cash flow method. Such valuations are carried out by an Independent Valuer, in accordance with the rules set by the International Valuation Standards Committee) at every balance sheet date.

The fair value of investment property takes account of inter alia income from rent on existing leases and assumptions related to income from rent on future leases, in the light of current market conditions.

Similarly, the fair value also reflects any cash outflow (including payments of rents and other outflows) that would have been expected from every property. Some of the outflows are recognized as liability, while other outflows, including contingent payments of rents are not recognized in the financial statements. Repair and maintenance expenses are recognised in the accounts in the year they are incurred.

Changes in ''fair values'' are recognized in the result from operating activity.

Investment property is written off when sold or when the use of an investment property ceases permanently and no economic benefit is anticipated from its disposal.

Development costs are added to the property's book value only when it is probable that future economic benefits, related to said property, will flow into the Company and that the related costs can be reliably measured.

If an investment property ceases to be held primarily as an investment, it is reclassified under tangible assets and its fair value on the reclassification date for accounting purposes is taken as its acquisition cost.

If a fixed asset is reclassified from tangible asset into investment property, due to a change in use, any difference between the book value and the ''fair value'' on its date of reclassification, is accounted as revaluation, pursuant to IAS 16. Any such revaluation is recognized in the result from operating activity to the extent it reverses a previous impairment relating to the same asset. Further revaluation is recognized as other comprehensive income and appears in equity in ''other reserves''. Any arising impairment in the book value which reverses the previous revaluation with regard to the same asset, is recorded in other comprehensive income and is credited directly to ''other reserves'' in equity. Any decrease below the carrying value on reclassification is credited to the income statement.

Investment property held for sale without re-development is classified in non current assets as available for sale, in accordance with IFRS 5. The carrying value of the Investment property held for sale is its fair value at the date of reclassification.

2.7. Impairment of non Financial Assets

Depreciated assets (i.e tangible fixed assets and intangible assets) and shareholdings in subsidiaries are subject to an impairment test when certain events indicate that book value may not be recoverable. The impairment loss is the amount the asset's book value exceeds its recoverable value.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. To assess impairment loss, assets are incorporated in the smallest possible cash flow generating units. Non-financial assets, other than goodwill, that have been subject to value impairment are reviewed for possible impairment reversal on every reporting date. Impairment losses on goodwill are not reversed.

2.8. Leases

a) The Company as the lessor

Property investments owned by the Company and let on operating leases are carried on the balance sheet under Investment Properties and are valued as at every balance sheet date similarly with the other fixed assets of the same category. The Company's revenue from lease payments is recognized during the period of the lease.

b) The Company as the lessee

Leases in which risks and rewards of ownership are materially retained by the lessor are classified as operating leases. Payments carried out for operating leases including advance payments (net of any incentives offered by the lessor) are recognized on a straight-line basis.

The Company as lessee does not undertake financial leases.

2.9. Offsetting Financial Assets

Financial assets and liabilities are offset and the net amount is recognized in the statement of financial position, when an entity has a legally enforceable right to set-off the amounts and the intention is to make a net settlement, or the recovery of the asset and the settlement of the liability are expected to take place at the same time. The legally enforceable right should not depend on future events and should be exercisable in the ordinary course of business in the event of the default, insolvency or bankruptcy of the company or counterparty.

2.10. Trade and other receivables

Until December, 31 2017, trade and other receivables were initially carried at their fair value and thereafter carried at unamortized cost based on the effective interest rate (if time to maturity exceeds one year), less impairment losses.

From January 1, 2018, trade and other receivables are initially carried at their fair value and subsequently carried at amortized cost using the effective interest rate (if time to maturity exceeds one year) less any provision for impairment for expected credit losses. An impairment provision is recognized when there is objective evidence that the Company is not in a position to receive all amounts owed under the contractual terms, as well as to the calculation for expected credit losses for items that are not impaired. The amount of the impairment provision is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows discounted at the effective interest rate and it is recognized as an expense in the income statement.

The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses. For the Company's other financial assets that are measured at amortized cost, the general approach is used.

In determining the expected credit losses of trade and other receivables, the Company uses:

a) Case by case approach based on profile, time delay of recovery of receivables and Company's policy.

b) Credit risk assessment of receivables. Credit loss forecasts are based on historical data taking into account future factors in relation to debtors and the economic environment.

2.11. Cash and cash equivalents

Cash and cash equivalents are low risk assets and include balances with an initial term of less than three months, such as cash and cash balances in Banks.

2.12. Share Capital

Share Capital is classified under shareholder's equity. Direct costs incurred in the issuance of shares are recognized as a reduction of the issue proceeds, net of taxes.

2.13. Personnel benefit plans

A) Post-retirement benefits

The defined benefits plan establishes a legal obligation to pay the personnel a lump sum on each employee's retirement date. The liability recognized in the balance sheet for this plan is the present value of the defined benefit, depending on the accrued right of employees and the anticipated date of payment. The defined benefit liability is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit is calculated by discounting the anticipated future cash outflows using the yield on high quality corporate bonds denominated in the currency in which the benefit will be paid and with a duration that approximates the duration of the relevant retirement liability.

The current employment cost of the defined benefits plan is recognized in the Statement of Comprehensive Income unless it is included in the cost of an asset. The current employment cost reflects the increase in liability for defined benefits deriving from employees' employment during the financial year and from changes in the terms of the plan and paid settlements.

The service cost is directly recognized in the results.

The net cost of interest is calculated as the difference between the defined benefits liability and the plan's assets at discounted fair value. This cost is included in the profit and loss account under benefits to employees.

Actuarial profit and losses deriving from empirical adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the financial year in which they arise.

B) Defined-contribution schemes

The Company's employees are mainly covered by the main State Social Insurance Agency (EFCA), which provides pension and healthcare benefits. Every employee is required to contribute part of his monthly salary to the fund while part of the total contribution is covered by the employer. At retirement, the pension fund is responsible for paying employees' retirement benefits. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan. Accrued cost of contributions is recognized as an expense in the period in question. This plan is considered and accounted for as defined contributions.

C) Incentive Plan for Management

The Company has adopted incentive programs and aims to attract, retain and encourage its executives, through two Incentive Programs, in which the participants acquire a direct share interest in the Company and therefore link their remuneration to the Company's performance in the future as represented by NAV per share. The Programs are paid in shares that will be acquired for this purpose.

The Company decides the terms under which its executives participate in the incentive programs. A prerequisite for participation in the Incentive Programs is that the executive is a paid employee of the Company. The cost of benefits is determined on the basis of the fair value of the relevant rights at the date they are granted using appropriate valuation models and is recognized as an expense from the date of issue to the maturity date of the relevant rights which is credited to shareholders equity through the creation of a specific reserve. Cumulative expense is recognized as a reserve until maturity and expiration. Non-market performance conditions are not taken into account when determining the fair value of the rights but are when assessing the probability of obtaining the required conditions and the best estimate of the number of rights to be granted. Non vesting conditions are reflected in the fair value of the entitlement and reflect the prompt recognition of the expense of a right.

The Programs take into account the following variables: Concession Date, Dividend Rates, Dividend Yield, Increase / Decrease of Share Capital.

2.14. Provisions

Provisions are recognized when the Company has an obligation (legal or contigent), derived from past events, and it is probable that resources will flow out in settlement of the obligation whose amount can be reliably determined. Provisions are reviewed on every balance sheet date and if it is no longer probable that resources will flow out in settlement of the obligation, provisions are reversed. Provisions are only set against the purpose for which they were initially created.

2.15. Loans

Loans are initially recorded at their fair value, reduced by any direct expenses incurred in setting up the loan. Subsequently they are measured at unamortized cost based on the effective interest rate method. Any difference between the issue proceeds (net of related expenses) and the redemption value is recognized in the Statement of Comprehensive Income during the term of the loan based on the effective interest rate method.

General borrowing costs and borrowing costs resulting from the acquisition, construction or production of a qualifying asset incurred during the period before the asset is ready for use or sale, are capitalized. A qualifying asset is an asset for which an extended period is required for it to be ready for the use for which it is intended or for sale.

All other borrowing costs are recognized in the results as incurred.

2.16. Trade and other payables

Liabilities are initially recognized at their fair value and are thereafter carried at the unamortized cost based on the effective interest rate method.

2.17. Dividend Distribution

Dividends distributed to shareholders are carried as a liability from the date they are approved by the General Shareholders Meeting.

2.18. Taxation

The Company is subject to taxation in accordance with Article 31(3) of Law 2778/1999, as replaced from 1 June 2017 by Article 46(2) of Law 4389/2016, at a rate of 10% of the then applicable intervention rate of the European Central Bank plus 1 percentage point applied semiannually to the average during the period investments plus other assets at current value. The tax due on a half-yearly basis cannot be less than 0.375% of the Company's average half-year investments plus other assets at current value.

The Company is not subject to deferred tax.

2.19. Income Recognition

The Company leases owned real estate under operating lease agreements. When properties are leased under operating leases, they are shown in the statement of financial position as investment property (note 8). Revenues include property rental income plus income from key money that are recognized in profit or loss on a straight-line basis over the period of the lease. When the Company provides incentives to its lessees, the cost of such incentives is recognized during the lease, using the straight-line method, deducted from operating lease income. Variable rentals, such as rentals based on lessees' turnover, are recognized as income in the periods in which they are advised to the Company. Lease deposits received at the commencement of a lease are recognized as a liability and are presented at their acquisition cost.

Invoiced Maintenance & Common Charges revenues come from re-invoicing of expenses recoverable from lessees and recognized in the period in which they are due.

The Company identifies these services as a separate performance obligation. The Company has determined that it controls the services before they are provided to the lessees, and therefore acts as principal and not as an agent for these contracts.

2.20. Interest income/expense

Interest income/expense is shown in the ''Financial income/financial expense'' lines of the Statement of Comprehensive Income using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or expense during the term of the asset or liability.

The effective interest rate is the discount rate which when applied to the cash inflows or outflows relating to a financial instrument over its term comes to its book value. It accurately discounts future cash payments or collections throughout the anticipated lifetime of a financial instrument.

When calculating the effective interest rate, the entity shall use the cash flows taking into consideration all contractual terms governing the financial instrument (for example prepayment rights) and will not take into account future credit losses. The calculation includes all remuneration and the amounts paid to or received from contracting parties, the transaction costs and any surcharge or discount.

2.21. De-recognition of financial assets and liabilities

Financial Assets

Financial assets are written-off when:

- The rights to the inflow of cash resources have expired

- The Company has transferred the right to cash inflow from that asset or has at the same time undertaken a liability to third parties to repay fully without any undue delay in the form of a transfer contract while either (a) it has transferred substantially all the risks and rewards or (b) has not transferred substantially all the risks and rewards but has transferred the control of that asset.

In the event that the Company has transferred the rights to receive cash flows from that asset but at the same time has not transferred substantially all the risks and rewards or control of that asset, then the asset is recognized to the extent of the Company's continuing involvement in this asset.

Financial Liabilities

Financial Liabilities are written-off when the obligation is discontinued, canceled or expires. In the event that an existing obligation is replaced by another to the same lender but under substantially different terms, or where there are substantial changes to the terms of an existing liability, then the original obligation is writen-off and a new liability is recognized and any difference arising is recognized in the income statement.

2.22. New standards and interpretations

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2018:

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Company has applied IFRS 9 as at 01/01/2018, without the restatement of its comparative figures, as permitted by IFRS 9. At the transition date 01.01.2018 the application of IFRS 9 had no effect on Company's Statement Changes in Equity.

<u>Changes in accounting policies due to IFRS 9 application</u>

The application of IFRS 9 had as a result the replacement of Accounting Principle 2.11 of the Annual Financial Statements for the year ended 31 December 2017, which was in accordance with IAS 39.

The new accounting policy is presented in note 2.10 "Trade and other receivables".

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Except for the reclassification of revenue from re-pricing expenses, the application of the standard has no other impact on the Company's financial statements as Company's revenues derived from rents under leases contracts are not affected by IFRS 15.

IFRS 15: Revenue from Contracts with Customers (Clarifications)

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The application of the clarification has no impact on the Company's financial statements as Company's revenues derived from rents under leases contracts are not affected by IFRS 15.

IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)

The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The new Standard does not affect Company's Financial Statements.

IAS 40: Transfers to Investment Property (Amendments)

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. During the current period, no transfers of investment property were made.

IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The new Standard does not affect Company's Financial Statements, as Company does not has teansactions in foreign currency.

The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs.

IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

B) Standards issued but not yet effective and not early adopted

IFRS 16: Leases

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Company will proceed to the full implementation of IFRS 16 at 01.01.2019, discounting the future rents, in accordance with the existing operating lease agreements for buildings (company offices) and means of transportation, using a 4% interest rate. The impact of the application of IFRS 16 will result in an increase of the tangible assets of the amount of € 505 thous. (buildings € 453 thous. and transportation means € 52 thous.) and in an equal increase in liabilities.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company's Management assesses that the new Standard does not affect Company's Financial Statements.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Company is not currently facing such cases.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Company's Management assesses that the new Standard does not affect Company's Financial Statements.

IFRIC INTERPRETATION 23: Uncertainty over Income Tax Treatments

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Interpretation has not yet been endorsed by the EU.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred.

The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Company's Management assesses that the new Standard does not affect Company's Financial Statements.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. The Company's Management assesses that the new Standard does not affect Company's Financial Statements.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

IAS 23 Borrowing Costs: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions should be continuously scrutinized and are based both on past experience and on other factors including expectation of future events deemed reasonable under the current conditions.

The Company makes estimates and assumptions as regards future events. Such estimates will not necessarily conform to the eventual outcome.

Estimates and assumptions entailing a significant risk of substantial change in the value of assets and liabilities in the coming financial year are set out below:

3.1 Significant accounting estimates and assumptions

a) Assessment of "fair value" of investment assets

The Company uses the following hierarchy to determine the fair value of investment assets:

Level 1: The fair value of Financial assets traded on active markets is determined on the basis of published market prices applying on the reporting date for similar assets and liabilities.

Level 2: The fair value of Financial assets not traded on active markets is determined with the use of valuation techniques and assumptions based, either directly or indirectly, on market data on the reporting date.

Level 3: The fair value of Financial assets not traded on active markets is determined with the use of valuation techniques and assumptions not actually based on market data.

The most appropriate fair value indicators are the current values applying in an active market for similar lease agreements and other contracts. If such information is not available, the Company Management determines the fair value through a range of reasonable estimates of fair values based on the advice of independent external valuers.

In arriving at a fair value, Company Management takes into account data from various sources that include:

(i) Current values in an active real estate market of a different nature, condition or location (or subject to different lease agreements or other contracts), taking account of these differences.

(ii) Recent prices of similar property in less active markets, adjusted to reflect any changes in economic conditions since the dates on which the respective transactions took place.

(iii) Discounting of cash flows, based on reliable estimates of future cash flows, deriving from the terms of lease agreements in effect and other contracts and (whenever feasible) from external data, such as current rents for similar property in the same location and condition, using discount rates that reflect current market conditions.

The above are analysed at Note 8.

b) Provision for asset impairment

The Company has adopted a system of provisioning doubtful debts by examining individually each case, but also at the same time based on a model, which contains historical information of bad debts over the past three years.

c) Incentive Plan for Management

Incentive plan: Assessing the fair value of incentive programs requires the use of the appropriate valuation method, which depends on the terms and conditions of the benefits. This estimate also requires the use of appropriate data, including the consession date, the expected life of the rights, whether the conditions are relevant to the purchase or not (market / non-market conditions), the vesting conditions, the expected dividend yield, and assumptions about them. Furthermore, the Company takes into account the conditions of benefits (instead shares or cash), the accounting policy to be followed (recogntion of reserve or liability). The estimation of the fair value of these benefits is presented in Note 13 of the Financial Statements.

3.2 Significant judgments by the Management on the application of accounting principles

Classification of newly purchased property as investment property or property, plant and equipment.

The Company determines whether a newly purchased property, expected to be used as an investment property, should be initially recognized as a tangible asset of the Company or as an investment property. In reaching this decision, the Company takes into account whether the property earns significant cash flows regardless of other assets held by the Company.

4 MAIN RISKS AND UNCERTAINTIES

4.1 Financial Risk Factors

The Company recognises and classifies all the financial risks to which it is exposed. The Risk Manager monitors and evaluates these risks regurarly, both quantitatively and qualitatively.

Real Estate Market Risk

The real estate market suffers risks that are mainly related to:
(a) the geographical location and the desirability of the property,
(b) the lessee's credibility and solvency;
(c) the type of use by the lessee,
(d) the general business activity of the area in which the property is located; and
(e) trends in commercial upgrading or downgrading of the area in which the property is located.

Generally, when the economy is strong and / or is going through periods of economic growth, with low inflation and interest rates, where there is an increase in investment, employment and corresponding increase in consumption, trade conditions are created to increase the demand for new stores and office space.

On the other hand, in the case of adverse economic conditions in the economy generally or in some areas, with low demand for products and services, the production sectors are adversely affected, with the direct effect of reducing the demand for business premises.

The Company's institutional framework of operation is based on :
a) Investment property is valued regularly, as well as before acquisition and sale, by an independent certified property valuer
b) Property development and construction is undertaken only under specific terms and restrictions,
c) A maximum value of each property as a percentage of the total value of investments has been set, with the total value of the three largest investment properties of the Company being less than 32% of the total value of its portfolio,

and the Company's strategy, according to which its portfolio consists of properties of different uses, contributes significantly to the avoidance and / or timely identification and treatment of the relevant risks, significantly avoiding and/or promptly recognizing and dealing with the relevant risks.

Price Risk

The Company is exposed to risk from changes in the value of property and rental rates. To mitigate the price risk, the Company seeks to conclude long term operating leases with annual readjustments of rents in line with the Consumer Price Index. In the event of negative inflation, there is no reduction in rents.

Additionally, in some commercial leases, lease terms include a sales based rent. For more information, see note 3.

Risk of lessee's concentration

The Company due to a shareholder, had a significant proportion of its investment properties leased to Piraeus Bank. This percentage is decreasing due to the expansion of the Company's portfolio, which reduces dependence on the above lessee. It is worth mentioning that Piraeus Bank is one of the four systemic banks with an excellent record of rent payments to the Company, therefore the risk of default is minimal. In 2018, rental income from Piraeus Bank as a percentage of total annual rents amounted to 27%, compared with 39% in 2017.

Credit Risk

The Company has credit risk concentrations with respect to rental income received from tenants under property operating lease contracts.

Credit risk arises from default by counter-parties in fulfilling their transactional liabilities.

No significant losses are anticipated because the Company's transactions with customers - tenants are based on an assesment of their solvency and reliability so as to avoid payment delays and bad debts.

The Company has adopted a system of provisioning doubtful debts by examining individually each case, but based on a model, which contains historical information of bad debts over the past three years.

The Company's maximum exposure to credit risk is presented to notes 9 and 10 in financial statements.

Liquidity Risk

Prudent liquidity risk management implies adequate cash balances, availability of funding and ability to close out market positions (trade receivables from customers, namely tenants).

Proper management of cash, appropriate financial structure and careful investment management ensures the required liquidity for the Company's operations. The Company also ensures the satisfactory diversity of cash equivalents between systemic and non-systemic banks, as well as between domestic and foreign banks.

The Company's liquidity is monitored by the Company's management regularly.

Estimated non-discounted outflows based on contracts related to the Company's liabilities (trade and other liabilities) and loans (including estimated interest payments) are presented below:

Financial Liabilties

Long term liabilities	**31.12.2018**	**31.12.2017**
Loans		
2 to 5 years	19,728,858.31	5,590,814.30
over 5 years	16,996,076.67	0.00
	36,724,934.98	**5,590,814.30**

Short term liabilities	**31.12.2018**	**31.12.2017**
Trade and other payables		
up to 1 month	380,590.32	358,591.82
over 1 to 3 months	332,638.36	101,467.30
over 3 to 12 months	167,404.74	121,880.37
over 12 months	9,605.61	13,441.81
	890,239.03	**595,381.30**
Loans		
up to 1 month	248,287.50	0.00
over 1 to 12 months	2,027,368.44	468,916.95
	2,275,655.94	**468,916.95**

The Company's liquidity is monitored by the Company's management regularly, using the current ratio. Its Current ratio is calculated as total current assets to total short term liabities, as they appear in the Financial Statements.

At 31.12.2018, its current ratio was 1.8:1 (5.3:1 at 31.12.2017), that means that current assets were 1.8 times the short term liabilities.

Capital Risk

The Company's objective in managing its capital is to ensure its ability to continue in business in order to safeguard returns for its shareholders and the benefits of other stakeholders involved with the Company, to preserve an optimal capital structure and to comply with L. 2778/1999.

A high borrowing cost may lead to a failure to repay debt obligations (capital and interest), non-compliance with loan terms and possible failure to conclude new borrowing contracts.

To mitigate this risk, capital structure is monitored using a gearing ratio, which is the ratio between borrowing and capital employed (note 4.1 of the annual financial statements). The Company's Board of Directors approves any new borrowings, taking account of the above risks and the change in the Company's gearing ratio. Any increase in the Company's property portfolio may be paid for either by cash or by borrowing within the scope of Law 2778/1999, or by an increase in the Company's Share Capital.

The Company monitors on a regular basis all the financial ratios of its loans.

Net borrowing is calculated as total borrowing (long term and short term net of borrowing issue costs) less cash and cash equivalents, as they appear on statement of financial position. Gearing ratio is presented below:

	31.12.2018
Net Borrowing	**29,629,292.03**
Equity	82,645,231.67
Net Borrowing	29,629,292.03
Capital Employed	**112,274,523.70**
Gearing Ratio	**26.4%**

At 31.12.2017 gearing ratio was not calculated, as cash equivalents exceeded total borrowing.

Lender Risk

The Company has received all its loans from Piraeus Bank. The risk that the Bank will face a liquidity issue and be unable to meet the Company's financing needs is considered to be low but the Company is seeking funding from other banks to reduce the risk of exclusive reliance on a single lender.

Interest Rate Risk

Company's assets include substantial interest-bearing assets such as demand deposits and at times term deposits.

The Company's exposure to interest rate risk derives from bank loans.

The Company is exposed to fluctuations in market interest rates that affect its financial position and its cash flows. Borrowing costs may increase as a result of such changes and may result in losses or decrease when unexpected events occur.

The following sensitivity analysis is based on the assumption that the Company's borrowing rate changes, while other variables remain unchanged. Note that in practice a change in one parameter (change of interest rate) may affect other variables.
If the interest rate is changed by +/- 1%, the effect on the Company's results is estimated to be - / + € 327.15 thousand in 2018 (2017: € 50.61 thousand).

Finally, even in the event of an increase in Euribor (which is the base of the variable cost of borrowing of the Company) by 0.50%, there is no risk of breach in of the Company's loan covenants.

Foreign Exhange Risk

The Company operates solely in one monetary economic environment (Greece) and is not exposed to risks from a foreign currency.

4.2. Fair value assessment

4.2.1 Financial assets and liabilities measured at fair value

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in arms' length transaction between market participants at the measurement date (exit price).

The Company uses the following hierarchy to determine the fair value of financial instruments, based on IRFS 13:

Level 1: The fair value of Financial assets traded on active markets is determined on the basis of published market prices applying on the reporting date for similar assets and liabilities.

Level 2: The fair value of Financial assets not traded on active markets is determined with the use of valuation techniques and assumptions based, either directly or indirectly, on market data on the reporting date.

Level 3: The fair value of Financial assets not traded on active markets is determined with the use of valuation techniques and assumptions not actually based on market data.

The following table presents the value of financial assets and liabilities measured at fair value at 31 December 2018:

Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	-	-	113,251,000.00	113,251,000.00
Total	-	**-**	**113,251,000.00**	**113,251,000.00**

During the year there were no transfers between Levels 1 and 2, nor transfers within and outside Level 3.

4.2.2 Financial assets and liabilities not measured at fair value

At 31 December 2018, the book value of trade and other receivables, cash and cash equivalents, loan liabilities and the trade and other payables approximated fair value.

5 BUSINESS SEGMENTS

The Company's business segments, by type of property, are as follows:

- retail segment
- office premises segment
- mixed use segment
- gas stations segment
- car parking segment

Business segments were redefined in the current period with the addition of the mixed use segment, which includes properties that were previously allocated to the office sector. The prior year's corresponding figures have been restated to be comparable to the current period.

The Company operates only in the Greek market and therefore does not present an analysis in secondary activity segments.

For each segment, the Income and Expenses as well as Assets and Liabilities are as follows:

01.01-31.12.2018	**Retail**	**Office**	**Mixed use**	**Gas stations**	**Parking**	**Undistributed**	**Total**
Rental Income	1,502,302.15	2,040,573.49	1,505,104.93	376,500.03	153,147.60	0.00	5,577,628.20
Invoiced Maintenance & Common Charges	201,499.16	2,980.13	26,485.09	0.00	0.00	0.00	230,964.38
Total income	**1,703,801.31**	**2,043,553.62**	**1,531,590.02**	**376,500.03**	**153,147.60**	**0.00**	**5,808,592.58**
Gain / (Loss) from adjustment of investment properties to fair value	1,515,514.69	1,990,734.78	641,423.31	(271,394.61)	(621,000.00)	0.00	3,255,278.17
Total operating expenses	(896,062.86)	(402,282.93)	(392,759.66)	(83,183.93)	(124,365.44)	(2,779,950.44)	(4,678,605.26)
Other income	13,250.00	0.00	0.00	0.00	0.00	50,800.18	64,050.18
Financial income	0.00	0.00	0.00	0.00	0.00	66,276.14	66,276.14
Financial expense	(311,708.55)	(314,859.71)	(161,226.00)	0.00	0.00	(237,758.36)	(1,025,552.62)
Profit / (Loss) before tax	**2,024,794.59**	**3,317,145.76**	**1,619,027.67**	**21,921.49**	**(592,217.84)**	**(2,900,632.48)**	**3,490,039.19**
Tax	(250,608.10)	(223,640.84)	(201,800.39)	(33,279.16)	(20,088.58)	(23,099.89)	(752,516.96)
Profit / (Loss) after Tax	**1,774,186.49**	**3,093,504.92**	**1,417,227.28**	**(11,357.67)**	**(612,306.42)**	**(2,923,732.37)**	**2,737,522.23**
31.12.2018							
Investment properties & other non-current assets	38,910,000.00	34,723,000.00	31,332,000.00	5,167,000.00	3,119,000.00	183,985.83	113,434,985.83
Current assets and long term receivables	298,723.89	7,421.31	57,986.96	0.00	62,749.54	3,609,360.68	4,036,242.38
Total assets	**39,208,723.89**	**34,730,421.31**	**31,389,986.96**	**5,167,000.00**	**3,181,749.54**	**3,793,346.51**	**117,471,228.21**
Total Liabilities	**33,185,182.60**	**104,373.23**	**172,730.00**	**3,000.00**	**15,290.40**	**1,345,420.31**	**34,825,996.54**

01.01-31.12.2017	**Retail**	**Office**	**Mixed use**	**Gas stations**	**Parking**	**Undistributed**	**Total**
Rental Income	1,117,119.65	1,339,621.24	1,202,008.52	369,890.86	140,348.54	0.00	4,168,988.81
Invoiced Maintenance & Common Charges	242,091.90	0.00	14,509.51	0.00	0.00	0.00	256,601.41
Total income	**1,359,211.55**	**1,339,621.24**	**1,216,518.03**	**369,890.86**	**140,348.54**	**0.00**	**4,425,590.22**
Gain / (Loss) from adjustment of investment properties to fair value	438,179.26	596,031.83	(697,030.75)	(65,000.00)	(3,255.16)	0.00	268,925.18
Total operating expenses	(701,089.42)	(153,535.40)	(266,017.71)	(81,347.28)	(134,763.04)	(2,547,122.66)	(3,883,875.51)
Other income	0.00	0.00	0.02	0.00	0.00	5,745.80	5,745.82
Financial income	0.00	0.00	0.00	0.00	0.00	83,211.17	83,211.17
Financial expense	(260,285.92)	0.00	0.00	0.00	0.00	(34,841.18)	(295,127.10)
Profit / (Loss) before tax	**836,015.47**	**1,782,117.67**	**253,469.59**	**223,543.58**	**2,330.34**	**(2,493,006.87)**	**604,469.78**
Tax	(210,280.48)	(139,692.87)	(146,398.69)	(38,378.48)	(26,399.76)	(40,669.73)	(601,820.01)
Profit / (Loss) after Tax	**625,734.99**	**1,642,424.80**	**107,070.90**	**185,165.10**	**(24,069.42)**	**(2,533,676.60)**	**2,649.77**
31.12.2017							
Investment properties & other non-current assets	29,790,000.00	19,790,000.00	20,740,000.00	5,437,000.00	3,740,000.00	83,284.43	79,580,284.43
Current assets and long term receivables	347,678.22	17,941.00	49,112.36	0.00	48,032.32	5,935,415.62	6,398,179.52
Total assets	**30,137,678.22**	**19,807,941.00**	**20,789,112.36**	**5,437,000.00**	**3,788,032.32**	**6,018,700.05**	**85,978,463.95**
Total Liabilities	**5,232,000.20**	**52,000.00**	**69,910.00**	**3,000.00**	**15,290.40**	**999,350.17**	**6,371,550.77**

With regards to the above analysis by business segment:

a) There are no transactions between business segments.

b) Business segment assets consist of investment properties in real estate and other fixed assets.

c) Undistributed assets include tangible and intangible assets.

d) Current assets and long-term receivables include receivables from lessees, security deposits and other receivables. The undistributed element is made up of cash balances and other receivables.

6 TANGIBLE ASSETS

Acquisition cost	**31.12.2018**	**31.12.2017**
Opening balance 1/1	241,198.32	139,112.18
Purchases	14,513.09	102,086.14
Balance 31/12	**255,711.41**	**241,198.32**
Accumulated depreciation		
Opening balance	159,909.73	122,175.01
Depreciation for the financial year	26,109.93	37,734.72
Balance 31/12	**186,019.66**	**159,909.73**
Net Book Value 31/12	**69,691.75**	**81,288.59**

There was no value impairment of the Company's tangible assets in the years 2017 and 2016. The tangible assets are furniture, personal computers and other equipment.

7 INTANGIBLE ASSETS

Acquisition cost	**31.12.2018**	**31.12.2017**
Opening balance 1/1	51,722.93	49,229.93
Purchases	11,444.00	2,493.00
Balance 31/12	**63,166.93**	**51,722.93**
Accumulated depreciation		
Opening balance	49,727.09	48,476.63
Depreciation for the financial year	1,195.76	1,250.46
Balance 31/12	**50,922.85**	**49,727.09**
Net Book Value 31/12	**12,244.08**	**1,995.84**

The intangible assets are computer software.

8 INVESTMENT PROPERTY

	31.12.2018	**31.12.2017**
Opening balance 1/1	79,497,000.00	60,054,000.00
Capital investment on investment properties	108,713.41	64,468.43
Acquisition of investment properties	30,390,008.42	19,109,606.39
Gain / (Loss) from adjustment of investment properties to fair value	3,255,278.17	268,925.18
TOTAL	**113,251,000.00**	**79,497,000.00**

The Company owns 100% of all its properties, except for the undivided ownership of 50% of the property at 87 Syggrou Avenue in Athens (offices) and the undivided ownership of 80% of the property at 49 Agiou Konstantinou & Grammou in Athens (offices). The fair value of the Company's ownership of those investment properties as at 31.12.2018 was € 15.654.000,00 and € 7.257.000,00 respectively.

During 2018 the Company acquired the following properties:

On 05.02.2018, the Company announced the acquisition of 80% ownership of the horizontal properties of the Kronos Business Center, which is located at Agiou Konstantinou 49 & Grammou in Marousi. The consideration for the property's acquisition amounted to € 6,500,00.00 and was funded by borrowing and funds raised from the Company's Share Capital Increase carried out in 2017.

On 29.03.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a property at Ermou 16 -18 in Athens. It is a store of a total area of 109.62 sq.m. The consideration for the property's acquisition amounted to € 2,561,500.00 and was funded by borrowing.

On 02.04.2018, the Company announced the acquisition of a shop of a total area of 70.00 sq.m, which is located at Skalidi 53 & Manousogiannakidon in Chania. The acquisition of the property was approved by the 22.02.2018 Extraordinary General Meeting of the Company's Shareholders as the acquisition was from "Piraeus Bank". The consideration for the property's acquisition amounted to € 1,300,000.00 and was funded by borrowing.

On 11.04.2018 the Company announced the expansion of its cooperation with the Inditex Group by leasing its newly acquired historical property to "Pull & Bear", located on 64 Tsimiski Street in the commercial center of Thessaloniki.

On 24.05.2018, the Company: a) announced the acquisition of a property of a total area of 4,692.3 sq.m., which is located at Leoforos Mesogeion 515 in Agia Paraskevi for a consideration of € 4,250,000.00, b) was proclaimed the highest bidder in a public auction for the acquisition of a property of a total area of 1,009.80 sq.m on the 6th floor, as well as, 8 underground parking spaces in an office / shop building, located at Theofanous Street 4 in Athens. Both acquisitions were funded by borrowing.

On 05.09.2018, the Company announced the acquisition of a property on the 7th floor, of a total area of 781.67 sq.m., which is located at Leoforos Mesogeion 109-111 in Agia Paraskevi. The consideration for the property's acquisition amounted to € 965,000.00 and was funded by borrowing.

On 10.10.2018, the Company announced the acquisition of office spaces, of a total area of 1,605.50 sq.m., in a modern building which is located at Leoforos Kifisias 270. The consideration for the property's acquisition amounted to € 2,102,469.00 and was funded by borrowing.

On 10.10.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a property of a total area of 211.67 sq.m on the second floor of the historic building at Fillelinon & Othonos in Athens. In this building the Company already owns the 4th and 5th floor. The consideration for the property's acquisition amounted to € 682,500.00 and was funded by borrowing. An amount of € 102,050.00 was advanced against this consideration, while the remaining amount was paid on 05.02.2019 upon completion of the acquisition of the property.

On 15.10.2018, the Company announced the acquisition of a commercial store, of a total area of 138 sq.m., which is located at Voukourestiou 24 & Valaoritou 4. The property is leased. The consideration for the property's acquisition amounted to € 2,500,000.00 and was funded by borrowing.

On 08.11.2018, the Company was proclaimed the highest bidder in a public auction for the acquisition of a modern retail property of a total area of 3,923.72 sq.m, located at Leoforos Kifisias 278 in Chalandri. It is a three-storey retail building, consisting of ground floor, semi floor and two basement levels. The consideration for the property's acquisition amounted to € 4,000,000.00 and was funded by borrowing.

On 30.11.2018, the Company announced the acquisition of a property, of a total area of 1,600.06 sq.m, which is located at Leoforos Kifisias 194 in Chalandri. The building consists of 4 levels of a total area of 902.67 sq.m and two basement levels of a total area of 679.37 sq.m. The consideration for the property's acquisition amounted to € 1,600,000.00 and was funded by borrowing.

On 05.12.2018, the Company announced the acquisition of 3rd floor office space, of a total area of 371.96 sq.m, which is located at Fillelinon & Othonos. The consideration for the property's acquisition amounted to € 1,275,000.00 and was funded by borrowing.

On 12.12.2018, the Company announced the acquisition of a property, of a total area of 90.35 sq.m, which is located at Panagitsas 6 in Kifisia. The consideration for the property's acquisition amounted to € 1,070,000.00 and was funded by borrowing.

The following table shows the Company's investment properties by business segment. All the Company's investment properties are situated in Greece.

Usage	**Retail**	**Office**	**Mixed use**	**Gas stations**	**Parking**	**Total**
Fair Value Classification	3	3	3	3	3	
Fair Value as at 01.01.2018	**29,790,000.00**	**19,790,000.00**	**20,740,000.00**	**5,437,000.00**	**3,740,000.00**	**79,497,000.00**
Capital investment on investment properties	106,278.80	375.00	665.00	1,394.61	0.00	108,713.41
Acquisitions	7,498,206.51	12,941,890.22	9,949,911.69	0.00	0.00	30,390,008.42
Gain / (Loss) from adjustment of investment properties to fair value	1,515,514.69	1,990,734.78	641,423.31	(271,394.61)	(621,000.00)	3,255,278.17
Fair value as at 31.12.2018	**38,910,000.00**	**34,723,000.00**	**31,332,000.00**	**5,167,000.00**	**3,119,000.00**	**113,251,000.00**

Usage	**Retail**	**Office**	**Mixed use**	**Gas stations**	**Parking**	**Total**
Fair Value Classification	3	3	3	3	3	
Fair Value as at 01.01.2017	**16,770,000.00**	**15,482,000.00**	**18,570,000.00**	**5,502,000.00**	**3,730,000.00**	**60,054,000.00**
Capital investment on investment properties	0.00	0.00	51,213.27	0.00	13,255.16	64,468.43
Acquisitions	12,581,820.74	3,711,968.17	2,815,817.48	0.00	0.00	19,109,606.39
Gain / (Loss) from adjustment of investment properties to fair value	438,179.26	596,031.83	(697,030.75)	(65,000.00)	(3,255.16)	268,925.18
Fair value as at 31.12.2017	**29,790,000.00**	**19,790,000.00**	**20,740,000.00**	**5,437,000.00**	**3,740,000.00**	**79,497,000.00**

Determination of fair value of investment properties takes into account the Company's ability to achieve their maximum and optimal use, allowing for feasibility, legality and affordability. Valuations are based on the physical characteristics, the permissible uses and the opportunity cost of investments.

The last valuation of the Company's properties was made based on the valuation reports dated 31.12.2018 received from CBRE Axies S.A., as laid down in the relevant provisions of L.2778/1999. The adjustment of investment properties to fair value for the half-year amounted to gains of € 3,255,278.17.

Investment property valuation methods by business segment:

Business Segment	**Fair Value**	**Valuation Method**	**Estimated Montly Rental Income**	**Discount Rate**
Retail	38,910,000	80% discounted cash flow method (DCF) & 20% comparative method	244,047.25	8,25% - 10,75%
Office	34,723,000	80% discounted cash flow method (DCF) & 20% comparative method	302,051.75	8,5% - 10,5%
Mixed use	31,332,000	80% discounted cash flow method (DCF) & 20% comparative method	203,270.58	9,25% - 10,5%

Gas stations (a)	5,110,000	80% discounted cash flow method (DCF) & 20% depreciated replacement cost method (DRC)	31,395.46	8,75% - 12%
Gas stations (b)	57,000	100% comparative data method	0.00	N/A
Parking	3,119,000	20% discounted cash flow method (DCF) & 80% comparative method	21,295.00	11%
Total	**113,251,000**			

As at 31.12.2017, the following investment property sectors were valued on a different valuation method to the above, as follows:

(1) Gas Stations (a): 60% discounted cash flow method (DCF) & 40% Replacement Cost Replacement Method (DRC).

In the current period, since the Company owns gas stations as income generating property, it was considered that the most appropriate method is that relating to the revenue received, and therefore the method of discounting future cash flows was used as an 80% valuation method.

(2) Gas stations (b): 90% comparative method & 10% discounted cash flow method (DCF)

In the current period, since the Company does not receive rents from these properties, the comparative data method, which is more appropriate for empty land plots, was applied as a 100% valuation method.

(3) Parking: 70% discounted cash flow method (DCF) & 30% comparative method

In the current period, the Company has given more weight to the comparative method, in light of the current rent income (cash flow) not reflecting the maximum possible income from this property.

The gas stations category (b) includes 3 properties (land with buildings) which are vacant and it is uncertain whether they will be used in the future as gas stations; most probably they will be sold as land for development. Therefore they have been valued as land for development using the comparative method. There are no expenses relating to these properties.

If as at December 31st 2018, the discount rate applied to the cash flows differed by +/- 0.50% from the Management's estimate, the fair value of investment properties would have been approximately € 2,895 K lower or € 3,026 K higher respectively.

The Greek State has notified the Company of its intention to set a provisional unit price for the compulsory purchase of 3,600 sq.m., part of the Company's land in Anthili, Fthiotida (gas station). The fair value of said investment property as at 31.12.2018 was € 609,000.00. The final decision on the compensation amount is expected during 2020. A loss is not expected to arise for the Company from the above compulsory purchase.

Mortgages amounting in total to € 63,000,000.00 as at 31.12.2018, have been registered on Company's properties as indicated in Note 16.

9 OTHER RECEIVABLES

Long term assets

	31.12.2018	31.12.2017
Security deposits	117,930.85	85,238.32
Other receivables	5,305,017.89	5,243,140.23
Less: Impairment of assets	(5,305,017.89)	(5,243,140.23)
TOTAL	**117,930.85**	**85,238.32**

Long term assets provision	**01.01-31.12.2018**	**01.01-31.12.2017**
Commencement balance	5,243,140.23	5,015,609.36
Plus: Provision for asset impairment	61,877.66	227,530.87
TOTAL (a+b)	**5,305,017.89**	**5,243,140.23**

Current assets

	31.12.2018	31.12.2017
Other debtors	71,409.36	119,451.08
Prepaid expenses	2,579.25	153,471.35
Accrued revenue	71,007.20	79,724.81
Less: Impairment of assets	(27,811.93)	(14,635.76)
TOTAL	**117,183.88**	**338,011.48**

The above current assets are analyzed by age as follows:

	31.12.2018	31.12.2017
Fully performing assets	38,916.06	266,187.51
Other receivables overdue		
up to 1 month	0.00	0.00
1 to 3 months	11,649.59	31,730.90
3 to 12 months	66,618.23	40,093.07
over 12 months	0.00	0.00
TOTAL	**117,183.88**	**338,011.48**

The Company's Management, evaluating the risks related to the collection of above long and short term assets, decided to take an impairment provision for these assets, reducing the Company's profit or loss for 2018 by the amount of € 75,053.83.

10 TRADE RECEIVABLES

	31.12.2018	31.12.2017
Rent	325,822.21	322,286.33
Customer Cheques Payable	12,316.15	12,316.15
Customer Promissory Notes Payable	19,532.98	19,532.98
Less: Provision for doubtful debts	(179,465.02)	(140,801.74)
Plus : Reversal of previous years' provisions	14,634.36	0.00
Plus : Income from previous years' provisions	21,744.00	0.00
TOTAL	**214,584.68**	**213,333.72**

The above assets are analyzed by age as follows:

	31.12.2018	31.12.2017
Fully performing assets	174,715.68	89,936.83
Trade Receivables overdue		
up to 1 month	34,073.71	69,869.40
1 to 3 months	3,002.40	20,403.00
3 to 12 months	2,792.89	33,124.49
over 12 months	0.00	0.00
TOTAL	**214,584.68**	**213,333.72**

The Company's Management, evaluating the risks related to the collection of above trade receivables, decided to take an impairment provision for these assets, reducing the Company's profit or loss for 2018 by the amount of € 38,663.28.

The fair value of the Company's trade receivables is considered to approximate their book value, because their collection is expected to be realized within a time frame in which the impact from the time value of money is insignificant.

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents were as follows:

	31.12.2018	31.12.2017
Cash at bank and short-term deposits	3,586,542.97	5,761,596.00
TOTAL	**3,586,542.97**	**5,761,596.00**

The Company's cash deposits include a restricted cash amount of € 620.30 thous. (31.12.2017: € 35.31 thous.) in order to secure the payment of the loan obligations, in accordance with the terms of the loan agreements.

12 SHARE CAPITAL

	Number of shares	Share capital	Share premium	Total
Balance as at 01.01.2017	54,888,240	27,444,120.00	163,190.75	27,607,310.75
Share capital increase	25,802,413	12,901,206.50	7,224,675.64	20,125,882.14
Balance as at 31.12.2017	**80,690,653**	**40,345,326.50**	**7,387,866.39**	**47,733,192.89**
Balance as at 01.01.2018	80,690,653	40,345,326.50	7,387,866.39	47,733,192.89
Share capital increase	0	0.00	0.00	0.00
Balance as at 31.12.2018	**80,690,653**	**40,345,326.50**	**7,387,866.39**	**47,733,192.89**

Issued shares amount to 80,690,653, of € 0.50 nomimal value. The Company has not issued preferred shares.

All issued shares have been fully paid up.

On December 31 2018 no Company shares were owned by the Company.

13 RESERVES

Reserves are analyzed as follows:

	Statutory reserve	Special reserve under article 4, para. 4a of the codified law 2190/1920	Other Reserves	Employee short-term share schemes	Employee long-term share schemes	Total Reserves
Opening Balance at January 1, 2017	2,956,713.54	34,579,591.20	3,344.37	0.00	0.00	37,539,649.11
Actuarial gains / (losses) of defined benefit plans	0.00	0.00	(29,412.00)	0.00	0.00	(29,412.00)
Employee share schemes	0.00	0.00	0.00	37,353.00	0.00	37,353.00
Balance at December 31, 2017	**2,956,713.54**	**34,579,591.20**	**(26,067.63)**	**37,353.00**	**0.00**	**37,547,590.11**
Opening Balance at January 1, 2017	2,956,713.54	34,579,591.20	(26,067.63)	37,353.00	0.00	37,547,590.11
Actuarial gains / (losses) of defined benefit plans	0.00	0.00	17,511.00	0.00	0.00	17,511.00
Employee share schemes	0.00	0.00	0.00	50,201.66	233,083.60	283,285.26
Balance at December 31, 2018	**2,956,713.54**	**34,579,591.20**	**(8,556.63)**	**87,554.66**	**233,083.60**	**37,848,386.37**

The statutory reserve may only be distributed on the Company's dissolution; it may be offset by accumulated losses.

The special reserve of article 4, para. 4a of the codified law 2190/1920, was formed to hedge losses.

Other reserves include an amount of € 2,875.37, which relates to specially taxed reserves that can be distributed after being taxed in accordance with the applicable tax provisions.

Incentive plan

The short-term reserve for incentive programs relates to the short-term incentive plan for the Company's Executives related to specific performance targets, based on which an additional annual remuneration can be earned, part of which (40%) will be paid in cash while the remaning (60%) will be settled in kind specifically with shares issued by the Company. This plan, that was initially put in place based on 26.05.2017 decision of the Company's Board of Directors and for 2018, requires the approval of the Company's Board of Directors annually. The short-term incentive plan for the period 2019 was approved by the 01.02.2019 decision of BoD. The above reserve of € 87,554.46 represents the value of 110,750 Company' shares. The short term incentive plan is in accordance with the article 13 of the Law 4209/2013.

The long-term reserve for incentive programs relates to the long-term incentive plan for the Company's Executives payable in shares. The program is in accordance with the provisions of Codified Law 2190/1920, Law 2778/1999, Law 4209/2013, and the European Securities and Markets Authority Guidelines on remuneration policies and the provisions of ESMA / 2013 / 232. The main objectives of the program are to harmonize the interests of the Company's shareholders with the interests of the Stakeholders and to provide additional incentives in order to achieve the corporate strategic, financial and operational objectives of the Company. In order to implement the program, the Company will use own shares, that will be acquired in accordance with the applicable Law. The maximum number of shares to be awarded to beneficiaries will not exceed 2.5% of the Company's share capital. In the exceptional case that the Company cannot acquire a sufficient number of own shares to implement the program, the payment of obligations arising form the program, will be made in part or totally in cash.

Beneficiaries will establish their rights based on a performance indicator and specifically on the Net Asset Value Indicator, taking into account any shareholder contributions and returns to them during the period up until the exercise of the relevant rights. The duration of the Plan is the period from the date of approval by the 17.12.2018 General Annual Meeting until no later than 31 December 2022.

The Company has developed a model for the valuation of this plan based on existing leases and available funds for new investments. In this model, the Company carried out a results sensitivity analysis and the total value of the plan amounted to € 1,165.40 thousand. The amount of the expense that was accounted for the year 2018 amounts to € 233.10 thousand and has been recognized as a reserve in the Statement of Changes in Equity.

At 31.12.2018 Beneficiaries had not established any rights to exercise.

14 RETAINED EARNINGS

The Retained earnings are analyzed fully in the Statement of Changes in Equity.

15 LIABILITIES FOR POST RETIREMENT BENEFITS

The actuarial calculations were made on the basis of the retirement compensation amounts foreseen by L. 2112/20, as amended by L. 4093/12 and the data on active employees on December 31 2018.

The movement of the net liability, as recognized in the Statement of Financial Position, is analyzed as follows:

	2018	2017
Balance at the beginning of the period	75,814.00	37,189.00
Actuarial losses / (profits) of defined-benefit plans	(17,511.00)	29,412.00
Changes in the financial year	17,592.00	9,213.00
Balance at the end of the period	**75,895.00**	**75,814.00**

The amounts recognized in the Statement of Financial Position are analyzed as follows:

	31.12.2018	31.12.2017
Present value of liabilities	75,895.00	75,814.00
Liability in the Statement of Financial Position	75,895.00	75,814.00

The movement in the present value of the liability for the years 2018 and 2017 is analyzed as follows:

	31.12.2018	31.12.2017
Balance at the beginning of the period	75,814.00	37,189.00
Cost of current service	16,182.00	5,088.00
Interest expense	1,410.00	632.00
Actuarial losses / (profits) of defined-benefit plans	(17,511.00)	29,412.00
Recognized past service cost	0.00	3,493.00
Balance at the end of the period	**75,895.00**	**75,814.00**

The amounts recognised in the results of the financial years 2018 and 2017 are as follows:

Profit or loss account	1.1.2018-31.12.2018	1.1.2017-31.12.2017
Cost of current service	16,182.00	5,088.00
Interest expense	1,410.00	632.00
Net actuarial profits /(losses) for the financial year	0.00	3,493.00
Total	**17,592.00**	**9,213.00**
Benefits paid by the employer	0.00	0.00
Total included in personnel expenditure (Note 23)	**17,592.00**	**9,213.00**

The main actuarial assumptions used are the following:

	31.12.2018	31.12.2017
Discount rate	2.06%	1.86%
Future salary increases	1.75%	1.75%
Average remaining working life (years)	23.70	25.37

Sensitivity analysis of results		Impact on the liability in the financial position statement	
	Change	**Increase**	**Decrease**
Discount rate	0.50	Decrease by 10,9%	Increase by 12,4%
Future salary increases	0.50	Increase by 12,4%	Decrease by 11,0%

16 LOANS

Borrowings were as follows based on the repayment period. The amounts repayable within a year are characterized as short term while the amounts repayable thereafter are characterized as long term.

	31.12.2018	31.12.2017
Long term liabilities		
Bond loans	13,056,752.50	4,795,495.00
Bank loans	19,118,750.00	0.00
Total loan amount	**32,175,502.50**	**4,795,495.00**
Loan issuance costs	(397,800.48)	0.00
TOTAL	**31,777,702.02**	**4,795,495.00**
Short term liabilities		
Bond loans	440,332.50	265,608.90
Bank loans	600,000.00	0.00
Total loan amount	**1,040,332.50**	**265,608.90**
Loan issuance costs	(102,650.12)	0.00
TOTAL	**937,682.38**	**265,608.90**

The bond and bank loans were issued to finance the purchase of properties. Specifically:

The Company concluded a bond loan with Piraeus Bank at an initial amount of € 5.500.000, maturing in 2022, for which a mortgage has been registered amounting to € 6,600,000.00. Interest payments are at an interest rate based on 6-month EURIBOR plus a margin. On this specific property, a mortage of € 3,600,000.00 had been registered in order to secure bond loan at an initial amount of € 3,000,000.00 which has been fully repaid. The mortgage, however, is still valid.

At 11.09.2018, the Company concluded a bond loan with Piraeus Bank and Piraeus Leasing of a total nominal value up to € 24,000,000.00 with a five year maturity, for which mortgages on 12 properties have been registered totalling € 28,800,000.00. Interest payments are at an interest rate based on 3-month EURIBOR plus a margin. Until 31.12.2018, the Company had drown down € 10,000,000.00 and funds available to be drawn amount to € 14,000,000.00.

At 10.04.2017, the Company had concluded a bank loan with Piraeus Bank in Frankfurt of a total value up to € 20,000,000.00 with a seven year maturity, for which mortgages on 5 properties have been registered totalling € 24,000,000.00. Interest payments are at an interest rate based on 3-month EURIBOR plus a margin.

At December 31, 2018, all the financial terms of the above loans had been met, including:

a) the ratio of the total rents of the mortgaged property less the relevant tax on the property to the interest expense plus the current capital repayment.

b) the percentage of the outstanding loan amount to the commercial value of the mortgaged property. The commercial value of the mortgaged property is as it appears in the Borrower's annual financial statements.

Long and short term loans mature as follows:

	31.12.2018	31.12.2017
up to 1 year	937,682.38	265,608.90
over 1 to 5 years	15,058,952.02	4,795,495.00
over 5 years	16,718,750.00	0.00
TOTAL	**32,715,384.40**	**5,061,103.90**

Liabilities from financing activities are as follows:

	2018	2017
Liabilities from financing activities 01.01.2018	**5,061,103.90**	**5,281,542.50**
Cash inflows (Loans)	30,000,000.00	0.00
Cash outflows (Loans)	(2,237,865.02)	(216,877.50)
Miscellaneous non cash-flow changes	(107,854.48)	(3,561.10)
Liabilities from financing activities 31.12.2018	**32,715,384.40**	**5,061,103.90**

17 OTHER LONG TERM LIABILITIES

Other long term liabilities are as follows:

	31.12.2018	31.12.2017
Security deposits	633,704.15	311,096.70
Key Money	86,111.11	0.00
Short-term incentive plan	18,703.44	8,262.00
TOTAL	**738,518.70**	**319,358.70**

The increase in the amount of security deposits relates to new leases.

18 TRADE AND OTHER PAYABLES

	31.12.2018	31.12.2017
Sundry creditors	213,110.12	60,928.23
Short-term incentive plan	24,960.00	17,383.00
Stamp duty & other taxes	304,418.80	240,258.89
Single Property Tax (ENFIA)	0.00	88,948.28
Accrued expenses	334,321.80	171,066.09
Dividends Payable	13,428.31	16,796.81
TOTAL	**890,239.03**	**595,381.30**

Supplier and other liabilities are short term and are non interest bearing.

19 TAXES

The Company is subject to taxation in accordance with Article 31(3) of Law 2778/1999, as replaced from 1 June 2017 by Article 46(2) of Law 4389/2016, at a rate of 10% of the then applicable intervention rate of the European Central Bank plus 1 percentage point applied semiannually to the average during the period investments plus assets at current value. The tax due on a half-yearly basis cannot be less than 0.375% of the Company's average half-year investments plus assets at current value.

The total tax amount is broken down as follows:

	01.01-31.12.2018	01.01-31.12.2017
Tax for the first half of the year	346,557.55	281,927.14
Tax for the second half of the year	405,959.41	319,892.87
TOTAL	**752,516.96**	**601,820.01**

Tax for the first half of the year has been paid during the year.

Tax Compliance Report

For financial years 2011- 2015, Greek sociétés anonymes and limited liability companies whose annual financial statements are mandatorily audited were required to obtain an "Annual Certificate" as provided for in Article 82(5) of Law 2238/1994 and Article 65A of Law 4174/2013, to be delivered following a tax audit to be conducted by the same statutory auditor or audit firm that audits the annual financial statements. Upon completion of the tax audit, the statutory auditor or the audit firm delivers to the Company the "Tax Compliance Report" which is then submitted on-line to the Ministry of Finance.

From financial year 2016 onwards, delivery of the "Annual Certificate" is optional. The tax authority reserves the right to conduct a tax audit within the established framework, as defined in Article 36 of Law 4174/2013.

Unaudited financial years

The Company has been audited by the tax authorities and has filed final self-assessments for all unaudited financial years up to financial year 2010 included.

For financial years 2011-2017, the Company was audited by PricewaterhouseCoopers S.A. and has obtained "Tax Compliance Reports" without any reservations, in accordance with the applicable provisions [Article 82(5) of Law 2238/1994 for financial years 2011-2013 and Article 65A of Law 4174/2013 for financial years 2014- 2017].

For financial year 2018, the tax audit is being undertaken by Ernst & Young S.A., in accordance with Article 65A of Law 4174/2013. Upon completion of the tax audit, the Company's management does not expect any significant tax obligations to arise other than those recorded and shown in the financial statements. The fees are included in those of the regular audit of financial statements.

20 RENTAL INCOME FROM INVESTMENT PROPERTY

The lease term for which the Company rents out its investment property is from four to twenty years and is governed by the relevant legislation on commercial leases. The rents by business segment were as follows:

	01.01-31.12.2018	01.01-31.12.2017
Retail	1,502,302.15	1,117,119.65
Offices	2,040,573.49	1,339,621.24
Mixed use	1,505,104.93	1,202,008.52
Gas stations	376,500.03	369,890.86
Parking	153,147.60	140,348.54
TOTAL	**5,577,628.20**	**4,168,988.81**

Please note that the amounts of the previous period have been restated to be comparable to those of the current period, as explained in note 5.

Cumulative future rents, based on the full term of operating lease agreements, are as follows:

	31.12.2018	31.12.2017
up to 1 year	7,187,362.54	4,666,176.56
over 1 to 5 years	24,169,606.43	16,806,502.68
over 5 years	25,985,048.19	8,799,605.91
TOTAL	**57,342,017.15**	**30,272,285.15**

21 INVOICED MAINTENANCE & COMMON CHARGES

Invoiced Maintenance & Common Charges revenue relates to re-invoicing of expenses incurred by the Company on behalf of its lessees.

	01.01-31.12.2018	01.01-31.12.2017
Invoiced Maintenance & Common Charges	230,964.38	256,601.41
TOTAL	**230,964.38**	**256,601.41**

22 PROPERTY OPERATING EXPENSES

Property operating expenses were as follows:

	01.01-31.12.2018	01.01-31.12.2017
Asset management fees	0.00	7,466.66
Commissions	308,989.68	93,095.00
Valuer's fees	62,810.00	34,850.00
Insurance premiums	64,241.77	58,956.17
Maintenance-communal charges	640,230.93	501,089.39
Single Property Tax (ENFIA)	646,257.21	528,580.29
Taxes - Duties	151,153.23	87,198.01
Other expenses	24,972.00	25,517.33
TOTAL	**1,898,654.82**	**1,336,752.85**

23 PERSONNEL EXPENSES

Personnel expenses were as follows:

	01.01-31.12.2018	01.01-31.12.2017
Ordinary remuneration	843,285.71	646,921.00
Employers contributions	168,225.07	128,435.25
Other employee benefits	49,803.87	30,667.49
Employees bonus	38,643.00	96,200.00
Provision for personnel retirement benefit (Note 15)	17,592.00	9,213.00
Short-term incentive plan for the executive management (Note 13)	83,669.41	62,255.00
Long-term incentive plan for the executive management (Note 13)	233,083.60	0.00
TOTAL	**1,434,302.66**	**973,691.74**

The Company personnel headcount on 31.12.2018 was 16 persons, while on 31.12.2017, it was 11 persons.

The above expense of an amount of € 83.7 thous. for the short-term incentive program has been recognized as a cash liability for an amount of € 33.5 thous. in the Statement of the Financial Position (notes 17 & 18) and as a liability in shares of € 50.2 thous. in reserves on the Statement of Changes in Equity.

The above expense of an amount of € 233.1 thous. of the long-term incentive plan has been recognized as an equity liability in the reserves in the Statement of Changes in Equity.

24 OTHER OPERATING EXPENSES

Other operating expenses were as follows4

	01.01-31.12.2018	01.01-31.12.2017
Third party remuneration	480,975.86	569,534.82
BoD remuneration	115,000.00	108,500.00
Rents paid	120,000.00	101,350.00
Taxes - Duties	205,861.62	273,273.20
Miscellaneous expenses	282,787.50	202,246.97
TOTAL	**1,204,624.98**	**1,254,904.99**

25 FINANCIAL INCOME/EXPENSE

Financial income is as follows:

	01.01-31.12.2018	01.01-31.12.2017
Interest on cash at bank and short-term deposits	4,398.48	22,188.71
Repayment interest of long term assets	61,877.66	61,022.46
TOTAL	**66,276.14**	**83,211.17**

Financial expense is as follows:

	01.01-31.12.2018	01.01-31.12.2017
Loan interest	787,088.16	260,199.12
Other financial expenses	238,464.46	34,927.98
TOTAL	**1,025,552.62**	**295,127.10**

26 EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share are calculated by dividing net profit/(loss) after tax attributable to Company shareholders by the weighted average number of common shares outstanding during the period in question. There are no conditions that would lead to a reduction in the number of shares.

	01.01-31.12.2018	01.01-31.12.2017
Profit after tax (amounts in €)	2,737,522.23	2,649.77
Weighted average number of shares	80,690,653	79,913,046
Basic earnings per share (amounts in €)	0.0339	0.0000

27 DIVIDENDS

The Board of Directors proposes to the General Anuual Meeting of the Company's shareholders not to distribute a dividend due to the fact that the profits arise from the revaluation of investment properties.

28 TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties are at arms' length. The balances and transactions with related parties are set out below:

	31.12.2018		1.1.2018-31.12.2018	
	RECEIVABLES	LIABILITIES	REVENUES	EXPENSES
PIRAEUS BANK	1,572,783.85	13,511,965.00	2,202,610.96	364,345.23
PIRAEUS BANK FRANKFURT	700,035.35	19,718,750.00	0.00	600,991.36
ACT SERVICES S.A.	0.00	0.00	0.00	9,677.11
OLYMPIC COMMERCIAL AND TOURISM ENTERPRISES S.A.	0.00	0.00	0.00	4,114.05
VARDE PARTNERS GREECE LIMITED	0.00	0.00	22,596.00	0.00
BOD & REMUNERATION OF COMMITTEES MEMBERS	0.00	0.00	0.00	375,000.00
INCENTIVE PLANS FOR THE EXECUTIVE MANAGEMENT	0.00	43,663.44	0.00	316,753.01
TOTAL	**2,272,819.20**	**33,274,378.44**	**2,225,206.96**	**1,670,880.76**

	31.12.2017		1.1.2017-31.12.2017	
	RECEIVABLES	LIABILITIES	REVENUES	EXPENSES
PIRAEUS BANK	378,862.89	5,075,983.90	2,157,328.24	287,624.47
PIRAEUS ACT SERVICES S.A.	0.00	1,122.57	0.00	84,412.03
OLYMPIC COMMERCIAL AND TOURISM ENTERPRISES S.A.	0.00	80.60	0.00	12,911.92
VARDE PARTNERS GREECE LIMITED	0.00	0.00	5,649.00	0.00
BOD & REMUNERATION OF COMMITTEES MEMBERS	0.00	0.00	0.00	368,500.00
INCENTIVE PLANS FOR THE EXECUTIVE MANAGEMENT	0.00	25,645.00	0.00	62,255.00
TOTAL	**378,862.89**	**5,102,832.07**	**2,162,977.24**	**815,703.42**

The assets related to Piraeus Bank are deposits; liabilities related to Piraeus Bank are bond loans designated for the purchase of investment property; income relates to rent from investment property and deposit interest while expenses relate to loan interest. Liabilities related to Piraeus Bank Franfurt are loans while expenses relate to loan interest. Additionally, ACT Services S.A. (ex Piraeus ACT Services S.A.) and Olympic S.A. expenses relate to services provided while income from Varde Partners Hellas LTD relates to subleasing of office area.

Remuneration of Board and Committees members, as well as the incentive program for senior executives, includes fees for executives and members of the Board of a total amount of € 260 thous. for 2018 and 317 thous. respectively (2017: 260 thous. and 62 thous.) respectively.

29 CONTINGENT LIABILITIES AND COMMITMENTS

- There are no legal pending actions against the Company at 31.12.2018 that would affect its financial situation.

The period for which the Company leases means of transport through an operating lease is up to 30.06.2022. Under operating leases, the cumulative future payable rents amounted to € 56,012.58.

The fair value of liabilites in the future is shown below:

	31.12.2018	31.12.2017
Up to 1 year	16,456.20	16,456.20
From 2 to 5 years	39,556.38	56,012.58
Above 5 years	0.00	0.00
TOTAL	**56,012.58**	**72,468.78**

- The period for which the Company leases office spaces through an operating lease is up to 31.12.2022. Under operating leases, the cumulative future payable rents amounted to € 490,908.36. The Company subleased part of its office space to VARDE Partners Hellas. The rental income for 2018 amounted to € 22,596.00 and was classified as other income.

The current value of the liabilites in the future is shown below:

	31.12.2018	31.12.2017
Up to 1 year	120,000.00	120,000.00
From 2 to 5 years	370,908.36	490,908.36
Above 5 years	0.00	0.00
TOTAL	**490,908.36**	**610,908.36**

- The Company has undertaken the completion of the acquisition of a property on the 2nd floor, of a total area of 211.67 sq. m, located at Fillelinon & Othonos street in the center of Athens. The consideration for the property's acquisition amounted to € 682,500.00. An amount of € 102,050.00 was advanced against this consideration, while the remaining amount was paid on 05.02.2019 upon completion of the acquisition of the property.

30 RECLASSIFICATION OF COMPARATIVE INFORMATION

The account "Property expenses" was reclassified at 31.12.2017 due to the introduction of a new account "Invoiced Maintenance & Common Charges" during 2018. An amount of 256,601.41 € was reclassified from the account "Property expenses" to the account "Invoiced Maintenance & Common Charges": while the line "Property expenses" increased by € 256,601.41.

31 CERTIFIED AUDITOR FEES

The fees of ERNST&YOUNG's HELLAS S.A., domiciled in Greece, for services provided to the Company for 2018 are as follows:

	01.01-31.12.2018
• Fees for regular audit and review of the Company's financial statements	51,000.00
• Fees for tax audit	10,000.00
• Various other permitted non-auditing services	14,500.00
TOTAL	**75,500.00**

32 POST-BALANCE SHEET EVENTS

1. On 30.01.2019, the Company announced the acquisition of a commercial store, of a total area of 227.15 sq.m, located at Voukourestiou 24 in Athens. The store is leased. The consideration for the property's acquisition amounted to € 6,000,000.00 and was funded by borrowing.

2. On 05.02.2019, the Company announced the completion of the acquisition of the 2nd floor of the property, of a total area of 211.67 sq.m, located at Filellinon and Othonos in Athens. On 10.10.2018, the Company had been proclaimed the highest bidder in a public auction for this property. The consideration for the property's acquisition amounted to € 682,500.00 and was funded by borrowing.

3. On 22.02.2019, the Company, in accordance with the decision of the Board of Directors dated 21.02.2019, concluded a "Common Bond Loan Program", secured by collateral, primary disposal and transfer of bonds with a total nominal value of up to € 26,000,000.00 with Piraeus Bank SA, in accordance with the provisions of Law 4548/2018 and Law 3156/2003. The Loan will be used for the repayment of existing bank loans and for the financing of Company's investment plan.

4. On 27.02.2019, the Company announced that on 25.02.2019 it was proclaimed the highest bidder in a public auction, which was carried out by the owner of Promitheus Gas SA for the sale of two properties located at Gravias 4 & Granikou, in Paradeisos Amarousiou. The consideration for the properties' acquisition amounted to € 12,000,000.00.

Other than the above, there are no other material events subsequent to 31 December 2018 to be disclosed.

Athens, 1st March 2019

THE BoD CHAIRMAN & CEO	THE VICE-CHAIRMAN OF THE BOARD	On behalf of PIRAEUS ACT SERVICES S.A. THE HEAD ACCOUNTANT
TASSOS KAZINOS IDENTITY CARD NO. 669747	GEORGIOS TINGIS IDENTITY CARD 748181	IOANNIS LETSIOS IDENTITY CARD NO. AN162296 Reg. License No. of Certified Auditors-Valuers A/1589