



**ORILINA PROPERTIES REAL ESTATE INVESTMENT
COMPANY**

"ORILINA PROPERTIES R.E.I.C."

ANNUAL FINANCIAL REPORT

(PERIOD 1/1/2020 - 31/12/2020)

In accordance with article 4 of L. 3556/30.04.2007

April 2021

TABLE OF CONTENTS

	Page
Statement of the Board of Directors of the Company	3
Annual Report of the Board of Directors on the consolidated and separate financial statements for the year ended on the 31st of December 2020.	4
Annual Financial Statements for the year ended on the 31st of December 2020	
Consolidated and Separate Statement of Financial Position	28
Consolidated and Separate Statement of Comprehensive Income	29
Consolidated Statement of Changes in Equity	30
Separate Statement of Changes in Equity	31
Consolidated and Separate Statement of Cash Flows	32
Notes on the Annual Financial Statements	
1. General Information	33
2. Summary of significant accounting policies	33
3. Financial risk management	43
4. Significant accounting estimates and Management judgements	45
5. Investment Property	46
6. Investments in subsidiaries	48
7. Property, plant and equipment	49
8. Other receivables	51
9. Trade receivables	51
10. Cash and cash equivalents	52
11. Share capital and reserves	53
12. Other long-term liabilities	53
13. Trade and other payables	53
14. Rental income from investment property	53
15. Expenses directly related to investment property	54
16. Personnel expenses	55
17. Other operating expenses	55
18. Finance income and expense	55
19. Taxes	55
20. Commitments	56
21. Dividends	56
22. Related party transactions	56
23. Contingent Assets and Liabilities	56
24. Auditor fees	57
25. Earnings per share	57
26. Events after the reporting period	58

Statement of the Board of Directors of the Company

(article 4 par. 2 of L.3556/2007)

We declare that, to our knowledge, the annual consolidated and separate financial statements for the year ended on the 31st of December 2020, have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union and fairly and truthfully present the Assets and Liabilities, the Equity and the Comprehensive Income of «**ORILINA PROPERTIES R.E.I.C.**», as well as the companies that are included in the consolidation, taken together as a whole.

In addition, we declare that, to our knowledge, the Annual Report of the Board of Directors truthfully presents the development, performance and financial position of «**ORILINA PROPERTIES R.E.I.C.**», and the Group, including the description of the most significant risks and uncertainties they face.

Athens, 22nd of April 2021

The undersigned

The Chairman of the Board

The Managing Director

**The vice-chairman of the
Board**

**Stylianos Zavvos
ID No. AK 558124**

**Marios Apostolinas
ID No. AN 024492**

**Platon Monokrousos
ID No. AK 061313**

Annual Report of the Board of Directors on the consolidated and separate financial information for the year ended on the 31st of December 2020.

This Report of the Board of Directors (henceforth “the Report”) of the Company “ORILINA PROPERTIES R.E.I.C.” (henceforth “the Company” and/or “the Group”), refers to the period from 1.1.2020 to 31.12.2020. The Report has been prepared in accordance with the relative provisions of L. 4548/2018 as applicable, with paragraph 7 and 8 of article 4 of L. 3556/2007 and decisions 1/434/3.7.2007 and 7/448/11.10.2007 of the Hellenic Capital Market Commission.

The annual report of the Board of Directors is included as a whole in the Annual Consolidated and Separate Financial Information and other information required by law and refer to the period ended on the 31st of December 2020.

THE FINANCIAL POSITION OF THE COMPANY AND THE GROUP

Investments in real estate

The Company as a REIC is governed by a specific institutional framework, according to which:

- a) periodic valuation of the Group's properties by Independent Certified Appraisers is required
- b) valuation of the properties is required before acquisition or sale by Certified Appraisers
- c) the value of each property must be less than 25% of the value of its total investments.

Therefore, this scheme contributes significantly to the avoidance or even the timely treatment of the relevant risks. The company started its investment activity on December 14, 2018, when it was established. The company's investments in real estate as well as rights or shares in real estate, within the meaning of paragraphs 2 & 3 of article 22 of Law 2778/1999, as amended and in force today, amount to 72,68% of its assets. The company has direct investment plans, which will allow it, its investments in real estate, to rise to at least 80% of its assets, as required by law, while at the same time the value of each property must be lower than 25% of the total investment.

According to the 1/899/14.12.2020 Decision of the board of directors of the Hellenic Capital Market Commission, an extension to the deadline for the listing of the Company's shares in the Hellenic Exchange was granted for up to the 14th of December 2021.

On 31.12.2020, the real estate investment portfolio of the Company included three properties, after the acquisition of a real estate of 10.428 sqm on Kifisias Ave for 26,4 million euro, as well as the total shares of the company “ORILINA S.A.”, which since 2019 is part of the Group. In total, on 31.12.2020, the Group owned 9 real estate properties, 8 of which are investment properties, and one is own used.

The fair values of the investment property of the Group, as determined by a Certified Valuator, recorded a decline in the year ended on 31.12.2020, with their total value reaching 81.490 thousand euro (31.12.2019: 55.665 thousand euro), while the respective value for the Company was 64.900 thousand euro (31.12.2019: 39.150 thousand euro). The Group also proceed to the valuation of the own used property, whose fair value on 31.12.2020 was 145 thousand euro.

The Financial Results of the Group reflect its dynamic and confirm the effectiveness of its Investment Plan. The Group maintains the high collectability of its leases and the absence of doubtful accounts, a fact that characterizes the quality of its profits as high.

Cash reserves – Borrowing

The Group's cash reserves on 31.12.2020 amounted to 32.198 thousand euro, compared to 56.291 thousand on 31.12.2019. The borrowing of both the Group and the Company on 31.12.2020 was zero.

Rental Income

The rental income of the Group on 31.12.2020 amounted to 4.901 thousand euro, while the figure for the Company was 4.202 thousand euro, increased by 62% and 61% respectively in relation to the prior year.

The Group loss from the fair value adjustment of its investment property for the period ended on 31.12.2020 was 630 thousand euro, while for the Company the amount was 666 thousand euro.

Operating results

The Group's operating results on 31.12.2020 were a profit of 2.826 thousand euro, while for the Company, a profit of 2.258 thousand euro.

Finance income and expense

The finance income of both the Group and the Company on 31.12.2020 was 193 thousand euro, while the finance expense was 4 thousand euro.

Investment Tax

The tax expense of the Group for the year 2020 was 117 thousand euro, which brings Profit after Tax to 2.897 thousand euro. Respectively for the Company, the tax expense was 98 thousand euro, bringing Profit after Tax to 2.349 thousand euro.

Basic Ratios

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

	<u>31.12.2020</u>	<u>31.12.2019</u>
Current Ratio		
Current Assets to Current Liabilities	70,7	95,6
Funds from Operations (amounts in thousands of €)		
	<u>31.12.2020</u>	<u>31.12.2019</u>
Profit after Tax	2.897	6.695
Plus: Loss / (Gain) from FV adjustments of the investment property	630	-3.879
Plus: Depreciation and Amortization	42	42
Plus: Allowance for doubtful accounts	152	0
Plus: Net Finance income / expense	-189	-579
Funds from Operations:	3.532	2.279

Share ratios (amounts in €)	<u>31.12.2020</u>	<u>31.12.2019</u>
Net Asset Value per Share:	1,076	1,063

The Group has zero gearing ratio as both in the current year and in the prior year, it had zero borrowing.

Significant events during the year

Since January 2020, the outbreak of a new type of corona virus (COVID-19) has begun on a global scale. Since March 2020, the WHO declared the virus to be a pandemic. On February, Greece reported the first confirmed cases. In order to control the outbreak of the virus, Greek authorities impose emergency public health measures, which may continue and/or become stricter, depending on the developments on the virus pandemic.

Orilina Properties REIC, being a responsible social partner, beyond the abovementioned measures, has developed a series of initiatives, aligning itself with the protocols and recommendations of the authorities, having the safety of its personnel and the safeguarding of its going concern, as its main priority.

The effects of the pandemic on the financial figures of the Company are evaluated on an ongoing basis by the Management and the necessary measures are taken. The most significant effect on the Company's results for the current year came from the valuation of investment properties at fair value, where losses of 630 thousand euro were recognized.

On 30.01.2020 the Company purchased from company "Nikandros S.A." two ground floor retail shops with numbers IK and IO, as well as three hundred thirty four parking spots (horizontal ownerships), out of which 82 are located on the 1st basement, 126 on the 2nd basement and 126 on the 3rd basement of building I of the property that is located in Athens on 7' Kifisias Ave and on the junction of Theofanous & 29' Aitolias str., with an agreed purchased price of 26.276.061,78€.

Events after the reporting period

The development of the Covid-19 pandemic demonstrates signs of containment, in view of the vaccinations of the population, at which point its consequences are expected to be limited. In any case, the Company was not significantly affected by this pandemic.

Apart from the above, there are no other significant events after the date of the Annual Financial Statements that relate to the Group or the Company for which a report is required by the IFRS.

Branches

The companies of the Group have no branches as at 31.12.2020.

Treasury shares

The Company and the Group do not hold any treasury shares.

Research and Development

Beyond the activities on the real estate market, the Group and the Company do not engage in any research and development.

DEVELOPMENT AND PROSPECTS OF THE REAL ESTATE MARKET

2020 was a peculiar year. The economy and the real estate market were affected by the pandemic impact. Food distribution retail shops and the office sector have shown remarkable levels of endurance compared to other retail shops, in term of rent value, occupancy rate and investment performance.

For 2021, assuming that there will be no further negative development due to COVID-19, the Group results are expected to be on par with those of the 2020. However, due to the extension of the health crisis and the continued lockdowns, the Group cannot quantify the exact impact. Possible effects on its financial position will depend on future developments, which are out of the Group's control, any new measures for the containment of the pandemic, as well as the implementation of strategic support for the economy. The Group constantly analyzes new information regarding the real estate market at a macroeconomic level, in order to re-evaluate and redetermine its investment plans and business strategy.

Going concern

There is no doubt about the ability of the Group to continue as a going concern, for the following reasons. Regarding its capital structure, the Group has not entered into any borrowing agreements and its operations rely solely on equity. As a result, there is no obligation to service any loans. In addition, there is strong capital adequacy, with the capital reserves in sight deposits exceeding 32 million euro, an amount which more than covers Group expenditure of any kind, including all property expenses for over 10 years, even with absolutely zero income. Regarding the portfolio structure, the Group has zero exposure to the high-risk sector of touristic properties. A percentage of 43% of monthly income derives from office space, a property sector than is least affected, in comparison to retail shops, from the corona virus. An 8% derives from mixed-use properties.

32% of rental income comes from Hyper-supermarket space, traditionally, a "defensive" product in times of crisis, while a 17% relates to retail shop income.

For the months specified by the Greek authorities, the Group applies the legally binding temporary rent concessions to the entitled tenants, based on the relative government decisions. Up to this day, the Group has not agreed to any rent reductions in excess of those required by Law and there have been no instances of temporary or permanent renegotiation of the rent agreements due to COVID-19.

Significant risks faced by the Group

Financial risk factors

The Group is exposed to certain risks such as market risk (foreign exchange risk, price risk and cash flow risk from interest rate changes), credit risk and liquidity risk. The financial risks are related to the following financial assets and liabilities: trade and other receivables, cash and cash equivalents, borrowing, trade and other payables. The accounting policies in relation to the above financial assets and liabilities are described in Note 2.

Risk management is performed by the Group's management and is focus primarily on the identification and evaluation of financial risks such as: market risk, credit risk and liquidity risk.

a) Market risk

i) Foreign exchange risk: The Group operates in a single economic environment (Greece) and is not exposed to foreign exchange risks due lack of transactions in foreign currency.

ii) Price risk: The Group is exposed to price risk, such as real estate prices and rent income risk.

iii) Cash flow risk and Fair Value risk due to changes in interest rates: The Group holds significant interest-bearing assets that include sight deposits and occasionally time deposits.

b) Credit risk

The Group has aggregated credit risk in relation to rent receivables from its real estate lease agreements. The credit risk is defined as the risk of tenants breaching their contractual agreement to fulfill their transaction obligations. No losses are expected, as the Group's transactions with its tenant customers are developed after careful evaluation of their credibility and reliability, in order to minimize late payment problems and bad debt.

c) Liquidity risk

Prudent management of liquidity risk means adequate cash reserves and the ability to raise capital. The effective management of capital, the healthy financial structure and the careful selection of investment decisions, will promptly ensure that the Group possess the necessary liquidity for its operations. The liquidity of the Company is regularly monitored by the Group's Management.

Capital risk management

The purpose of the Group in managing its capital, is to ensure its ability to continue its activities and secure returns for its shareholders and benefits for other stakeholders in the Company, maintain an optimum capital structure and comply with L. 2778/1999.

So far, the Group faces no capital risk.

Any increase of the Group's real estate portfolio can be covered either through borrowing within the provisions of L. 2778/1999, as applicable, or through an increase of its Share Capital.

Related party transactions

All transactions from and to related parties are made at arm's length. The Group has identified the following related parties, as defined by IAS 24:

- OPH Investments LP, Sole Shareholder (100%) of ORILINA PROPERTIES R.E.I.C.
- ORILINA S.A., 100% subsidiary.

There have been no transactions between those related parties during the year nor are there any outstanding balances on 31.12.2020. Transactions with BoD members are also considered related party transactions. The total remuneration of the BoD was 50.600 euro, while other key management personnel remuneration was 512.304 euro.

Distribution of earnings

Taking into account the applicable regulation, a R.E.I.C. is required (article 27 of L. 2778/1999, as amended by article 19 of L. 4141/2013) to annually distribute to its shareholders at least 50% of its annual profit after tax. Profits related to gains from the sale of real estate property are not included in the distribution. A lower distribution rate, down to the limitations of L. 4548/2018, or a non-distribution by the company is allowed if the company's statute has a relative provision, either for the formation of extraordinary untaxed reserved from income other than capital gains, or for the free distribution of shares to existing shareholders by share capital increase, in accordance with the provisions of L. 4548/2018.

Dividends distributed to shareholders are recognized as a liability, at the time of the approval of the distribution by the General Assembly of the Shareholders. On 11.08.2020, the General Assembly of the Shareholders approved the distribution of dividend from the earnings of 2019 of 1.546.958 euro, which was paid on 21.08.2020.

EMPLOYMENT MATTERS

On 31.12.2020, the total number of personnel employed in the Company and the Group was 2 persons.

Promoting equal opportunities and protecting diversity are key principles of the Company. The Management of the Company does not discriminate in recruitment / selection, in remuneration, in education, in the assignment of job duties or in any other work activities. The factors that are taken into account exclusively are the experience, personality, theoretical training, qualifications, efficiency and abilities of the individual.

a) Policy of differentiation and equal opportunities (regardless of gender, religion, disadvantage or other aspects)

The Company as an employer has the obligation to observe the principle of equality in labor relations in all its manifestations, including equality between men and women.

b) Respect for workers' rights and trade union freedom

The Company respects the rights of employees and complies with labor law. There is no employee union for the moment. Up to this day, the Group has not received any fine or warning from the authorities in relation to violation of labor law.

c) Hygiene and safety at work

Work safety for employees is a dominant priority and a prerequisite for the operation of the Company. The Company maintains "first aid" materials (medicines, bandages, etc.) in the workplace. The Company has a security technician, in accordance with applicable law.

d) Training systems, promotions, etc.

The selection and recruitment procedures are based on the qualifications required for the position and without discrimination. The Company trains all categories of its employees, with internal and external seminars.

The promotions in the Company are based on the evaluation of the Management and are forwarded to the Committee for Remuneration and Promotion of Candidates, which in turn suggests for approval to the Board. For this matter, there are Human Resources Policies which include written procedures / regulations, namely: Recruitment and Evaluation Procedures for Management - Senior Executives, and Remuneration Policy.

ENVIRONMENTAL MATTERS

The Company recognizes both its obligations to the environment and the need for continuous improvement of its environmental performance, so that it achieves a balanced economic development in harmony with the protection of the environment.

The Company's environmental policy focuses on monitoring the environmental performance of building infrastructure, setting improvement goals and implementing improvement projects in order to upgrade their energy efficiency.

a) Real and potential effects of the entity on the environment

Due to the type of its operations, the Company does not create special waste that will burden the environment.

b) Disclosures on the procedures applied by the entity for the prevention and control of pollution and environmental impacts by various factors

- Recycling of printer inks

c) Reference to the development of green products and services as long as they exist.

No such case.

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

1) Share capital structure of the Company

The share capital of the company amounts to 105.000.000,00 euro, divided in 105.000.000 registered common shares with voting rights and a nominal value of 1 euro. All the Company shares will be listed on the main market of the Athens Exchange bearing all the rights and responsibilities derived from the law.

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

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

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

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

	Participation in OPH Investments LP	% participation in OPH Investments LP	Direct participation in the Company	Indirect participation in the Company
Alan Howard	30.000.000,00	29,41%	-	29,41%
Trifon Natsis	20.000.000,00	19,61%	-	19,61%
Despoina Pantopoulou	20.000.000,00	19,61%	-	19,61%
Jacques de Saussure	15.000.000,00	14,71%	-	14,71%
Stuart Roden	10.000.000,00	9,80%	-	9,80%
Adam J. Levinson	7.000.000,00	6,86%	-	6,86%

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

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

5) Restrictions on voting rights

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

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

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

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

The rules for the appointment and replacement of the BoD members and the amendment of the Company's Statute do not deviate from the provisions of L. 4548/2018.

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

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

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

No such agreements are in place.

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

No such agreements are in place.

Corporate Governance Statement

i. Corporate Governance Code

The Company, in compliance with the provisions of L. 2778/1999 as amended by L. 2992/2002 and L. 4141/2013 (article 24), has established and follows a Corporate Governance Code. The following Corporate Governance Statement has been prepared in accordance with the provisions of article 152 of L. 4548/2018.

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

Internal Control System

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error. For this purpose, Management has incorporated a series of procedures and the appropriate controls that relate to:

- the preparation and fair presentation of the Company's financial statements so as to limit the risk of failure.
- the safeguarding of the Company's assets from any unauthorized use and the maintaining of proper accounting records and the reliability of its financial information and the flow of it.

Internal Rules and Regulations

The Internal Rules and Regulations describe the organizational structure and responsibilities of the corporate bodies and units of ORILINA PROPERTIES R.E.I.C. (henceforth "the Company"), as well as the basic practices in relation to the operation of the Company, with the purpose of contributing to ensuring the transparency, completeness, functionality and effectiveness of the corporate governance system.

The Internal Rules and Regulations are a framework of reference for the preparation of the statement of corporate governance which, in accordance with L. 3873/2010, is a special part of the Annual report of the Board of Directors.

The operation of the Company is governed by the provisions of L. 2778/1999 "Real Estate Mutual Funds – Real Estate Investment Companies and other provisions", those of C.L. 4548/2018 "Of Limited Companies", L. 4209/2013, EU regulation No. 231/2013, as well as L. 3016/2002 "Regarding corporate governance, payroll matters and other provisions", as applicable.

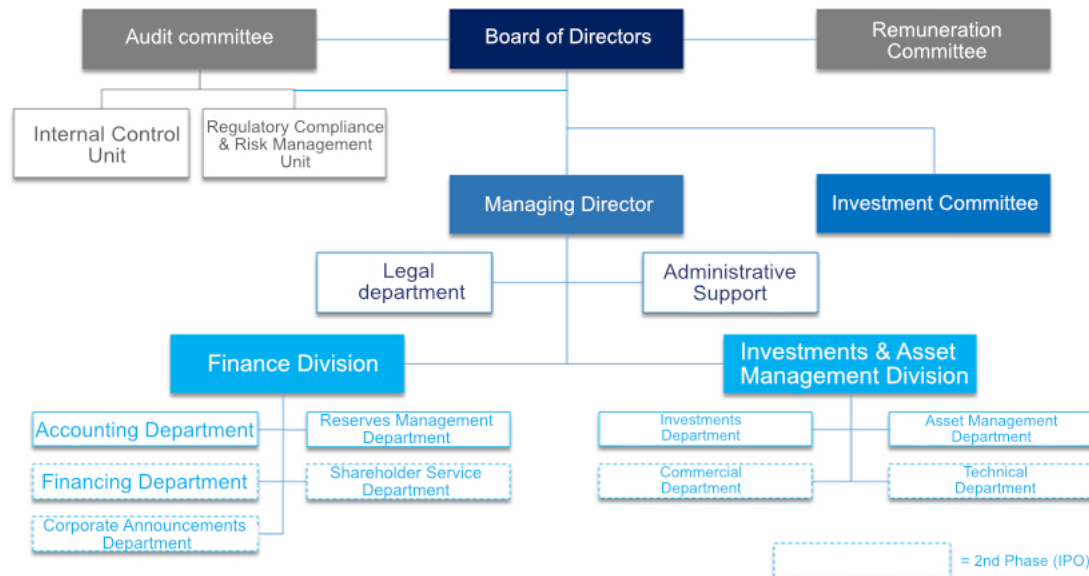
In addition, during the preparation of the Internal Rules and Regulations, the applicable requirements of the Hellenic Capital Market Commission, set by Circular No. 43.

The Internal Rules and Regulations apply to all members of the Board and the committees, the executives, as well as all the other personnel of the Company.

The principles of the Internal Rules and Regulations also bind any third party that provides services to the Company, when the relative service contract specifically provides for it.

Organizational Structure and Chart

The organizational structure of the Company is simple and versatile. At the current stage, it consists of a small number of personnel, dedicated in maintaining high levels of professionalism and skills.



Duties and responsibilities

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

Informational Systems

In the near future, the Company will have all the means that allows it to develop its long-term and mid-term business strategy.

Planning and monitoring

Constant monitoring is achieved through the continuous flow of financial information between the various bodies of management.

Accounting software

The Company will install proper accounting software that will allow it to measure all the ratios that it considers to be necessary at the proper timing for the monitoring of its financial performance.

Companies included in the consolidation

Subsidiary company “ORILINA S.A.” that was acquired in 2019 is being fully consolidated in the financial statements of the Company.

Internal Control Framework

The Company has an audit committee (henceforth referred to as the "Audit Committee"), which consists of three (3) non-executive members, of which two (2) are independent. The Audit Committee meets at least four (4) times a year, within each calendar quarter. Additional meetings are likely to be held if necessary.

The meeting of the Audit Committee covers issues that have been included in the agenda, which has been communicated by the Chairman of the Audit Committee to the members no later than five (5) working days before the scheduled meeting.

Each member of the Audit Committee has the right to request in writing from its Chairman or the Chairman of the Board the convening of the Audit Committee to discuss specific issues. This right is also granted to the Chairman of the Board, to the CEO, to the Head of the Internal Audit Unit, as well as to the external auditors of the Company.

For the holding of any meeting and for the existence of a quorum, the presence of at least two (2) members of the Audit Committee is necessary. Decisions are taken by a majority, while in the event of a tie, the vote of the Chairman of the Committee meeting prevails.

Minutes are kept at all meetings of this committee, which are ratified by the Chairman of the Audit Committee and are available within a reasonable time after the meeting, in order to obtain the approval of the members. The minutes as well as any relevant correspondence is archived under the responsibility of the Chairman of the Committee. Access to the minutes is only allowed with the written consent of the Chairman of the Audit Committee or the Chairman of the Board.

During the current year, the following persons have been members of the audit committee:

- 1) Kyriakos Riris as Chairman
- 2) Platon Monokrousos and
- 3) Miranta Xafa

Audit Committee responsibilities

The Audit Committee is set up with the aim of supporting the Board of Directors and is responsible for monitoring the financial information, the efficient functioning of the internal audit system, the supervision and monitoring of the Statutory audit, as well as issues related to the objectivity and independence of auditors (internal and external). The Commission has unhindered access to all the information necessary to carry out its duties and may seek the advice of independent professionals on matters falling within its duties.

The responsibilities and obligations of the Audit Committee, maintained intact by the collective responsibility of the Board of Directors, are as follows:

- Informs the Board of Directors of the Company about the result of the Statutory audit and explains how the mandatory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in this process.

- Monitors the financial information process and makes recommendations or proposals to ensure its integrity.
- Monitors the effectiveness of the Internal Audit Unit, quality assurance and risk management of the Company and, as the case may be, its internal audit department, in terms of its financial information, without violating its independence.
- Monitors the Statutory audit of the annual financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) No. 537/2014.
- Supervises and monitors the independence of certified public accountants or audit firms in accordance with Articles 21, 22, 23, 26 and 27, as well as Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of the provision of non-audit services to the Company in accordance with Article 5 of Regulation (EU) No. 537/2014.
- Responsible for the selection process of certified public accountants or auditing firms and proposes certified public accountants or auditing firms to be appointed in accordance with Article 16 of Regulation (EU) No. 537/2014, unless paragraph 8 of Article 16 of Regulation (EU) No 537/2014 applies.
- Monitors the process of the Statutory audit of financial statements of the Company and informs the Board of Directors, submitting a relevant report on the issues that arose during the audit.
- Monitors, examines and evaluates the process of compiling financial information, i.e. the mechanisms and systems of production, the flow and dissemination of financial information produced by the involved organizational units of the Company. The above actions of the Audit Committee include the rest of the financial information published in any way (e.g. stock market announcements, press releases). In this context, the Committee informs the Board of Directors of its findings and submits proposals for the improvement of the process of drafting financial information, if deemed necessary.
- Monitors, examines and evaluates the adequacy and effectiveness of all the policies, procedures and controls of the Company regarding the internal control system on the one hand and the risk assessment and management on the other.
- Supervises the operation of both the Internal Audit Unit and the Regulatory Compliance & Risk Management Unit, in terms of their proper operation based on the relevant professional standards, as well as the current legal and regulatory framework. It evaluates the work, the adequacy and the effectiveness of the above Units, without, however, affecting their independence.

The Audit Committee evaluates its performance on an annual basis and draws up an annual summary report of its work, which is submitted to the Board of Directors and the General Meeting of the Company's shareholders.

Risk Management

The Company adopts appropriate policy and implements adequate systems, appropriate methods, procedures and organizational structure for risk management which it undertakes in general or to which it may be exposed, including the use of models for their prediction, identification, measuring, monitoring, mitigation, reduction and reporting.

In this context, the Company, in accordance with article 15 of Law 4209/2013:

- Has a risk management function which is operationally and hierarchically independent from business units, as well as from portfolio management functions, in accordance with § 2.2.9 of this Regulation.
- Implements an appropriate, documented and regularly updated due diligence process when making investments, in accordance with its investment strategy, objectives and risk profile, ensuring that:
 - there are documented decisions to integrate them into the Company's investment strategy,
 - the relative risks have been accurately identified,
 - The integration of the respective controls and procedures or the adaptation of the existing ones in the risk management and internal control system, in general, has been completed.
- Defines risk taking limits according to the Company's risk profile by determining the individual parameters by type of risk and by category of investment, portfolio, operation/activity, etc. and monitors their compliance with appropriate procedures that correspond to the size, portfolio structure and investment strategies and objectives of the Company.
- Defines criteria for an early warning system and applies appropriate procedures and measures of increased monitoring, continuous, or periodical, depending on the nature of the risks as well as appropriate risk adjustment techniques at acceptable levels.

Through the procedures it implements, the Company ensures that the risks associated with each of its investment positions, as well as their overall impact on its portfolio can be identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate risk measurement procedures in extreme situations (stress testing).

The Board of Directors of the Company is responsible for the adoption of the policy and the risk management systems but also for the assurance of their re-examination, at least annually, and their adjustment, if it is deemed necessary, while the Regulatory Compliance & Risk Management Unit, within its responsibilities, has the responsibility for the planning, specialization and implementation of the policy in matters of risk management, according to the guidelines of the Board.

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

The company does not fall under the provisions of article 6 of L.3556/2007.

iv. Information regarding the General Meeting of the Shareholders

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

The Board ensures that the preparation and conduct of the General Meeting of the Shareholders facilitates the effective exercise of the shareholders' rights, who are informed

on all matters related to their participation on the General Meeting, including the agenda and their rights during the Meeting. In more detail, and regarding the preparation of the Meeting in accordance with the provisions of L. 3884/2010 the Company uploads on its website, at least twenty (20) days before the Meeting, both in Greek and in English, information regarding the following:

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

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

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

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

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

v. Every shareholder who is included at the records of the institution that maintains the records of the Company's shares, is entitled to participate and vote in the General Meeting. The exercise of those rights does not require the withholding of any shares nor the conduct of any other procedure. The shareholder may appoint a representative if he so wishes. For any other matter the Company complies with the provisions of L. 4548/2018.

v. Information regarding the Board of Directors and its Committees

Operation of the Board of Directors

The Board of Directors (hereinafter referred to as the "BoD") is elected by the General Meeting of the Company's shareholders and consists of five to nine members in accordance with the provisions of the Company's Articles of Association. After its election, the BoD is formed by electing a Chairman, Vice-Chairman and CEOs or Authorized Councilors and defines the responsibilities of each.

In the context of its optimal operation, the Company seeks to have as many members of the BoD as possible, in order to achieve its pluralism and the best possible administration.

According to article 33a' of its Statute of Incorporation, the Company complies with the provisions of L. 3016/2002 on corporate governance and in this context elects executive and non-executive members among the members of its BoD.

Executive members are those who deal with the day-to-day affairs of the Company's management, while non-executive members are the ones in charge of promoting all corporate issues. The number of non-executive members of the BoD must not be less than 1/3 of the total number of members. If a fraction occurs, it is rounded to the next integer. There must be at least 2 independent members among the non-executive members within the meaning of Article 2 of L. 3016/2002. The capacity of the members of the Board as executive or not, is defined by the BoD itself. The independent members are appointed by the General Meeting of the Company's shareholders.

The members of the BoD are elected by the shareholders with a maximum term of one (1) year, but their re-election is not excluded. The replacement all the members in a single General Assembly is avoided, so that their succession takes place gradually. Executive members must resign from the BoD after the end of their executive duties. The proposed names of the candidates for election or re-election of members of the Board of Directors are accompanied by sufficient CVs, as well as from the recommendation of the Board regarding their independence, in accordance with the independence criteria provided by the applicable legal and regulatory framework.

The BoD meets whenever the law, the Statute of Incorporation or the needs of the Company require it. The BoD is convened by the Chairman or his deputy, with an invitation notified to the members and in which the issues of the agenda are listed. The discussions and decisions of the BoD are summarized in a special book of minutes. The minutes of each meeting are signed by the present members of the Board.

Copies of the minutes are officially issued by the Chairman or another person designated by the Statute of Incorporation, without the need for further ratification.

The Board is in quorum and meets validly when more than half of its members are present and, in each case, more than three (3) members. Decisions of the Board of Directors are taken by an absolute majority of the members present and represented, as required by law.

The BoD consists of the following individuals:

1. Stylianos Zavvos, Chairman
2. Platon Monokrousos, Vice-Chairman
3. Naouma Tzika, Vice-Chairman
4. Marios Apostolinas, Managing Director
5. Alexandros Samaras, Non-executive Member
6. Miranta Xafa, Independent Member

Responsibilities of the Board of Directors

The Board of Directors is responsible for deciding on any matter concerning the management of the Company, the management of its property and the general pursuit of its purpose.

The main responsibilities of the BoD include:

- the approval of the Company's long-term strategy and operational goals,
- the approval of the annual budget and business plan, as well as taking decisions regarding major capital expenditures, acquisitions and disposals,
- the selection and, when necessary, the replacement of the executive leadership of the Company, as well as the supervision of the succession planning,
- the control of the performance of the top management and the harmonization of the fees of the top executives with the long-term interests of the Company and its shareholders,
- ensuring the reliability of the Company's financial statements and data, financial information systems and publicly available data and information, as well as ensuring the effectiveness of internal control and risk management systems,
- remaining vigilant in relation to existing and potential conflicts of interest between the Company on the one hand and its Management, the members of the BoD or the main shareholders on the other (including shareholders with direct or indirect power to form or influence the composition and conduct of the Board), as well as the appropriate handling of such conflicts in the light of transparency and the protection of corporate interests,
- the responsibility for decision making and monitoring the effectiveness of the Company's management system, including the decision-making processes and the assignment of powers and duties to other executives, as well as
- the formulation, dissemination and implementation of the basic values and principles of the Company that govern its relations with all parties, whose interests are linked to those of the Company.

The primary obligation and duty of the members of the Board of Directors is the continuous pursuit of the strengthening of the long-term economic value of the Company and the safeguarding of the general corporate interest.

Managing Director

The Managing Director is an executive member of the Board of Directors of the Company, authorized to ensure the proper and efficient execution of its object of work and of all kinds of projects and actions, in order to achieve its objectives.

The Managing Director:

- Decides on the internal structuring of the Company, within the context of the Internal Rules and Regulations.
- Prepares the annual Business Plan of the Company.
- Decides on staff issues. It also takes all necessary measures to upgrade and utilize staff, proposing to the Board for approval the preparation of regulations, organizational charts and training programs.
- Ensures the realization of the budgeted goals of the Company.
- Forwards to the BoD for approval of any action plans, as well as all matters within his capacity.

Portfolio Investment & Management Division

The Portfolio Investment & Management Division is responsible for ensuring the good operation of the Company in terms of (according to the law) development of the portfolio of its investments and the management of its real estate property. It reports to the Managing Director of the Company and makes recommendations to the Investment Committee.

The Portfolio Investment & Management Division consists of the following four (4) departments, each with its respective responsibilities.

Investments Department

- Preparing and regular updating of the investment strategy of the Company.
- Performing analysis to recommend investments.
- Contacting and participating in the negotiation process for new investments.
- Structuring transactions in such a way as to be economically profitable for the Company, as well as complete from legal, tax and technical aspect.
- Preparing precautionary and analytical investment recommendations for specific investments to the Managing Director and/or the Investment Committee.
- Realizing new investments after the decision of the Investment Committee and of other competent bodies, which namely includes:
 - the management of the legal, technical and, as the case may be, tax audit before the implementation of each investment,
 - monitoring the resolution of any findings from the audit or evaluating any defects and restructuring the transaction,
 - checking the contractual texts before signing them.

Commercial Department

- Macroeconomic and microeconomic monitoring of the course of the Company's markets of interest (domestic and international real estate markets and capital markets).
- Evaluation of trends in domestic and international real estate markets.
- Finding investment opportunities and evaluating them, aiming to expand the real estate portfolio.
- Commercial promotion of the Company's properties for sale or lease.

Portfolio Management Department

- Real estate property management.
 - New leases, management / monitoring of leases and relationships with tenants
 - Collection of rents and charges for other related services
 - Insurance of buildings
 - Annual real estate budget
 - Conduct sales
- Asset Management
 - Strategy by category of assets
 - Performance monitoring
 - Retention / sale recommendations
 - Identify portfolio improvement opportunities

Technical Department

- Technical inspection for new investments
- Maintenance and repair of buildings
- Compliance with applicable regulations
- Project management

- Installation management
- Energy efficiency of buildings, environmental assessments

Financial Services Division

The Financial Services Division reports to the Managing Director of the Company and is responsible for:

- the preparation of the Company's business plan and annual budget to the Board,
- drafting and presenting information reports on the development of the Company's financial data to the Board,
- periodic and annual drafting of the financial statements and investment schedule of the Company,
- support the Company's information system,
- monitoring personnel issues such as compliance and improvement of personnel selection, recruitment, training and operation procedures in the context of achieving the Company's objectives,
- implementation of appropriate political continuity of the business activity of the Company that ensures, in case of interruption of its systems and procedures, the preservation of data and the continuation of its functions or, when this is not possible, the timely recovery of data and functions and in general the timely restoration of the Company's activities.

The Financial Services Division consists of the following five (5) departments with the respective responsibilities:

Accounting Department

- Establishment and implementation of accounting procedures, which allow the Company to issue financial statements that reflect the true and accurate picture of its financial situation and comply with applicable accounting standards and rules.
- Implementation of the provisions of the administrative and tax authorities.
- Monitoring the requirements and obligations of the Company.

Reserves Management Department

- Carrying out payments and receipts to and from third parties.
- Liquidity management, letters of guarantee and cash.
- Management and reconciliation of bank accounts.

Financing Department

- Securing financing and setting up appropriate financial instruments to hedge interest rates through financial institutions to finance the Company's investments.
- Monitoring of loans, credits and guarantees to and from the Company.

Shareholder service Department

- Direct and equal information to the shareholders, as well as their service in matters of exercise of their rights based on the law and the statute of the Company regarding:
 - the distribution of dividends,
 - the issuing of new shares, distribution, registration, resignation and conversion,

- the time period for exercising the relevant rights or changes in the initial time margins (e.g. extension of the exercise time of the rights),
 - providing information on Ordinary or Extraordinary Assemblies and their decisions,
 - acquisition and disposal of own shares or any cancellation thereof.
- Maintaining and updating the Company's share register based on the current legislation. To this end, it is responsible for communicating with the Central Securities Depository.

Corporate Announcements Department

- Compliance of the Company with the obligations of publication of preferential information and transactions provided by the relevant legal and regulatory framework. Particularly:
 - disclosure of privileged information directly related to the Company, or where the conditions of the legislation apply, postponement of publication and ensuring the confidentiality of the said information for as long as the postponement of disclosure lasts,
 - notification of transactions of liable and / or affiliated persons carried out on their own account and relating to shares issued by the Company or derivatives or other financial instruments related to them,
 - checking the operation of the Company's website and displaying in it any preferential information published for at least six (6) months,
 - compiling a list of persons who have access to preferential information, updating the list in case of change of the data included and placing it at the disposal of the Hellenic Capital Market Commission as soon as it requests it,
 - compiling a list of liable and / or affiliated persons, updating the list in case of change of the data included and submitting it to the Hellenic Capital Market Commission,
 - publication of the information referred to in Articles 9, 10, 11, 15 and 16 of L. 3556/2007.
 - fulfillment of the obligation for regular and extraordinary information provided for in section 4.1 of the Regulation of the Athens Stock Exchange.

Internal Audit Unit

The Company has an Internal Audit Unit (hereinafter "IAU"), which has a functional reporting line to the Board of Directors and an administrative reporting line to the Managing Director. The IAU is administratively independent of the other units of the Company and refrains from any kind of executive and operational responsibilities.

The Audit Committee ensures:

- the independence of the IAU and the resolution of issues that relate to its independence,
- the adequate and immediate informing and updating of the IAU through relevant procedures and mechanisms, especially in cases of significant problems and emergencies. The Company informs the Hellenic Capital Market Commission of any change in the persons or the structure of the IAU within ten (10) working days of such change.

The mission, responsibilities and mode of operation of the IAU are described in detail in the Internal Audit Regulation, which has been approved by the Board.

Regulatory Compliance & Risk Management Unit

The Company has a Regulatory Compliance & Risk Management Unit (hereinafter "RC&RMU"), which is administratively independent of the other units of the Company, especially from the services that are responsible for the implementation or accounting of transactions and evaluate the risk analysis that it performs. It reports, for matters of its competence, to the Audit Committee and through it and/or directly to the Board.

The main responsibilities of the RC&RMU are the following:

Regulatory Compliance

- Supporting the Management and the staff of the Company in matters of applicable regulatory regulation and regulatory issues.
- Monitoring the degree of compliance of the Company in relation to the current legal and regulatory framework.
- Assessing the risk of regulatory compliance, taking into account the services provided and the Company's portfolio of assets.
- Drafting or supervising the implementation of internal regulations, procedures and instructions on matters within its competence and monitoring their implementation.
- Care, in collaboration with the management of the Company, for the training of staff in matters of regulatory compliance and regulatory issues.

Risk Management

- Determining the framework through which the identification, measurement and evaluation of the risks that govern the operation of the Company are made.
- Develop, implement and periodically evaluate the adequacy of methods, criteria, models and systems for early detection, measurement, monitoring, hedging, mitigation, reporting and general management of the risks undertaken or to which the Company may be exposed.
- Preparing periodic reports on issues within its competence, in order to provide regular and adequate information to the management and the Board.
- Raising awareness about the risks involved and the promotion of risk management culture at each hierarchical level.

Remunerations Committee

The Remunerations Committee consists of three (3) non-executive members, two of which (2) are independent. The Committee meets at the invitation of its Chairman as many times as it deems necessary, but in each case, at least once (1) each calendar year.

Each member of the Committee has the right to request its convening in writing to discuss specific issues. The presence of at least two (2) members of the Committee is necessary for the holding of any meeting and for the existence of a quorum. Decisions are taken by a majority, and in the event of a tie, the vote of the Chairman of the Committee prevails.

Minutes are kept at all meetings of the Committee, which are ratified by its Chairman and are available within a reasonable time after the meeting in order to obtain the approval of the members. The minutes as well as any relevant correspondence is archived under the responsibility of the Chairman of the Committee. Access to the minutes is allowed only with the written approval of the Chairman of the Committee or the Chairman of the Board.

During the current year, the following persons have been members of the remuneration committee:

- 1) Kyriakos Riris, as Chairman
- 2) Platon Monokrousos and
- 3) Miranta Xafa

Responsibilities of the Remunerations Committee

The Remunerations Committee has the following responsibilities:

- Formulates proposals for approval by the Board of Directors regarding the policy for the remuneration of the executives of the Company. This policy should cover all forms of remuneration, including fixed wages, performance-related payroll systems, retirement arrangements and severance pay. Recommendations on performance-related payroll systems should be accompanied by recommendations on relevant objectives and evaluation criteria, so that the remuneration of executives is properly aligned with the long-term interests of shareholders and the objectives set by the Board for the Company.
- Makes proposals for approval by the Board of Directors on the appropriate forms of contracts for the executives and directors.
- Assists the Board of Directors in overseeing the procedure by which the Company complies with the applicable provisions on matters relating to remuneration (in particular the applicable remuneration policy and the remuneration of individual executives).
- Makes general recommendations to the executives or directors on the amount and structure of senior executives' salaries.
- Monitors the amount and structure of senior executives' salaries, based on appropriate information provided to it by the executives or directors.

Investment Committee

The Investment Committee consists of five (5) members, who are elected and appointed by the Board. Their term of office may not exceed the term of office of the members of the Board of Directors who were responsible for their selection and appointment.

It is noted that there is an absolute incompatibility between the status of a member of the Investment Committee of the Company and:

- the capacity of the Managing Director and the Director of Investments & Portfolio Management, as well as
- the possession of any executive or employee position or capacity as a member of the Board or the Investment Committee in another domestic Real Estate Investment Company.

The Investment Committee meets at the invitation of its Chairman at least once (1) each month, and as many times as necessary. At least four (4) members of the Committee must be present at each meeting one of whom must be the Chairman and there must be a quorum. Decisions are taken by a majority, and in the event of a tie, the vote of the Chairman of the Committee meeting prevails.

Each member may provide a written power of attorney to another member of the Committee in the event that he or she is unable to attend a meeting in person or by teleconference. In this case, the vote of the absent member is counted as normal and the decision is taken by a majority as described above. During the meetings, executives of the Company and/or advisors

may be invited, as well as any third party who is considered to add value to the issues discussed each time.

Minutes are kept at all meetings of the Investment Committee, which are ratified by its Chairman and are available within a reasonable time after the meeting, in order to obtain the approval of the members. The minutes as well as any relevant correspondence is archived under the responsibility of the Chairman of the Committee. Access to the minutes is allowed only with the written approval of the Chairman of the Committee or the Chairman of the Board.

The Investment Committee consists of:

- 1) Tryfon Natsis, Chairman
- 2) Despoina Pantopoulou, Member
- 3) Naouma Tzika, Member
- 4) Platon Monokrousos, Member and
- 5) Stylianos Zavvos, Member

Responsibilities of the Investment Committee

The Investment Committee is the highest collective non-executive body of the Company, in terms of determining investment policy, directly subordinated to the Board. In particular, the Committee forms the Company's investment strategy, under the direction of the Board of Directors and in the context of the relevant legal and regulatory framework. It provides advice and suggestions on appropriate investments, taking into account the state of the economy, the capital market and the real estate market.

The Board of Directors provides official approval of the investment strategy before the start of any activity, and the decisions and proposals of the Investment Committee always move within the framework set out in the approved investment strategy.

The decisions and proposals of the Investment Committee are not binding for the Board of Directors, which remains the highest decision-making body of the Company, according to the law. However, any non-adoption by the Board of Directors of the Investment Committee's proposals should be accompanied by a clear explanation.

The responsibilities of the Investment Committee may be codified as follows:

- Determination of investment objectives as well as investment strategy, which should be reviewed on an annual basis, at least.
- Decision making on new investments, including improvements on existing Company assets.
- The proposal for the distribution of the annual plan for new investments.
- The agreement of the terms of new leases contained in the real estate portfolio of the Company or the renegotiation of existing contracts.
- The supervision of the valuations (technical, legal and financial) as well as the evaluations carried out before the decisions for the purchase of real estate and / or special purpose companies.

For any decision making the following are taken into account:

- The general strategy of the Company and the investment criteria.
- The expected return on each investment.

- Any alternative forms of investment (comparison of expected performance).
- The suitability of the timing to make an investment or withdraw from an investment.
- The existence of relevant risks and measures that limit them.

Diversity Practices

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

The Company aims for the recruitment of personnel and upper management of various ages, genders and professional backgrounds, as referenced above in paragraph “Employment Matters”.

**For the Board of Directors
Athens, 22nd of April 2021
The undersigned**

**The Chairman of the Board
Stylianos Zavvos
ID No. AK 558124**

**The Managing Director
Marios Apostolinas
ID No. AN 024492**



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON THE

31st OF DECEMBER 2020

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

(amounts in €)

		Group		Company	
	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
ASSETS					
Non-Current Assets					
Property, plant and equipment	7	175.203	179.363	24.323	26.705
Assets with right-of-use		29.526	61.163	29.526	61.163
Investment property	5	81.490.000	55.665.000	64.900.000	39.150.000
Investments in subsidiaries	6	-	-	14.055.066	14.055.066
Other long-term receivables	8	170.798	170.223	170.223	170.223
		81.865.527	56.075.749	79.179.138	53.463.157
Current assets					
Trade receivables	9	247.580	319.800	223.075	319.800
Other receivables	8	16.382	12.807	10.795	14.509
Cash and cash equivalents	10	32.198.465	56.290.789	29.843.581	54.434.602
		32.462.427	56.623.396	30.077.451	54.768.911
TOTAL ASSETS		114.327.954	112.699.145	109.256.590	108.232.069
EQUITY AND LIABILITIES					
EQUITY					
Equity attributed to the shareholders of the Parent					
Share capital	11	105.000.000	105.000.000	105.000.000	105.000.000
Statutory reserves		205.554	179.949	-	-
Fair value reserves		5.079	-	-	-
Retained earnings		7.723.027	6.398.537	3.123.549	2.321.880
TOTAL EQUITY		112.933.660	111.578.486	108.123.549	107.321.880
LIABILITIES					
Non-Current liabilities					
Other long-term liabilities	12	933.325	496.370	773.340	486.370
Lease liabilities		-	32.026	-	32.026
		933.325	528.396	773.340	518.396
Current liabilities					
Trade and other payables	13	303.936	505.422	212.234	313.766
Guarantees	12	65.292	-	65.292	-
Lease liabilities		32.133	30.455	32.133	30.455
Current tax liabilities	20	59.609	56.386	50.042	47.572
		460.970	592.263	359.701	391.793
TOTAL LIABILITIES		1.394.294	1.120.659	1.133.040	910.189
TOTAL EQUITY AND LIABILITIES		114.327.954	112.699.145	109.256.590	108.232.069

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME
(amounts in €)

	Note	Group		Company	
		01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Rental Revenue	14	4.901.481	3.031.624	4.201.955	2.603.328
		4.901.481	3.031.624	4.201.955	2.603.328
Other income		98.839	56.764	98.839	56.764
Gain / (loss) from fair value adjustments of investment property		-629.573	3.879.262	-666.176	891.001
Expenses directly related to investment property	15	-534.098	-629.872	-450.943	-547.794
Personnel expenses	16	-325.711	-215.297	-325.711	-212.257
Other operating expenses	17	-490.980	-591.992	-414.540	-566.191
Loss from sale of property		-	-528	-	-528
Depreciation and amortization		-41.961	-41.923	-33.593	-34.016
Gain from the acquisition of subsidiary		-	973.070	-	-
Other income	9	-152.238	-	-152.238	-
Operating profit		2.825.759	6.461.110	2.257.592	2.190.308
Finance income	18	193.357	639.882	193.323	639.806
Finance expense	18	-4.461	-60.871	-3.833	-60.528
Profit before tax		3.014.655	7.040.121	2.447.083	2.769.586
Tax	19	-117.330	-345.554	-98.455	-331.627
Profit after tax		2.897.325	6.694.566	2.348.627	2.437.959
Other comprehensive income					
Items that will not be subsequently transferred to profit and loss					
Revaluation of property, plant and equipment		6.591	-	-	-
Total comprehensive income after tax		2.903.916	6.694.567	2.348.627	2.437.959
Earnings per share attributed to shareholders (in €)					
Basic and diluted		0,0276	0,0635	0,0276	0,0232

The notes are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in €)

	Note	Share capital	Fair value reserves	Statutory reserves	Retained earnings	Total equity
Opening balance on January 1st, 2019		105.000.000	-	-	-116.079	104.883.921
Profit after tax		-	-	179.949	6.514.617	6.694.566
Balance on December 31st, 2019		105.000.000	-	179.949	6.398.537	111.578.488
Opening balance on January 1st, 2020		105.000.000	-	179.949	6.398.537	111.578.486
Profit after tax		-	-	-	2.897.325	2.897.325
PPE fair value adjustment		-	6.591	-	-	6.591
Amount set for statutory reserves		-	-	25.605	-25.605	-
Dividends paid for year 2019		-	-	-	-1.546.958	-1.546.958
Transfer of excess depreciation to retained earnings		-	-1.512	-	1.512	-
Correction of prior year errors		-	-	-	-1.784	-1.784
Balance on December 31st, 2020	11	105.000.000	5.079	205.554	7.723.027	112.933.660

SEPARATE STATEMENT OF CHANGES IN EQUITY

(Amounts in €)

	Note	Share capital	Retained Earnings	Total equity
Opening balance on January 1st, 2019		105.000.000	-116.079	104.883.921
Profit after tax		-	2.437.959	2.437.959
Balance on December 31st, 2019		105.000.000	2.321.880	107.321.880
Opening balance on January 1st, 2020		105.000.000	2.321.880	107.321.880
Profit after tax		-	2.348.627	2.348.627
Amount set for statutory reserves				
Dividends paid for year 2019		-	-1.546.958	-1.546.958
Balance on December 31st, 2020	11	105.000.000	3.123.549	108.123.549

The notes form an integral part of these Financial Statements

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

(amounts in €)

		Group		Company	
		01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
	Note				
<u>Cash flows from Operating Activities</u>					
Profit before tax		3.014.655	7.040.121	2.447.083	2.769.586
<u>Plus / less adjustments for:</u>					
Depreciation and amortization	7	12.731	30.581	4.363	30.581
Depreciation of rights-of-use	7	29.231	6.262	29.231	3.434
Gain from the acquisition of subsidiary		-	-973.070	-	-
Loss from the sale of assets		-	528	-	528
Provisions		152.238	-	152.238	-
(Gain) / Loss from fair value adjustments of investment property	5	629.573	-3.849.262	666.176	-891.001
Interest income		-193.357	-639.882	-193.323	-639.806
Interest expense and other similar expenses		4.461	60.871	3.833	60.528
<u>Plus / less adjustments for changes in working capital or related to operating activities</u>					
Decrease / (increase) in receivables		-81.876	-395.007	-51.800	-462.335
Increase / (decrease) in payables (excluding borrowing)		301.197	796.652	249.116	794.511
Interest expense and other similar expenses paid		-2.710	-60.871	-2.081	-60.528
Taxes paid		-120.233	-299.866	-95.986	-294.752
Net cash flows from operating activities		3.745.909	1.722.216	3.208.849	1.310.746
<u>Cash flows from Investing Activities</u>					
Acquisition of PPE and intangible assets		-1.980	-31.212	-1.980	-31.212
Acquisition and capital expenditure of investment property	5	-26.454.573	-38.258.999	-26.416.176	-38.258.999
Sale of assets		-	545	-	545
Acquisition of subsidiary (less subsidiary's cash reserves)		-	-12.503.526	-	-14.055.066
Interest received		193.357	639.882	193.323	639.806
Net cash flows from Investing Activities		-26.263.195	-50.153.310	-26.224.833	-51.704.926
<u>Cash flows from Financing Activities</u>					
Receipt of outstanding share capital payments		-	46.824.800	-	46.857.200
Lease liability payments		-28.080	-32.400	-28.080	-32.400
Dividend payment		-1.546.958	-	-1.546.958	-
Net cash flows from financing activities		-1.575.038	46.824.800	-1.575.038	46.824.800
Net increase / (decrease) in cash and cash equivalents		-24.092.324	-1.713.194	-24.591.022	-3.569.380
Cash and cash equivalents at the beginning of the period		56.290.789	58.003.982	54.434.602	58.003.982
Cash and cash equivalents at the end of the period		32.198.465	56.290.789	29.843.581	54.434.602

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. General Information

“ORILINA PROPERTIES Real Estate Investment Company” (henceforth “the Company”) operates in the real estate investment sector under the provisions of article 22 of L. 2278/1999, as applicable. As a Real Estate Investment Company (REIC), the Company is supervised by the Hellenic Capital Market Commission.

The Company has obtained a license as a Real Estate Investment Company from the Hellenic Capital Market Commission on the 16th of November 2018, with the decision of its Board No 5/831/06.11.2018 and was founded on 14.12.2018.

The Company’s headquarters are located in Greece, in the Municipality of Athens on 25’ Karneadou Str. The Company is registered on the General Commerce Register (GCR) with No. 148547901000.

The Company, together with its subsidiaries (henceforth “the Group”) is engaged in the leasing of investment real estate through operating leases.

The company is owned (directly) by 100% by «OPH INVESTMENTS LP» domiciled in Jersey in the Anglo-Norwegian islands.

On 31.12.2020, the composition of the Board of Directors was as follows:

Stylianos Zavvos - Chairman & Non-executive member
Naouma Tzika - Vice-Chairman & Executive member
Platon Monokrousos - Vice-Chairman & Non-executive member
Marios Apostolinas – Managing Director & Executive member
Miranta Xafa – Non-executive member
Alexandros Samaras – Non-executive member

These financial statements have been by the Board of Directors on the 22nd of April 2021 and have been uploaded on www.orilina.com.

2. Summary of significant accounting policies

2.1. Basis of preparation of the Financial Statements

These annual financial statements include the separate financial statements of the Company and the consolidated financial statements of the Group, for the year ended on the 31st of December 2020, in accordance with the International Financial Reporting Standards (IFRS) and the IFRIC interpretations, as adopted by the European Union.

These financial statements have been prepared according to the principle of going concern, as decided by the Board of Directors, evaluating the fact that the Company owns sufficient cash reserves to cover its current liabilities, as well as its working capital needs.

These annual financial statements have been prepared on the basis of historical cost, with the exception of the buildings and the investments in real estate which are measured at fair value (Note 2.7 and 2.8).

The preparation of Financial Statements under IFRS requires the use of specific accounting estimates and assumptions and the exercise of judgement by Management during the application of the Company's accounting policies. It also required the use of calculations and assumptions that affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Despite the fact that these calculations are based on the best possible knowledge of the Management in relation to the current conditions and actions, the actual results may differ from those calculations. The areas that relate to complicated transactions and include a large portion of subjectivity or the cases and estimations that are important to the financial statements are disclosed in note 4.

2.2. New standards, amendments and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2020. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

Conceptual Framework in IFRS Standards

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29, 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting. These concepts help set standards, guide authors to develop consistent accounting policies, and support their efforts to understand and interpret standards. The International Accounting Standards Board also issued an accompanying document, amendments to the references in the Conceptual Framework, which sets out the amendments to the standards that are affected in order to update the references in the revised Conceptual Framework. The purpose of the document is to support the transition to the revised IFRS conceptual framework for companies that adopt the conceptual framework to develop accounting policies when no IFRS standard is reported.

IFRS 3 (Amendment) "Definition of Business Combination"

The new definition focuses on the concept of business performance in the form of providing goods and services to customers as opposed to the previous definition which focused on returns in the form of dividends, lower costs or other financial benefits to investors and others.

IAS 1 and IAS 8 (Amendments) "Definition of material"

The amendments clarify the definition of material and how it should be used, supplementing the definition with instructions that have so far been provided elsewhere in the IFRS. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of essential applies consistently to all the IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest Rate Benchmark Reform"

The amendments change certain requirements on hedge accounting to facilitate the possible effects of the uncertainty caused by the change in benchmark rates. In addition, the amendments require companies to provide additional information to investors about their hedging relationships, which are directly affected by these uncertainties.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) "COVID-19-related Rent Concessions" (effective for annual periods beginning on or after the 1st of June 2020)

The amendment provides lessees (but not lessors) with an optional exemption from assessing whether the COVID-19-related lease is a lease amendment. Lessees can choose to account for rental concessions in the same way they would for non-lease changes. The amendment has not yet been adopted by the EU.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Interest Rate Benchmark Reform – Phase 2" (effective for annual periods beginning on or after the 1st of January 2021)

The amendments complement those issued in 2019 and focus on the impact on the financial statements when a company replaces the old benchmark rate with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the financial cash flows of its financial instruments, how it will account for changes in its hedging relationships and the information it needs to disclose.

IAS 1 (Amendment) "Classification of Liabilities as Current and Non-Current" (effective for annual periods beginning on or after the 1st of January 2023)

The amendment clarifies that liabilities are classified as current or non-current based on the entitlements in force at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date. In addition, the amendment clarifies the meaning of the term "settlement" of an obligation in IAS 1. The amendment has not yet been adopted by the EU.

Annual improvements in IFRS 2018 - 2020 (effective for annual periods beginning on or after the 1st of January 2022)

The amendments listed below include changes to specific IFRS. The amendments have not yet been adopted by the EU.

IFRS 1 "First time adoption of the IFRS"

The amendment allows a subsidiary applying paragraph D16 (a) of IFRS 1 to measure cumulative conversion differences using the amounts stated by its parent, based on the parent's transition date to IFRS.

IFRS 9 "Financial Instruments"

The amendment addresses what costs should be included in the 10% assessment for the recognition of financial liabilities. The relevant costs or fees could be paid either to third parties or to the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% assessment.

IFRS 16 "Leases"

The amendment removed the example of lessor payments for rental improvements in Explanatory Example 13 of the standard, in order to eliminate any possible confusion regarding the handling of lease incentives.

2.3. Corrections of prior year errors and reclassifications

During the current year, the Group made some corrections on items in the Statement of Financial Position of the comparative year, which have resulted from corrections in the figures of the subsidiary, as well as reclassifications on certain financial statement line items, so that these lines are more consistent with the prior year's comparative figures. The corrections made in the consolidated figures of 2019 are the following:

	Debit	Credit
Statutory reserves		179.949
Fair value reserves	30.079	
Retained earnings	149.870	

The reclassifications relate to the following:

- 1) the right-of-use assets which are separated by property, plant and equipment; the effect is of an amount of 61.162 euro on 31.12.2019 for the Group and the Company.
- 2) the Trade Receivables, with a change of 319.800 euro for the Group and the Company, up from 238.390 euro.
- 3) the Other Receivables in current assets to 12.807 euro down from 94.217 euro for the Group and to 14.509 euro down from 95.918 euro for the Company.
- 4) the current lease liabilities that are separated from trade and other payables, whose affect for the Group and the Company is 30.455 euro.
- 5) the non-current lease liabilities that are separated from the other long-term liabilities, an effect of 32.026 euro for the Group and the Company.

These reclassifications had no further effect on the net results, the Statement of Changes in Equity or the Statement of Cash Flows of the Group or the Company.

2.4. Going concern

There is no doubt about the ability of the Group to continue as a going concern, for the following reasons. Regarding its capital structure, the Group has not entered into any borrowing agreements and its operations rely solely on equity. As a result, there is no obligation to service any loan. In addition, there is strong capital adequacy, with the capital reserves in sight deposits exceeding 32 million euro, an amount which more than covers Group expenditure of any kind, including all property expenses for over 10 years, even with absolutely zero income. Regarding the portfolio structure, the Group has zero exposure to the high-risk sector of touristic properties.

A percentage of 43% of monthly income derives from office space, a property sector than is least affected, in comparison to retail shops, from the corona virus. An 8% derives from mixed-use properties.

32% of rental income comes from Hyper-supermarket space, traditionally, a "defensive" product in times of crisis, while a 17% relates to retail shop income.

For the months specified by the Greek authorities, the Group applies the legally binding temporary rent concessions to the entitled tenants, based on the relative government

decisions. Up to this day, the Group has not agreed to any rent reductions in excess of those required by Law and there have been no instances of temporary or permanent renegotiation of the rent agreements due to COVID-19.

2.5. Consolidation

Subsidiaries

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

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

The Goodwill is presented as the excess between (a) the aggregate of the total consideration paid, any non-controlling interest in the acquired company and the fair value of any prior investment in it and (b) the net value, at the acquisition date, of the acquired assets and liabilities. If, after revaluation, the net value of the acquired assets and liabilities exceeds the total consideration, any non-controlling interest in the acquired company and the fair value of any prior investment in it, the difference is recognized in profit or loss.

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

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

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

The Company recognizes its investments in subsidiaries in separate financial statements at cost less impairment (note 2.9). In addition, the acquisition cost is adjusted to reflect changes in price resulting from any modifications of contingent consideration.

2.6. Foreign currency transactions

(a) Functional currency and presentation currency

The items of the financial statements of the Group are measured based on the currency of the primary economic environment that each company operates (functional currency). The consolidated financial statements of the Group are presented in Euro, which is the Parent Company's functional currency.

(b) Transactions and balances

No transactions in foreign currency take place for time.

(c) Companies of the Group

The financial statements of the companies of the Group have a functional currency no different from the presentation currency of the Group, therefore there is no need to convert them.

2.7. Property, plant and equipment

Buildings and premises are valued at a fair value based on periodic estimates made by independent appraisers every 3 years, minus subsequent depreciation. Any valuation surplus is credited to the fair value reserves in equity. The other tangible fixed assets (e.g. furniture and other equipment) are presented in the Statement of Financial Position at historical cost minus accumulated depreciation. The historical cost includes all the costs directly related to the acquisition of fixed assets.

Subsequent costs are added to the book value of the fixed assets or are recorded as a separate asset only if they are expected to bring future financial benefits to the Group and their costs can be reliably measured. The cost of repairs and maintenance is recorded in the results of the year.

The increases in accounting values resulting from the valuation of buildings are recognized, after taxes, in other total income and accumulate in reserves in equity. To the extent that the increase reverses a decrease previously recognized in the results, the increase is initially recognized in the results. Reductions that reverse previous increases in the same asset are initially recognized in the other total income in the remaining surplus corresponding to the asset. All other reductions are recognized in the results.

Depreciation of fixed assets is calculated on the basis of the method of fixed depreciation for the distribution of their cost or their adjusted values, minus their residual values, during their estimated useful life, as follows:

- Buildings and premises: 25 years
- Fixture and other equipment: 4–7 years

The residual values and useful lives of the fixed assets are subject to re-examination and are adjusted accordingly at least at the end of each year.

The accounting value of an asset is impaired at its recoverable value when its carrying amount exceeds its estimated recoverable value (Note 2.9).

The profit or loss resulting from the sale of a fixed asset is defined as the difference between the price received at the time of sale and the book value of the asset and is recorded in the statement of results.

2.8. Investment property

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

Investments in real estate include owned land plots and buildings that are used mostly as offices and retail shops, as well as properties that are kept for future use as investment property. Investment property is initially recognized at cost, including direct acquisition costs and borrowing costs if they exist.

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

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

Investment property under construction is measured at fair value only if that value can be determined reliably.

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

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

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

Changes in the fair value are recorded in the results of the period. Investment property is derecognized when it is sold or when no future economic benefits are expected from it.

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

If an asset is reclassified from Property, Plant and Equipment to investment property, due to changes in its use, any difference between its accounting value and its fair value at the date of its reclassification, is recognized in other comprehensive income and is presented in Equity as fair value adjustment reserve in "Other Reserves", in accordance with IAS 16 (Note 2.7).

2.9. Impairment of non-financial assets

Assets other than goodwill, are regularly examined for impairment when facts or changes in conditions suggest that their accounting value might not be recoverable. Impairment loss is recognized by the amount that the accounting value of an asset exceeds its recoverable value. The recoverable value is defined as the higher of its fair value less cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial asset impairments recognized in prior periods are re-examined at every financial statement date for possible reversal.

2.10. Leases

a) The Group as the lessor:

The Group's properties that are leased to third parties appear as investment properties in the Statement of Financial Position and are measured at fair value (Note 2.8). The lease agreements to which the Group is a lessor concern mainly leases of buildings and offices and are classified as operating leases. Note 2.19 describes how revenue is recognized from operating lease agreements.

b) The Group as the lessee:

The Group's contracts are exclusively for buildings.

Leases are recognized in the Statement of Financial Position as fixed assets, in the category of assets using property assets, and lease obligations, the date on which the leased asset becomes available for use. Each rental payment is divided between the rental obligation and the financial cost. Interest on the lease obligation for each period of the lease is equal to the amount resulting from the application of a fixed periodic interest rate on the outstanding balance of the lease obligation. The right to use an asset is measured in terms of cost and is depreciated in the shortest period between the useful life of the asset and the duration of the lease using the fixed method.

Assets and liabilities arising from the lease are initially valued at present value. Lease liabilities include the net present value of fixed rents and variable rents, which depend on an index or interest rate, which are initially measured using the index or interest rate at the start date of the lease term.

Lease payments are discounted with the imputed rental rate or, if this interest rate cannot be determined by the contract, with the incremental borrowing rate, i.e. the interest rate at which the lessee would be charged for to borrow the necessary capital in order to acquire an asset of similar value with the leased asset for a similar period of time, with similar collateral and in a similar economic environment.

After their initial measurement, rental obligations increase due to their financial costs and decrease due to the payment of rents. The lease obligation is recalculated to capture any reassessments or modifications of the lease.

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

- the amount of the initial measurement of the lease obligation
- any rents that have been paid at the beginning date of the lease period or before that, less any lease incentives that have been received and
- any initial direct expenditure with which the lessee was burdened.

2.11. Financial assets

The Group classifies financial assets into the following categories for the purpose of measuring them:

- financial assets measured at fair value (either through other comprehensive income or through profit and loss), and
- financial assets measured at amortized cost.

The classification depends on the entity's business model for managing the entity's financial assets and the characteristics of the financial assets' conventional cash flows.

During the current and the comparative period, the Group does not hold equity or debt securities at fair value, while the only financial assets held are:

- Cash and cash equivalents, see note 2.13, and
- Trade receivables, see note 2.12

2.12. Trade receivables

Trade receivables are amounts due by customers for the provision of services during the normal operation of the business. If the receivables are collected during the normal business cycle of the Company, which does not exceed one year, they are registered as current assets, if not, they are presented as non-current assets. Trade receivables are initially recognized at the amount of the consideration that is not subject to terms, unless they contain a significant part of financing in which case they are recognized at fair value. The Group maintains the trade receivables for the purpose of collecting the conventional cash flows, therefore it subsequently measures them in amortized cost, using the method of the effective interest rate, deducting any impairment losses. See note 3.1 for a description of the Group's impairment policies.

2.13. Cash and cash equivalents

In the Cash Flow Statement and in the Statement of Financial Position, cash and cash equivalents include cash and sight deposits.

2.14. Share capital

Ordinary shares are classified in equity, while the Company does not have any preference shares. Direct costs from issuing shares are deducted from the proceeds, net of any taxes.

2.15. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company before the end of the fiscal year and have not been settled. Suppliers and other liabilities are

presented as short-term liabilities unless the amount is not payable within 12 months of the end of the reference period. Liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate.

2.16. Dividend distribution

Dividends to be distributed to shareholders are recognized as a liability at the time the distribution is approved by the General Assembly of the Shareholders.

2.17. Taxation

The Company is taxed according to par. 3 of article 31 of L. 2778/1999, as replaced by 1.6.2017 with par. 2 of article 46 of L. 4389/2016, which was replaced from 12.12.2019 with article 53 of L. 4646/2019, with a tax rate equal to 10% of the current intervention rate of the European Central Bank increased by 1 percentage unit, on the average of its six-month investments plus reserves at current prices.

In the case that the Reference Rate changes, the new tax calculation basis applies on the first day of the month following the change.

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

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

2.18. Interest income and expense

Interest income and expense is recognized under “Finance income” / “Finance expense” in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculation of the amortized cost of a financial asset or liability and allocation of the interest income and expense throughout the respective period.

The effective interest rate is the rate that accurately discounts future cash flow payments or receipts for the duration of the financial asset’s/liability’s expected lifetime or, when required for a shorter period, in the net accounting value of the financial asset or liability.

2.19. Revenue recognition

a) Revenue from lease agreements

The Group leases owned real estate property with lease agreements. Its revenue includes rental income, which is recognized in profit or loss, using the straight-line method for the duration of the lease. Variable rents, such rents bases on the tenant’s revenue, are recorded as income on the periods that are announced to the Company. Rent guarantees that are collected at the beginning of a lease agreement are recognized as a liability and are presented at cost.

b) Common-use income

Common-use income derives from the re-invoicing of common-use expenses to the lessees and are recognized in the period in which they are due to be received. The Group defines this service as a separate performance obligation, in which the Group has determined that it acts as an agent. As a result, the income from the re-invoicing of common-use expenses is presented on a net basis with the expenses directly related to investment property.

3. Financial risk management

3.1 Financial risk factors

The Group is exposed to certain risks such as market risk (foreign exchange risk, price risk and cash flow risk from interest rate changes), credit risk and liquidity risk. The financial risks are related to the following financial assets and liabilities: trade and other receivables, cash and cash equivalents, borrowing, trade and other payables. The accounting policies in relation to the above financial assets and liabilities are described in Note 2.

The Group's overall risk management program seeks to minimize the potential negative impact of financial market volatility on the Group's cash flows.

a) Market risk

(i) Foreign exchange risk

The Group operates in a single economic environment (Greece) and is not exposed to foreign exchange risks due lack of transactions in foreign currency.

(ii) Price risk

The Group is not exposed to risks from changes of prices since it does not hold any investments in fair value.

(iii) Cash flow risk and Fair Value risk due to changes in interest rates

The Group holds significant interest-bearing assets that include sight deposits and occasionally time deposits (note 10).

b) Credit risk

Credit risk derives from bank deposits as well as customer open credits.

Trade receivables

For its trade receivables the Group applies the simplified approach that IFRS 9 allows. According to this approach, the Group recognized the expected credit losses that are anticipated during the entire life of its trade receivables.

The Group has aggregated credit risk in relation to rent receivables arising from real estate leases. If there is a credit rating for customers, then that rating is used. If there is no credit rating, then the creditworthiness of the customer is checked, taking into account his financial situation, previous experience and other factors. Personalized credit limits are determined on the basis of internal or external evaluations and in accordance with the limits approved by the Management. The application of credit limits is monitored frequently.

No cases the exceeded the limit were noted during the year. Therefore, it is considered that the risk of bad debt is very limited.

Cash reserves

As for the credit risk arising from the availability of funds, it is pointed out that the Group cooperates only with financial institutions that have a high credit rating.

c) Liquidity risk

Prudent management of liquidity risk means adequate cash reserves and the ability to raise capital.

Prudent management of liquidity risk means adequate cash reserves and the ability to raise capital. The effective management of capital, the healthy financial structure and the careful selection of investment decisions, will promptly ensure that the Group possess the necessary liquidity for its operations.

The liquidity of the Group is monitored by the Management at regular intervals. The following tables show the financial liabilities of the Group and the Company based on their expiration date. The amounts shown in the table are the undiscounted contractual cash flows.

Year 2020

Group

	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liability	32.133	-	-	-	32.133
Trade and other payables	303.936	-	-	-	303.936
Guarantees	65.292	161.000	449.278	323.046	998.616
	401.361	161.000	449.278	323.046	1.334.685

Company

	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liability	32.133	-	-	-	32.133
Trade and other payables	212.234	-	-	-	212.234
Guarantees	65.292	151.000	325.278	297.062	838.632
	309.658	151.000	325.278	297.062	1.082.998

Year 2019

Group

	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liability	-	32.026	-	-	32.026
Trade and other payables	505.422	-	-	-	505.422
Guarantees	-	65.292	410.078	21.000	496.370
	505.422	97.317	410.078	21.000	1.033.818

Company

	Up to 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liability	-	32.026	-	-	32.026
Trade and other payables	313.766	-	-	-	313.766
Guarantees	-	65.292	400.078	21.000	486.370
	313.766	97.317	400.078	21.000	832.161

3.2 Capital risk management

The goals of the Group regarding capital management are

- to ensure its ability to continue its activities in order to generate satisfactory returns to its shareholders and benefits to other stakeholders,
- to maintain optimal capital structure so as to reduce cost of capital, as well as,
- to comply with L. 2778/1999.

The maintenance or adjustment of the capital structure can be done by adjusting the amount of dividends paid to shareholders, the return of share capital to shareholders, the issuance of new shares or the sale of assets to reduce borrowing.

Any increase in the Group's real estate portfolio can be covered either by borrowing within the limits set by L. 2778/1999, as in force, or by an increase in share capital.

4. Significant accounting estimates and Management judgements

4.1. Significant accounting estimates and assumptions

The estimates and assumptions are constantly re-evaluated and are based on historical experience and other factors, including expected future events which, under current conditions, are expected to take place.

The Group makes estimates and assumptions regarding future events. Those estimates, by definition, rarely match with the actual results for which they are formed.

Estimation of the fair value of investment property

The most suitable indication of "fair value", are the market prices that apply in an active market for similar leases and other contracts. If such information is unavailable, the Group

determines the fair value using a broad range of accounting estimates for the “fair value”. According to the legislation applicable to REICs, the estimations for the investments in real estate must be supported by independent valuations performed by Independent Valuators, registered in the Independent Valuators registry of the Ministry of Finance, on the 30th of June and 31st of December of each year.

In order to reach such decision, the Group considers data from various sources, which include the following:

- Current prices in an active market of real estates of different nature, condition or location (or subject to different leases or contracts), which have been adjusted for those differences.
- Recent prices of similar real estate properties in less active markets, adjusted so as to reflect any changes in economic conditions that took place after the date that the respective transactions took place, and
- Discounted cash flows, based on reliable forecasts of future cash flows, that derive from the terms of existing lease agreements and other contracts and (when possible) from external data such as, current rent prices of similar real estate properties in the same location and condition, using discount rates that reflect the current market expectation regarding the uncertainty for the amount and time of occurrence of those cash flows.

Significant estimates and assumptions made by Management are detailed in Note 5 “Investment Property”

4.2 Significant judgements made by Management on the application of accounting policies

There are no areas in which required judgements made by Management regarding the application of accounting policies.

5. Investment Property

Amounts in Euro

	Group		Company	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Opening balance	55.665.000	-	39.150.000	-
Acquisition of investment property	26.416.176	38.258.999	26.416.176	38.258.999
Additions from the acquisition of subsidiary	-	13.480.000	-	-
Improvements on investment property	38.397	76.818	-	-
Gain / (Loss) from the fair value adjustments of investment property	-629.573	3.849.183	-666.176	891.001
Closing balance	81.490.000	55.665.000	64.900.000	39.150.000

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

avoidance or timely mitigation of related risks. The Company started its investing activities on the 14th of December 2018, when it was founded. The real estate investments of the Company, as well as its investments in rights and shares in real estate, as defined in paragraphs 2 & 3 of article 22 of L. 2778/1999, as amended and applicable today, are 72,68% of its Total Assets. The Company has immediate plans that will allow its real estate investments to reach 80% of its Total Assets, as required by law, while at the same time the fair value of each individual real estate property will be less than 25% of the total investments.

According to the 1/899/14.12.2020 Decision of the board of directors of the Hellenic Capital Market Commission, an extension to the deadline for the listing of the Company's shares in the Hellenic Exchange was granted for up to the 14th of December 2021.

During 2020, the Group acquired a real estate property with an area of 10.428 sqm on 7' Kifisias Ave. for 26,4 million euro.

Each valuation report is based on two methods in accordance with International Valuation Standards. For this portfolio, the methods used by the Independent Certified Valuers are the comparative method and the investment method. For the application of those methods, data that relate to sales and leases of office spaces of good quality in the wider area of north Athens have been used.

More details regarding the fair value, as well as the various valuation methods and their assumptions for each real estate category on 31.12.2020 for the Group are as follows:

Use	Fair Value	Valuation Method	Monthly Market Rent	Discount Rate	Exit Yield
Retail Shops	47.331.593 €	80% Discounted Cash Flows method & 20% Comparative method	255.697 €	7,50% - 8,75%	5,50% - 7,50%
Offices	33.178.407 €	80% Discounted Cash Flows method & 20% Comparative method	220.411 €	7,50% - 9,50%	6,75% - 8,00%
Offices	980.000 €	50% Discounted Cash Flows method & 50% Comparative method	-	-	-
Total	81.490.000 €				

For the Company:

Use	Fair Value	Valuation Method	Monthly Market Rent	Discount Rate	Exit Yield
Retail Shops	31.951.593 €	80% Discounted Cash Flows method & 20% Comparative method	176.020 €	7,75% - 8,75%	6,25% - 7,50%
Offices	32.948.407 €	80% Discounted Cash Flows method & 20% Comparative method	218.790 €	8,75% - 9,50%	7,50% - 7,75%
Total	64.900.000 €				

The basic assumptions used in the Discounted Cash Flow method are as follows:

Annual rent growth	1,00% - 1,75%
Rent adjustment for vacancies	1,50%
Exit Yield	5,50% - 8,00%
Discount Rate	7,00% - 9,50%

Sensitivity Analysis

Sensitivity analysis has been performed for all investment property of the Group and the Company in relation to the discount rate used in the DCF method. On 31.12.2020, if the discount rate used was 5% lower/higher, the fair value of the investment property of the Group would have been 1.908.873€ higher / 1.832.899€ lower.

Respectively for the Company, if the discount rate used was 5% lower/higher, the fair value of the investment property on 31.12.2020 would have been 1.494.439€ higher / 1.437.447€ lower.

Real estate investments are under the level 3 investment category (Financial Assets valued using methods where all significant data derive from non-observable values). During the year, there have been no reclassifications in or out of Level 3. The Group has fully insured its total investment property in accordance with par. 12 of article 22 of L. 4141/2013 and No. 7/259/19.12.2002 Decision of the Board of Hellenic Capital Market Commission.

6. Investments in subsidiaries

The Company's investments in subsidiaries are presented below:

Amounts in Euro

Name	Domicile	Participation	31/12/2020
ORILINA S.A.	Greece	100%	14.055.066
Total Investment in subsidiaries			14.055.066

On 31.5.2019, the Company acquired the total shares of the limited company "ORILINA S.A." "ORILINA S.A." is exclusively for real estate purposes and owns six properties, which include office and retail buildings. These buildings are leased to "DIXONS S.A.", "CALIN S.A." and "PIRAEUS BANK S.A.", while two of them are currently vacant and one is own-used (42' Tsimiski Str.). The estimated Fair Value of the subsidiary's properties on 31.12.2020 was 16.590 thousand euro and that of the tangible asset was 145 thousand euro.

7. Property, plant and equipment

Amounts in Euro

Group

	<u>Buildings</u>	<u>Equipment</u>	<u>Right-of-use assets</u>	<u>Total</u>
Cost				
January 1 st , 2019	-	-	-	-
Impact of IFRS 16 adoption	-	-	91.744	91.744
Additions	-	30.140	-	30.140
Additions from the acquisition of subsidiary	156.851	10.485	-	167.336
December 31st, 2019	156.851	40.625	91.744	289.220
Accumulated Depreciation				
January 1 st , 2019	-	-	-	-
Additions from the acquisition of subsidiary	6.772	-	-	6.772
Depreciation for the year	5.079	6.262	30.581	41.923
December 31st, 2019	11.851	6.262	30.581	48.695
Net book value on December 31st, 2019	145.000	34.363	61.163	240.525

	<u>Buildings</u>	<u>Equipment</u>	<u>Right-of-use assets</u>	<u>Total</u>
Cost				
January 1 st , 2020	156.851	40.625	91.744	289.220
Additions	-	1.980	-	1.980
Disposals	-	-17	-3.757	-3.774
December 31st, 2020	156.851	42.588	87.987	287.426
Accumulated Depreciation				
January 1 st , 2020	11.851	6.262	30.581	48.695
Depreciation for the year	6.591	6.140	29.231	41.961
Disposals	-	-17	-1.351	-1.368
Depreciation reversal due to fair value adjustments	-6.591	-	-	-6.591
December 31st, 2020	11.851	12.384	58.461	82.697
Net book value on December 31st, 2020	145.000	30.203	29.526	204.729

Company

	<u>Buildings</u>	<u>Equipment</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
January 1 st , 2019	-	-	-	-
Impact of IFRS 16 adoption	-	-	91.744	91.744
Additions	-	30.140	-	30.140
December 31st, 2019	-	30.140	91.744	121.884
<u>Accumulated Depreciation</u>				
January 1 st , 2019	-	-	-	-
Depreciation for the year	-	3.434	30.581	34.016
December 31st, 2019	-	3.434	30.581	34.016
Net book value on December 31st, 2019	-	26.705	61.163	87.868

	<u>Buildings</u>	<u>Equipment</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
January 1 st , 2020	-	30.140	91.744	121.884
Additions	-	1.980	-	1.980
Disposals	-	-17	-3.757	-3.774
December 31st, 2020	-	32.102	87.987	120.090
<u>Accumulated Depreciation</u>				
January 1 st , 2020	-	3.434	30.581	34.016
Depreciation for the year	-	4.363	29.231	33.593
Disposals	-	-17	-1.351	-1.368
December 31st, 2020	-	7.780	58.461	66.241
Net book value on December 31st, 2020	-	24.323	29.526	53.849

Regarding the real estate property of the subsidiary on 42' Tsimiski Str. in Thessaloniki, its fair value on 31.12.2020 was estimated by an experienced Ministry of Finance registered Certified Valuer at 145.000€.

The assets with right-of-use FSLI include the leased headquarters of the Company. All real estate property of the Company and the Group are free of burdens.

8. Other receivables

Amounts in Euro

<u>Other long-term receivables</u>	<u>Group</u>		<u>Company</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Guarantees	20.798	20.223	20.223	20.223
Cheques receivable	150.000	150.000	150.000	150.000
Less: Allowance for doubtful accounts	-	-	-	-
Total	170.798	170.223	170.223	170.223

<u>Other receivables</u>	<u>Group</u>		<u>Company</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Other income receivables	-	574	-	2.292
Prepaid expenses	10.795	12.217	10.795	12.217
Other receivables	5.587	15	-	-
Total	16.382	12.807	10.795	14.509

9. Trade receivables

Amounts in Euro

	<u>Group</u>		<u>Company</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Customers - Tenants	204.622	238.390	193.364	238.390
Other receivables from tenants	195.075	81.409	181.829	81.409
Less: Allowance for doubtful accounts	-152.118	-	-152.118	-
Total	247.580	319.800	223.075	319.800

The book value of the receivables of the Group and the Company approaches their fair value, as they are expected to be collected in such a time frame that the time value of money is considered immaterial.

The movement of the allowance for doubtful accounts has been recognized in profit and loss.

10. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

Amounts in Euro

	Group		Company	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Cash on hand	5.375	5.087	139	103
Sight deposits	32.193.090	56.285.702	29.843.442	54.434.499
Total	32.198.465	56.290.789	29.843.581	54.434.602

Above are the cash and cash equivalents for the Statement of Cash Flows (L.2778/1999).

No material loss is expected from cash reserves.

The Company uses its reserves (L. 2778/1999 and Statute of Incorporation) exclusively in accordance with par. 1 of article 22 of L. 2778/1999 as amended and applicable for:

(a) real estate property, as well as rights, shares or participations in real estate as defined by paragraphs 2 and 3 of article 22 of L. 2778/1999, as amended by article 107 of L. 4209/2013 and article 106 of L. 41514/2018 at a percentage of 80% of its total assets. The Company started its investing activities on the 14th of December 2018, when it was founded. The real estate investments of the Company, as well as its investments in rights and shares in real estate, as defined in paragraphs 2 & 3 of article 22 of L. 2778/1999, as amended and applicable today, are 72,68% of its Total Assets. The Company has immediate plans that will allow its real estate investments to reach 80% of its Total Assets, as required by law, while at the same time the fair value of each individual real estate property will be less than 25% of the total investments.

(b) deposits and money market securities as defined by par. 14 of article 2 of L. 3606/2007, as replaced and applicable by par. 17 of article 4 of L. 4514/2018 and

(c) other assets and real estate properties that fulfil its operational requirements, which must not exceed in aggregate at their acquisition, 10% of its total assets.

The company may also, invest its reserves in accordance with par. 3 of article 22 of L. 2778/1999 as amended and applicable, namely in:

(a) rights from finance lease of property,

(b) rights to surface of par. 1 of article 18 of L. 3986/2011 as applicable, long-term leases and rights to use or commercially exploit real estate and

(c) receivables for the acquisition of real estate, as well as rights, shares and participations in real estate property through notary pre-agreements or contracts of similar kind with regards to the binding of parties depending on the applicable law, within the limitations of article 22 of L. 2778/1999, as amended and applicable.

11. Share capital and reserves

The share capital of the company amounts to 105.000.000,00 euro and consists of 105.000.000 ordinary shares of nominal value of 1€. Neither the Company, nor its subsidiary held any treasury shares on the 31st of December 2020. The Company does not have a share options scheme.

According to the provisions of article 27, par. 2 of L. 2778/1999, the allocation of earnings for statutory reserves for REIC companies is not mandatory. The Company has opted out of forming statutory reserves.

12. Other long-term liabilities

Amounts in Euro

	Group		Company	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Rent guarantees	933.325	496.370	773.340	486.370
Lease Liabilities	-	32.026	-	32.026
Total	933.325	528.396	773.340	518.396

13. Trade and other payables

Amounts in Euro

	Group		Company	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Suppliers	74.579	24.468	58.029	4.288
Stump duties and other taxes	161.681	184.138	125.017	176.808
Real Estate Ownership Tax (ENFIA)	25.243	15.146	-	-
Accrued expenses	4.612	67.781	4.612	67.781
Short-term guarantees	-	213.888	-	64.888
Other payables	37.822	-	24.576	-
Total	303.936	505.422	212.234	313.766

14. Rental income from investment property

Amounts in Euro

	Group		Company	
	<u>01.01-31.12.2020</u>	<u>01.01-31.12.2019</u>	<u>01.01-31.12.2020</u>	<u>01.01-31.12.2019</u>
Retail Shops	2.533.676	988.675	1.849.554	560.379
Offices	2.367.805	2.042.949	2.352.401	2.042.949
Total	4.901.481	3.031.624	4.201.955	2.603.328

Rental income is not subject to seasonal fluctuations. The cumulative future rents, collected on the basis of non-cancelable operating lease agreements, not including future adjustments, are as follows:

Company

	<u>31.12.2020</u>	<u>31.12.2019</u>
Up to 1 year	3.886.860	2.144.099
Between 2 and 5 years	11.659.526	10.248.767
More than 5 years	495.568	1.247.698
Total	<u>16.041.954</u>	<u>13.640.564</u>

Group

	<u>31.12.2020</u>	<u>31.12.2019</u>
Up to 1 year	4.747.638	2.631.122
Between 2 and 5 years	14.670.519	10.396.317
More than 5 years	3.594.928	1.247.698
Total	<u>23.013.084</u>	<u>14.275.137</u>

15. Expenses directly related to investment property

Amounts in Euro

	Group		Company	
	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>
Real Estate administration fees	632.576	595.730	632.576	595.730
Valuation fees	25.705	29.825	20.125	29.825
Insurance premiums	44.661	41.048	44.295	35.258
Maintenance – common use expenses	566.652	493.569	566.255	493.569
Real Estate Ownership Tax (ENFIA)	327.668	75.730	251.939	-
Taxes and duties	256.633	181.265	256.356	181.265
Other expenses	119.319	301.075	118.513	300.517
Real Estate agency fees	-	61.750	-	61.750
TOTAL EXPENSES	<u>1.973.214</u>	<u>1.779.991</u>	<u>1.890.059</u>	<u>1.697.913</u>
<i>(-) less re-charging of common use expenses</i>	1.439.116	1.150.119	1.439.116	1.150.119
TOTAL DIRECT EXPENSES RELATED TO INVESTMENT PROPERTY	534.098	629.872	450.943	547.794

The amount of 1.439.116 euro relates to re-charging of recoverable common use expenses to the tenants, which are recognized at the period that they are due and are deducted from the expenses directly related to property.

16. Personnel expenses

Amounts in Euro

	Group		Company	
	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>
Salaries	286.904	169.623	286.904	167.195
Employer contributions	38.808	45.674	38.808	45.022
Total	325.711	215.297	325.711	212.257

The number of personnel of the Group and the Company on 31.12.2020 was 2 persons.

17. Other operating expenses

Other operating expenses are as follows:

Amounts in Euro

	Group		Company	
	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>	<u>01.01- 31.12.2020</u>	<u>01.01- 31.12.2019</u>
Third-party fees	333.905	149.813	261.440	129.423
BoD Remuneration	4.167	368.433	4.167	368.433
Third-party benefits	30.681	24.529	29.173	23.505
Taxes and duties	84.191	6.836	83.631	5.275
Other expenses	38.036	42.383	36.130	39.554
Total	490.980	591.992	414.540	566.191

18. Finance income and expense

For both the current and the previous year, the financial income concerns interest on deposits, while the financial expenses refer to bank expenses as well as interest on lease obligations.

19. Taxes

Both the Company and the Group during the first and second half of 2020 were taxed according to par. 3 of article 31 of L. 2778/1999, as replaced by 1.6.2017 with par. 2 of article 46 of L. 4389/2016, which was replaced from 12.12.2019 with article 53 of L. 4646/2019, with a tax rate equal to 10% of the current intervention rate of the European Central Bank increased by 1 percentage unit, on the average of its six-month investments plus reserves at current prices, as presented on the respective investment schedules.

In the case that the Reference Rate changes, the new tax calculation basis applies on the first day of the month following the change.

In case of withheld tax from dividends received, this tax is settled against the tax declared on the tax statement submitted by the REIC in July. Any credit balance is transferred for settlement in future tax statements. With the payment of this tax, the tax liability of the company and its shareholders is exhausted. For the dividends paid to the shareholders of the Company, articles 62 and 64 of L. 4172/2013 do not apply. For the calculation of the above tax, the real estate property held directly or indirectly by the subsidiaries of the REIC (companies defined in article 22 par. 3 case d and e of the above law) is not taken into consideration, as long as those properties are presented separately on their investment schedules.

20. Commitments

Capital commitments

There is no capital expenditure that has been committed to but has not been completed on 31.12.2020.

21. Dividends

The General Assembly will decide on the payment of dividends for the fiscal year 2020 in accordance with the provisions of the Company's Statute of Incorporation.

22. Related party transactions

Total BoD remuneration amounts to 50.600 euro, while other remuneration to key management personnel amounts to 512.304 euro. Apart from the above, there have been no other related party transactions.

23. Contingent assets and liabilities

Tax audit certificate

The Company undergoes its 3rd fiscal year. For the years that begin from the 1st of January 2016 and later, the "Annual Tax Certificate" according to article 82 of L. 2238/1994 and article 65A of L. 4174/2013 is optional. The Company has been subjected to a tax certificate for the year 2019. The tax certificate issued was unqualified.

Up until the date of approval of these financial statements, the tax certificate audit for the companies of the Group for the fiscal year 2020 had not been concluded, however no significant liabilities are expected to arise.

For the tax years 2014 and following, according to POL. 1006/05.01.2016, the companies for which an unqualified tax certificate is issued are not exempted from conducting statutory tax audits by the competent tax authorities. For the fiscal years 2015 onwards, the tax authorities may return and conduct their own tax audit. However, the Management estimates that the results from such future audits by the tax authorities, if finally carried out, will not have a significant impact on the financial position of the Company and the Group.

Unaudited tax years

The Company has not been audited by the tax authorities since its incorporation in 2018. Management estimates that no material tax obligations will arise, other than those already presented in the financial statements on 31.12.2020. For fiscal year 2020, both the Company

and its subsidiary are undergoing a tax certificate audit in accordance with article 65^A of L. 4174/2013. The audit completion is still pending, but no material findings are anticipated.

Litigation and claims

There are no litigation cases in favor of or against the Company or its subsidiary that may materially affect their financial position and that should be taken into consideration at this point.

24. Auditor fees

The fees of the company Deloitte domiciled in Greece for its services to the Company for year 2020, are presented below. 2019 fees relate to a different auditor.

Amounts in Euro

	31.12.2020	31.12.2019
Audit fees	32.000	41.000
Fees for other assurance services	2.000	3.000
Tax audit fees	12.000	7.500
Total	46.000	51.500

25. Earnings per share

Basic earnings/(loss) per share are calculated by dividing profit (loss) after tax attributed to shareholders of the Group and the Company, by the weighted average number of ordinary shares in circulation during the period.

Amounts in Euro

	Group		Company	
	01.01- 31.12.2020	01.01- 31.12.2019	01.01- 31.12.2020	01.01- 31.12.2019
Results after tax	2.897.325	6.694.566	2.348.627	2.437.959
Weight average number of shares	105.000.000	105.000.000	105.000.000	105.000.000
Basic earnings / (loss) per share (amounts in €)	0,0276	0,0638	0,0224	0,0232

26. Events after the reporting period

The development of the Covid-19 pandemic demonstrates signs of containment, in view of the vaccinations of the population, at which point its consequences are expected to be limited. In any case, the Company was not significantly affected by this pandemic.

Apart from the above, there are no other significant events after the date of the Annual Financial Statements that relate to the Group or the Company for which a report is required by the IFRS.

Athens, 22nd of April 2021

The undersigned

**The Chairman of the
Board**

The Managing Director

**The Finance Director and
Chief Accountant**

**Stylios Zavvos
ID No. AK 558124**

**Marias Apostolinas
ID No. AN 024492**

**Dimitrios Ioannidis
ID No. AN204652 –
ECG No. 38784**

TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

Independent Auditor's Report

To the Shareholders of the company ORILINA PROPERTIES Real Estate Investment Company

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the company ORILINA PROPERTIES Real Estate Investment Company (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2020, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as of December 31, 2020, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union and in accordance with the law 4548/2018.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of 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 matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the audited year end. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company & the Group	How our audit addressed the Key audit matter
<p>Valuation of Investments</p> <p>As stated in the Note 2.8 of the separate and consolidated financial statements, the Company and the Group measures investment property at fair value according to the provisions of International Accounting Standard 40.</p> <p>As stated in Note 5 of the financial statements, the fair value of investment property amounted to € 64,9 mil for the Company and to € 81,49 mil for the Group as at 31 December 2020 while the loss from the revaluation of the aforementioned investment property amounted to € 0,666 mil for the Company and to € 0,629 mil for the Group for the year 2020 and has been recorded in the Statement of Profit or Loss and Other Comprehensive Income.</p> <p>The Company's management use key assumptions and estimates for the determination of the fair value of the investment property. For the execution of these assumptions and estimates, the Company used independent, certified valuers, who estimated the fair value of investment property as of December 31, 2020.</p> <p>Main assumptions with key judgement, such as discount rates including capitalization percentages, capital and other property expenses, consist the basis for the determination of fair value of the investment property of the Company and the Group. Further elements, such as the property location, market conditions, future income from rents and the exit yields at the lease agreement maturity date have direct impact in the fair value of the property.</p> <p>We focused our attention and audit effort on this matter due to the significance of the value of the investment property in the separate and consolidated financial statements of the Company, the subjectivity of the assumptions and estimates used by the Management and the sensitivity of these assumptions and judgements to any changes.</p>	<p>We performed a risk based approach and our audit included, among others, the following elements:</p> <ul style="list-style-type: none"> • We recorded and assessed the procedures, the policy and the methodology followed by the Management for the measurement of investment property • We obtained the valuations prepared by the independent valuers of the Management as of 31 December 2020 and we assessed whether the fair value of the investment property recognised in the separate and consolidated financial statements derive from the valuation reports prepared by the independent valuers at that date. • We examined the accuracy and relevance of the data which were provided by the Management to the certified valuers and were used for the determination of the fair value of the Company's and its subsidiary's investment property as at 31 December 2020. The data related to information relevant to the lease rentals of the investment property as derived from signed rental contracts as well as other information including relevant notarial documents, contracts, and tax declarations such as the property statement (E9) of the Company and its subsidiary. • We assessed the appropriateness and the relevance of the underlying significant assumptions (such as discount rates, market rents, exit yields) along with the methodology used to determine the fair value. In the assessment process we involved our internal specialists. <p>We also assessed the adequacy of the relevant disclosures in the separate and consolidated financial Statements.</p>

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives and in any other information which is either required by Law or the Company optionally incorporated, in the required by Law 3556/2007, Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the separate and consolidated 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 separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated 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 they have been transposed in Greek Legislation, 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 separate and consolidated financial statements.

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group'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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the audited year end and are therefore the key audit matters.

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 which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

- a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 152 of Law 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150, 153 and of paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31.12.2020.

- c) Based on the knowledge we obtained during our audit about the Company ORILINA PROPERTIES REAL ESTATE INVESTMENT COMPANY and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2) Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and the consolidated financial statements is consistent with the additional report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

3) Non Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

The allowed services provided to the Company and the Group, in addition to the statutory audit, during the year ended 31 December 2020 have been disclosed in Note 24 to the accompanying separate and consolidated financial statements.

4) Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 10/09/2020.

Athens, 26 April 2021

The Certified Public Accountant

Vassilis Christopoulos

Reg. No. SOEL: 39701

Deloitte Certified Public Accountants S.A.

3a Fragokklissias & Granikou str., 151 25 Maroussi

Reg. No. SOEL: E. 120



This document has been prepared by Deloitte Certified Public Accountants Societe Anonyme.

Deloitte Certified Public Accountants Societe Anonyme, a Greek company, registered in Greece with registered number 0001223601000 and its registered office at Marousi, Attica, 3a Fragkokklissias & Granikou str., 151 25, is one of the Deloitte Central Mediterranean S.r.l. ("DCM") countries. DCM, a company limited by guarantee registered in Italy with registered number 09599600963 and its registered office at Via Tortona no. 25, 20144, Milan, Italy is one of the Deloitte NSE LLP geographies. Deloitte NSE LLP is a UK limited liability partnership and member firm of DTTL, a UK private company limited by guarantee.

DTTL and each of its member firms are legally separate and independent entities. DTTL, Deloitte NSE LLP and Deloitte Central Mediterranean S.r.l. do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.