

# **KEKROPS S.A.**

**HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES**

**KEKROPS S.A.**

**Annual Financial Report**

**For the FY from January 01 to December 31, 2019**

**JUNE 2020**

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**Representations of the Members of the Board of Directors  
(under Article 4, Law N. 3556/2007)**

The following members of the Board of Directors of KEKROPS S.A.:

1. Dimitrios Ch. Klonis, Chairman of the Board of Directors,
2. Dimitrios G. Antonakos, Vice President of the Board of Directors,
3. Petros K. Souretis, Managing Director,

under our capacities as the persons, specifically appointed for this purpose by the Board of Directors, declare and certify to the best of our knowledge that:

- a) The attached Annual Financial Statements of KEKROPS S.A. for the annual period 01.01.2019 - 31.12.2019 prepared according to the effective International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company.
- b) The attached Board of Directors' Report provides a true view of the Company's development, performance and position, as well as a description of the main risks and uncertainties to which the Company is exposed. The "Corporate Governance Statement", prepared in compliance with the provisions of Article 152, Law 4548/2018, is also encompassed in the Report.

**Palaio Psychiko, June 10, 2020**

**Dimitrios Ch. Klonis**

**Dimitrios G. Antonakos**

**Petros K. Souretis**

**Chairman of the BoD**

**Vice President of the BoD**

**Managing Director**

**Annual Management Report of the Board of Directors of the Company**  
**"KEKROPS S.A."**  
**FOR THE FINANCIAL YEAR ENDED DECEMBER 31<sup>ST</sup>, 2019**

**TO THE ANNUAL REGULAR GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

We are hereby submitting to your attention the Management Report of the Board of Directors (hereinafter the "Report") of "KEKROPS S.A." (hereinafter the "Company") pertaining to the financial year 2019 (period from 1.1.2019 to 31.12.2019). The Report has been prepared in compliance with the relevant provisions of Law 4548/2018, paragraphs 7 and 8 of article 4 of Law 3556/2007 and No. 8/754/14.04.2016 decision of the BoD of the Hellenic Capital Market Commission and the Corporate Governance Statement, Article 152 of Law 4548/2018.

**A. Reporting for FY 2019**

**Company's Financial Performance**

**Turnover:** Turnover is marginally lower than previous year, as the Company did not enter into new leasing contracts.

**Operational costs:** In 2019, operational costs amounted to € 295 k compared to € 250 k in 2018 increased by 18%. The increase arises mainly from the additional fees to consultants for ongoing actions on pending legal and urban planning matters related to the Company's real estate.

**Operating expenses:** Operating expenses remained at the same level as previous year, amounting to € 174 k.

**Loss before tax:** In 2019, loss before tax amounted to € 576 k compared to loss of € 90 in 2018. The fiscal year 2018 was positively affected by refund of wrongfully paid property tax and interest.

	<b><u>31/12/2019</u></b>	<b><u>31/12/2018</u></b>
Gross Profit /(Loss)	(283.693)	(236.621)
Total Operating Gains/(Losses)	(402.806)	88.881
Profit/(loss) before taxes	(575.652)	(89.828)
Profit/(loss) after taxes	(566.014)	(118.687)

**Dividend policy**

No distribution of dividends was effected in 2019.

**Branches**

The Company had no branches as at 31.12.2019.

**Equity shares**

The Company has no equity shares.

## **Key Ratios**

	<b><u>31/12/2019</u></b>	<b><u>31/12/2018</u></b>
ROE (Return On Equity) (Loss) after taxes / Total Equity:	-16,08%	-2,85%
ROCE (Return On Capital Employed) (Loss) before taxes / (Total Assets less Current Liabilities) :	-7,84%	-1,10%
Degree of leverage : Total Borrowings / Total Assets	44,32%	39,40%
General Liquidity Ratio: Current assets / Current Liabilities	1,30	1,96

The Company considers that, in current period and in accordance with the development of its sizes, it is not necessary to present additional financial ratios.

## **Real Estate**

Due to complex and stringent urban and legal restrictions, the Company has not proceeded with assessing the value of its real estate at current commercial value. The values presented in the Financial Statements regarding the Company's real estate, are the acquisition price of these real estate items as at the Company's establishment (1923), plus any subsequent improvement costs. As a result, these values do not reflect the actual current commercial value of the Company's real estate property. Real Estate items, for which the Company continues to be in litigation with the Greek State as the Greek State filed an application on 6/12/2019 before the Supreme Court for the Appeal of the decision of the Athens Court of Appeals (3039/2019), have been derecognized in the Financial Statements of previous years.

In 2019, the Company's real estate Objective Value, for which there is no ownership claim (broader area of Quarry) and excluding the Old Market property, amounts to € 16,755 k, while the book value (of owner-occupied and investment properties except for the property of Old Market) amounts to € 654 k.

Analysis of the Company's real estate is as follows:

<b>KEKROPS PROPERTY</b>				
<b>DESCRIPTION</b>		<b>SURFACE</b>	<b>TAX VALUE AMOUNTS IN THOUS. €</b>	<b>LEGAL SITUATION</b>
		<b>M2</b>		
<b>OWNER - OCCUPIED PROPERTY</b>				
<b>OFFICES OF THE COMPANY:</b> DAFNIS -DAVAKI -STEFANAKOU- ANONYMOYS STREET (SS 89)	PLOT	5.056	8.812	Under expropriation
	BUILDING	770		
<b>INVESTMENT PROPERTY</b>				
<u>PLOTS OF P. PSYCHIKO :</u>				
MELETOPOYLOY 7 & REGIONAL STREET (SS161)		1.049	1.573	
AMADRIADON & BERENIKIS (SS 145)		1.100	1.604	Under expropriation
P. NIRVANA 1 & CHALEPA (SS 137)		2.084	4.107	Under expropriation
P. NIRVANA 1a & CHALEPA (off plan)		375		
PALAIA AGORA - KONTOLEONTOS -PASCHALIAS-CHRISANTHEMON -AMARILIDOS (SS 69)	PLOT	7.230		Usufruct right
	BUILDING	973		
<u>PLOT OF CHALANDRI:</u>				
ETHNIKIS ANTISTASIS 2 & KODROY – CHALANDRI (SS 325a)		1.035	659	Under expropriation

PLOT UNDER LITIGATION PROCEDURES WITH THE GREEK STATE THAT ARE INCLUDED IN THE 3039/2019 DECISION OF THE ATHENS COURT OF APPEALS				
PLOTS OF P. PSYCHIKO :				
PERSEOS 11-19 & ANONYMOUS STREET (SS 132)		5.829	8.499	Under expropriation
NEFELIS 6 -ERAS – PERSEOS (SS 133)		7.094	13.962	
PSYCHIKO: Rocky area		31.000	388	
PSYCHIKO: Rocky area		18.800	235	
PSYCHIKO: Areas outside urban planning limits		193.867	5.640	Part of 185 acres Reafforested
PERSEOS 1-3 - ANONYMOUS STREET – DOLASIK (50%) (SS 132)	Apartment	427	610	

### **Significant events for FY 2019**

- On June 6, 2019, the Company announced that the decision No. 3039/2019 of the Athens Court of Appeals was issued, under which the right of ownership over the disputed area of approximately 300 acres in the area of Paleo Psychiko (known as "Quarry" area) was recognized.

The Athens Court of Appeals asked for retrial of the case in the second instance in relation to the substantive validity of the Company's objection to the abusive exercise of the State's claim for the ownership of the land, the legality of which - objection to the abuse of rights - was decided binding by the decision 589/2018 of the Supreme Court. Therefore, the Athens Court of Appeals ruled that the Company's objection to the abuse of rights was lawful and, in its entirety, substantially valid, thus justifying the company "KEKROPS S.A." after a long legal dispute.

- On July 23, 2019, the Annual Regular General Meeting of the Company's shareholders was held. At the aforementioned Meeting, among other things, it was decided to approve the partial amendment of the raising funds from the Company's share capital increase, which was decided by the Annual Statutory General Meeting held on 24.05.2017. Specifically, for the unallocated amounts on 31.12.2018 it was decided that:
  - the amount of € 25 k that remained unallocated in category, b) "Tax Repayment" to be transferred for allocation in the same category until 31.10.2019, and
  - the amount of € 1 k that remained unallocated in category d) "Repayment of Bank Loans" to be transferred for allocation in the same category until 31.10.2019.
- During its meeting on October 31, 2019, the Board of Directors decided that the amount of € 57 k that remained unallocated as of 31.10.2019 in the category "Repayment of Bank Loans" should be transferred for allocation to the same category until 30.04.2020, under the condition of the relevant approval by the General Meeting of the Company's Shareholders, to which the partially modified Table of Raised Funds should be submitted.
- In December 2019, the Athens Court of Appeals issued Decision No. 5262/2019, which determined the final unit price of compensation of the Company's real estate at Kodrou and Ethnikis Antistaseos Streets, in Halandri, at the amount of six hundred and fifty Euro (€ 650.00) per sq.m. as well as compensation for all property components at the amount of approximately thirteen thousand five hundred Euro (€ 13,500.00) in total. The Board of Directors of the Municipality of Halandri in the 5th meeting of 2020, unanimously decided to pay the compensation due to the Company through the participation of the Municipality in the invitation of the Green Fund. The Company intends to disclose the decision to other debtors.
- On December 6, 2019, the Greek State filed an application before the Supreme Court for the Reversal of the decision with number 3039/2019 of the Athens Court of Appeals. The trial date was set for September 23, 2020.

## **B. Prospects of the Business Segment and the Company**

### **Real Estate Market**

The real estate market in our country was in a state of development, before the outbreak of Coronavirus (COVID-19), following almost a decade of crisis.

In 2019, new construction licenses for housing continued an upward course as well as the number of transactions related to construction operations, leading to a further increase in real estate values that meet specific characteristics. The revival of investment in housing is linked to the significant increase in Net Foreign Direct Investment (FDI) in Greece for housing.

The main factors contributing to the recovery of the real estate market, were related to the rapid penetration of electronic short-term rental housing platforms and the existence of active investment interest from abroad, associated with the possibility of granting residence permits to non-EU citizens and their family members proceeding with real estate acquisitions in Greece, the value of which exceeds € 250,000. Moreover, favorable changes in the tax framework for possession or acquisition of real estate (reduction of property tax and suspension of VAT payment on construction activity for the next three years) seemed to maintain the recorded trend.

The outbreak of coronavirus (COVID-19) is expected to reverse the upward course in the real estate segment, as it is certain that the country's GDP will adversely change, as will the GDP of the largest economies around the globe. At this time, it is difficult to predict the depth and the term of the crisis, because the conditions for the assessments are still uncertain. The degree of recession will depend on the possibility of halting the pandemic and the degree to which the economy responds to the support measures promoted by the government.

### **KEKROPS' Prospects**

The Management remains committed to its objectives, which are to maintain operating costs at low levels and to continue actions that will lead to settlement of legal and urban planning issues related to the Company's real estate, in order to gradually begin their development.

The Company's real estate items described below are those regarding which, the Company assesses that their settlement directly arises from the pending cases. Therefore, such real estate items can be developed:

- a) Sixteen stores in the Old Market of Psychiko. Expected revenues through rentals and operation of the particular stores of total surface of 973 M2 on a plot of land surrounded by Kondoleonos - Paschalias - Chrysanthemon and Amaryliss streets. The Old Market building has been declared historical. The main reconstructions on the property have been completed and additional constructions are pending regarding the building itself and the surrounding area of the Old Market, expected to be completed in combination with the achievement of the leases. Upon completion of the works, the Company estimates that it will be able to proceed with the valuation of the fair value of the property. It is to be noted that the Municipality of Filothei – Psychiko, as well as the "Association of Psychiko Real Estate owners" have submitted to the Council of State a request for the cancellation of the uses approved by the Ministry of Culture and which will go on trial after postponements on October 7, 2020.
- b) Land plot at 7 Meletopoulou Street, Palaio Psychico, surface of 1,049 M2 which, following the publication of the relevant Government Gazette, is declassified from a green common space to a construction land with parallel modification of the approved urban plan at Street Section (SS) 161. The building terms project a 40% coverage, a building factor of 0.60 and a permissible height of 7.5 meters. Municipality of Filothei - Psychiko submitted to the Council of State (E' Department) an application for the annulment of the aforementioned Presidential Decree, which is being discussed, after postponements, on June 17<sup>th</sup>, 2020. In case of a positive outcome, the Company intends to proceed with the exploitation of the property.

### **C. Subsequent events**

The Company monitors recent evolutions regarding the rapid spread of Coronavirus (COVID-19) and examines any potential effects it will have on its financial position and operations. Due to the fact that



it is not currently possible to predict exactly what the evolutions will be globally, as well as in the Greek economy, the Company will be later on able to determine how these evolutions will affect its operations, financial performance, cash flows and financial position. As a result, the Management cannot currently quantify any adverse effects. In addition, due to the temporary suspension of operations of all Courts and Prosecutions in the country, until 27.4.2020, the Management considers that there is a possibility of postponing the trial of pending cases related to its real estate.

The Company announces that, following the Application of the Greek State on 6.12.2019, to the Supreme Court for the Appeal of its decision No. 3039/2019 of the Athens Court of Appeals, which in essence accepted the Company's appeal and rejected the action of the Hellenic State, a trial date was set for September 23, 2020.

The Company announces that on 30.04.2020 the disposal of the raising funds was completed from the Company's share capital increase with cash payment and preference right in favor of the old shareholders, based on the decision of 24.05.2017 of the Annual General Meeting of the Shareholders of the Company "HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES K E K R O P S S.A." and the no. 19/799/31.10.2017 decision of the Board of Directors of the Hellenic Capital Market Commission.

The completion of the disposal is presented in the following table of raising funds:

<b>Category of Use of Raising Funds</b> (amounts in thousands Euro)	<b>Projected use according to the Bulletin</b>	<b>Allocated funds until 30/04/2020</b>	<b>Unallocated Balance as at 30/04/2020</b>
<u>Financing of working capital</u>			
Operating Expenses	742	742	-
Tax Repayment	581	581	-
Third Parties Liabilities Repayment	1.890	1.890	-
Bank Loans Repayment	1.220	1.220	-
Post Due Debts Repayment	343	343	-
Share Capital increase expenses	109	109	-
<b>Total</b>	<b>4.885</b>	<b>4.885</b>	<b>-</b>

In addition to the above, there are no other subsequent events as of December 31, 2019 concerning the Company for which reference is to required according to the International Financial Reporting Standards (IFRS).

#### **D. Significant Risks**

##### **The risks to which the Company is exposed are the following:**

##### **Risk related to Real Estate**

The most significant part of the Company's Real Estate is under expropriation of the Municipality of Filothei - Psychiko and the Municipality of Chalandri or is claimed by the Greek State following the appeal of the Greek State before the Supreme Court for the Appeal of the 3039/2019 decision of the Athens Court of Appeals. Any negative outcome of the Company's lawsuits with the Greek State in respect of the aforementioned Real Estate will not adversely affect the Company's financial position as the value of the particular Real Estate has been fully impaired. Regarding Real Estate under expropriation, in the event of a negative outcome, the Company will accelerate the procedures for determining the unit price of compensation at the competent court, in order to receive the compensation in accordance with the Greek Expropriation Code (Law 2882/2001), which is estimated to be significantly higher than the book value of the relative Real Estate.

### **Fair value risk**

The Company's management makes estimates and assumptions regarding the fair value of its equity instruments, which may differ from the actual results.

### **Price risk**

The Company is exposed to the risk of changes in the value of rentals.

### **Interest rate risk**

The Company is exposed to the risk of interest rate fluctuations due to borrowing. Interest rate decrease positively affects the Company's Income Statement, while interest rate increase negatively affects the Income Statement.

### **Credit risk**

The Company is not exposed to credit risk in the reporting period due to limited operations.

### **Liquidity risk**

Liquidity risk is related to the Company's ability to comply with its financial obligations when they become receivable. The Company ensures the necessary liquidity through the share capital increases until it reaches the exploitation of its real estate. The liquidity of the Company is monitored by the Company's Management at regular intervals.

## **E. Transactions with related parties**

All transactions with related parties are objective and are conducted in line with the 'arm's length' principle and the usual trade terms for relative transactions with third parties.

The following transactions were conducted with related parties:

### ***Amounts in Euro***

#### **Sales**

<b>Company Name</b>	<b>Explanation</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
GEK - TERNA S.A.	Sales of services	1.304	1.272
<b>Total</b>		<b>1.304</b>	<b>1.272</b>

#### **Expenses / Purchases**

<b>Company Name</b>	<b>Explanation</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
INTRAKAT S.A.	Interest expenses under loan agreement		30.055
Management Executives and Administration Members	Fees	48.000	48.000
<b>Total</b>		<b>48.000</b>	<b>78.055</b>

### ***Amounts in Euro***

#### **Receivables**

<b>Company Name</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
GEK - TERNA S.A.	1.617	3.227
<b>Total</b>	<b>1.617</b>	<b>3.227</b>

## **Liabilities**

<b>Company Name</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
INTRAKAT S.A.	299.472	615.472
<b>Total</b>	<b>299.472</b>	<b>615.472</b>

Liabilities towards Intrakat concern an advance payment based on a preliminary private disposal agreement regarding a land plot.

## **F. Corporate Governance**

### **Corporate Governance Statement**

The present Corporate Governance Statement is in compliance with the provisions of Article 152, Law 4548/2018 and describes the way the Company is managed and controlled and includes all the regulations and principles that the Company adopts in order to set and approach its objectives and to safeguard the interests of its shareholders and related parties.

#### **aa) Reference to the Corporate Governance Code according to which the Company operates:**

The Company fully complies with the requirements and structures of the mandatory regulations established by the Greek Corporate Governance Laws, in particular L. 3016/2002 and L. 3693/2008, as well as L. 4449/2017, which determines the establishment of the Audit Committee and its authorities and Law 4548/2018.

In compliance with the provisions of corporate governance legislation, the Company states that in the reporting period, it has adopted the amended Corporate Governance Code (CGC), which was jointly developed by the Hellenic Exchange Market and the Hellenic Federation of Enterprises (SEV), which the Company states it follows, and whose entire content is posted in the following website:

[http://www.helex.gr/documents/10180/2227277/HCGC\\_GR\\_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d](http://www.helex.gr/documents/10180/2227277/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d)

The aforementioned Code incorporates the provisions of the effective legislation, and also includes specific corporate governance practices, not recorded in legislative texts, which constitute general guidelines.

#### **Deviations from the Corporate Governance Code and their justification. Specific provisions of the Corporate Governance Code that the Company does not implement and explanations.**

The Company implements all the statutory provisions, which are mandatory for Listed Companies and which have been legally established. The aforementioned provisions constitute the minimum content of the Greek Corporate Governance Code and are included, together with other specific practices and principles, in the Code that the Company has declared to be subject to. The following deviation from these specific practices and principles, are currently effective:

##### **Part A. The Board of Directors and its members**

###### **I. Role and authorities of the Board of Directors**

The BoD has not proceeded with the establishment of any other committee other than the Audit Committee (Law 3693/2008 and Law 4449 /2017), because the organizational structure of the Company does not justify the existence of other committees.

###### **II. Size and composition of the Board of Directors**

The Company's BoD consists of eight members with five Executive and three Independent Non-Executive Members.

The Company does not have an officially established policy for the diversity of the composition of its BoD and its senior executives. However, it tries to recruit reliable, experienced and competent experts that meet corporate objectives.

### III. Role and profile of the Chairman of the Board of Directors

The BoD does not appoint an independent Chairman and Vice-President, but an Executive, to facilitate competence and flexibility while exercising the executive authority.

### IV. Duties and conduct of the members of the Board of Directors

In transactions with the related companies, the Company implements the 'arm's length' principle, in the sense that the terms implemented are identical and never unreasonably deviate from the terms that the Company would implement for same or similar transactions with independent businesses. Nevertheless, no relevant policies have been adopted as part of its internal Regulations.

No policies for management of conflicts of interests are implemented among the members of the Company's Board of Directors. However, members of the Board of Directors are aware that they should, on time, disclose to the other members of the Board of Directors their own interests, arising from their transactions with the Company and any other conflicts of self-interest, arising while performing their duties with the Company or related parties' interests in accordance with the applicable Legislation (Annex 1 of Law 4308/2014).

The members of the BoD have no obligation to disclose any other professional commitments or participation in Board of Directors of other companies, prior to their appointment. However, as aforementioned, the members of BoD are obliged to disclose whether own interests arise from transactions in the Company under their responsibilities.

### V. Nomination of members of the BoD

It is not considered necessary to have a nomination committee, since the Board of Directors recommends to the shareholders the election of the members of the new Board of Directors.

### VI. Functioning of the BoD

It is not deemed necessary to have a Board of Directors calendar of meetings. The BoD meetings can be easily held, due to objective reasons, when imposed by the Company's needs or legislation.

The BoD is not assisted by any suitably qualified and experienced company secretary during the performance of its work.

There is no obligation to hold meetings of the Chairman of the BoD on a regular basis exclusively with non-executive members of the BoD for their performance and remuneration.

There are no programs of regular briefings on business developments for the new members of the BoD, nor for continuous professional education of the members of the BoD, since there are nominated as BoD members the executives who have competence and experience in organizational – managerial duties.

No provision has been made for sufficient resources to the BoD Committee to undertake their duties and employ outsource consultants, since, the Company's Management approves the relevant amount, on case basis, in compliance with the Company's needs.

### VII. BoD evaluation

There is no institutional procedure for assessing the effectiveness of the Board of Directors and the Audit Committee nor the performance of the Chairman of the Board of Directors.

## Part B. Level and structure of remuneration

It is not deemed necessary to establish a Remuneration Committee, since the members of the Board of Directors are not remunerated by the Company.

The General Manager/member of the Board of Directors is the only one who receives remuneration, pursuant to a service contract reflecting his/her position and skills, knowledge and experience provided.

#### **bb) Additional corporate governance practices implemented by the Company**

The Company applies the provisions of the legal framework content on corporate governance without deviations. At the current period, no other provisions are implemented additionally to the aforementioned.

#### **cc) Description of the main characteristics of Internal Control**

Internal Control Systems include a timetable for controls which are submitted to the Audit Committee once a year for approval, as well as quarterly reports. The Board of Directors is informed by the Audit Committee in case of significant control and / or disclosure issues regarding any weaknesses in the financial reporting and in the financial statements.

The Board of Directors places particular importance on the aforementioned systems by reviewing: the risks and opportunities and the measures taken by regularly inspecting the Company's operations and financial performance by comparing budgets with the results of previous years and finally adopting projects' actions aiming at optimal operational and financial performance. The Board of Directors has ultimate responsibility for maintaining this System, ensuring its adequacy and effectiveness, and monitoring and supervising for its effective implementation.

#### **dd) Reference to Article 10, par. 1, items (c), (d), (f), (h) and (i) of Directive 2004/25 /EC:**

The required information under Article 10 par. 1, item (c) of Directive 2004/25/EC is already included in another section of the Directors' Report referring to the additional information under Article 4 § 7 of Law 3556/2007.

With regard to the required information under Article 10, par. 1, item (d) of Directive 2004/25/EC, there are no Company shares that provide special control rights to the shareholders.

With regard to the required information under Article 10, par. 1, item (f) of Directive 2004/25/EC, there is no limitation on voting rights.

With regard to the required information under Article 10, par.1, item (h) of Directive 2004/25/EC, the members of the Board of Directors are appointed by the General Meeting on a proposal from the Board of Directors. In case of replacement of a member of the Board of Directors the new member is elected by the Board of Directors and his election is submitted for ratification to the next General Meeting. The amendment of the Company's Articles of Association requires the approval of the General Meeting in accordance with the provisions of the L. 4548/2018.

The required information under Article 10, par. 1, item (i) of Directive 2004/25/EC is already included in another section of the Directors' Report referring to the additional information under Article 4 § 7 of Law 3556/2007.

#### **ee) The General Meeting of the Company's shareholders**

The General Meeting of the Company's shareholders is its highest body and is entitled to take decisions on all cases related to the Company. Its legal decisions also bind the shareholders who are absent or disagree.

The General Meeting is the sole body to decide on: a) The amendment of the Articles of Association, b) The increase or decrease of the share capital, c) The election of the BoD members, d) The approval of the overall management according to article 108 of Law 4548/2018 and the dismissal of the Auditors, e) The approval of annual financial statements, f) The disposal of annual profits, g) The approval of remuneration or advance payment of fees according to article 109 of Law 4548/2018, h) The approval of the remuneration policy pursuant article 110 and the Remuneration Report of article 112 of Law 4548/2018, i) The merger, split-up, conversion, revival, extension of the Company's duration or dissolution and j) The election of Liquidators.

The General Meeting is convened by the Board of Directors, pursuant to the Law and is held mandatory at the Company's headquarters or in the region of another municipality within the prefecture where the Company has its headquarters or in another municipality neighboring the one where the Company has its headquarters, at least once a year, no later than the tenth (10) calendar day of the ninth month from the expiry of the fiscal year.

The General Meeting, also, can be held in the municipality where the headquarters of the Stock Market where the Company's shares are listed, are located. The Board of Directors may convene Extraordinary General Meeting of Shareholders when it deems it appropriate or if the required percentage by the Law of shareholders apply.

The General Meeting, with the exception of repeat meetings and the similar ones, should convene at least within twenty (20) full days before the one set for its convocation including non-working days. The publication day of the invitation of the General Meeting and the day of the meeting are not taken into account.

The invitation of the General Meeting includes the place of the meeting with its exact address, the date and the time, the items on the agenda, the shareholders with participation right and exact instructions about the way the shareholders will be able to participate in the assembly and exercise their rights. The website address where the full content of the invitation is located should also be explicitly mentioned.

The General Meeting is in quorum and timely convenes for the items on the agenda when a percentage of at least twenty per cent (20%) of the paid Share Capital.

If such a quorum is not achieved in the first Meeting, a repeat one is convened within twenty (20) days from the date of the postponed assembly with an invitation of the Board of Directors sent at least ten (10) days before. The repeat assembly is in quorum and timely convenes on the items of the agenda whatever the part of the paid Share Capital is represented.

Further invitation is not required if the first invitation includes the place and time of repeat legally scheduled meetings in the event of not achieving a quorum.

The decisions of the General Meeting are taken with an absolute majority of the votes, represented in the meeting.

The General Meeting is exceptionally considered to be in quorum and timely convenes on the items of the agenda if at least the two thirds (2/3) of the paid Share Capital are represented, in the case of decisions pertaining to change the national status of the Company, change of the scope of the Company's activities, increase in the shareholders' obligations, increase in the share capital not provided by the Company's Articles of Association, under par. 1, Article 24, Law 4548/2018, unless it is imposed by the law or occurs by capitalization of reserves, decrease in the share capital, unless it occurs under par. 6, Article 49 of Law 4548/2018, change in the profit disposal, merger, split-up, conversion, revival, extension of the Company's duration or dissolution, provision or renewal of the power of the Board of Directors for share capital increase, in accordance with par.1, Article 24 of Law 4548/2018 and in any other case under the law.

If the aforementioned quorum is not achieved, the repeat General Meeting is in quorum and validly meets on the issues of the original agenda when at least half (1/2) of the paid-up share capital is represented in that quorum. If this quorum is also not achieved, a second repeat General Meeting, which is in quorum and validly meets on the issues of the original agenda, shall be convened, when at least one fifth (1/5) of the paid-up Share Capital is represented.

The General Meeting is temporarily chaired by the President of the Board of Directors or in case of obstacles, his Deputies. Secretarial duties are performed by the secretary appointed by the President among the members in the meeting, or if their number is insufficient and outside of them. After the list of the shareholders with a right to vote is approved, the Meeting continues with the election of its Chairman and one or two secretaries among the members in the Meeting, or if their number is insufficient and outside of them, by secret vote through ballot papers. One or both Secretaries act as a vote collector.

The discussions and decisions of the General Meeting are limited to the items on the published agenda.

The agenda is prepared by the Board of Directors and includes the proposals of the BoD to the Meeting and additional proposals made by the shareholders representing one twentieth (1/20) of the paid share capital, published at least fifteen (15) days before the Meeting.

For the items discussed for which decisions are taken, minutes are kept signed by the Chairman of the General Meeting and the Secretary. Upon request by a Shareholder, the Chairman of the General Meeting is obliged to enter in the minutes a precise summary of his opinion. The same minutes also include the list of Shareholders present or represented in the General Meeting.

Any person appearing as a shareholder in the registry of the Dematerialized Securities System managed by HELLENIC EXCHANGES SA (HELEX), in which the shares of the Company are recorded, is entitled to participate in the General Meeting.

Proof of shareholder status should be made by presenting relevant written certification from HELEX or alternatively with direct electronic link-up of the Company with the records of the aforementioned institution. Shareholder proof status should exist in the beginning of the fifth (5th) day prior to the General Meeting (record date) and the relevant written certification in proof of the shareholder status issued by HELEX must have been received by the Company by the third (3rd) day before the date of the General Meeting.

The Company considers that only a party having the shareholder's capacity on the Record Day of the list has the right to participate and vote.

It is noted that in order to exercise said rights (participation and voting), it is not necessary to block the shares or follow any other similar procedure that may restrict the ability to sell and transfer shares in the period between the Record Date and the date of the General Assembly. Each share gives the right to one (1) vote.

The shareholder may participate in the General Meeting and may vote either in person or by proxy. Each shareholder may appoint up to three (3) proxy holders. Legal entities may participate in the General Meeting by appointing up to three (3) persons as proxy holders. However, if the shareholder owns shares of the Company that appear in more than one securities account, this limitation does not prevent the shareholder from appointing different representatives for the shares appearing in each securities account in relation to the General Meeting. A proxy acting for more than one shareholder may vote differently for each shareholder.

Prior to the commencement of the General Meeting proceedings, the proxy holder must disclose to the Company any particular facts that may be of relevance for shareholders in assessing the risk that the proxy holder may pursue interests other than those of the shareholder. Within the meaning intended in this paragraph, a conflict of interest may arise in particular when the proxy holder: (a) is a controlling shareholder of the Company or is another entity controlled by such shareholder; (b) is a member of the Board of Directors or the broader management of the Company, or of a controlling shareholder or an entity controlled by such shareholder; (c) is an employee or an auditor of the Company, or a controlling shareholder or an entity controlled by such shareholder; (d) is a spouse or close relative (1st degree) of a natural person referred to in (a) to (c) hereinabove.

The appointment and revocation of appointment of a proxy holder shall be made in writing and shall be notified to the Company in writing at least three (3) days prior to the date of the General Meeting.

After the request of shareholders representing at least one twentieth (1/20) of the paid Share Capital a) the Board of Directors is obliged to convene Extraordinary General Meeting under Article 141, par. 1 of Law 4548/2018 as effective, b) the Board of Directors is obliged to include additional items in the agenda of the General Meeting, already called, under Article 141, par. 2 of Law 4548/2018, as effective and c) the Chairman of the General Meeting is obliged to postpone only once the decisions of the General Meeting under Article 141 par.5, of Law 4548/2018, as effective.

After the request of any shareholder, submitted to the Company at least five full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with the requested specific information on the Company's issues, under Article 141 paragraph 6 case 1 of Law 4548/2018, as effective. Also, after the request of shareholders, representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to announce to the General Meeting, if Regular, the amounts paid to each member of the Board of Directors or the Managers of the Company, during the last two years, as well as any benefit by any cause or contract signed by the Company with them, under Article

141 paragraph 6, case 2 of Law 4548/2018, as effective.

In all the above cases, the Board of Directors may refuse to provide the information for substantive reasons, which shall be recorded in the minutes. Such a reason may be, depending on the circumstances, the representation of the applicant shareholders in the Board of Directors.

After the request of shareholders representing one fifth (1/5) of the paid-up capital of the Company, and provided that the said request is given to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with information on the course of the business affairs and financial status of the Company, pursuant to Article 141, par. 7, of Law 4548/2018, as effective.

After the request of shareholders representing at least one twentieth (1/20) of the paid share capital, a decision on any item on the agenda of the General Meeting is taken by a roll-call vote.

In all the above cases, the requesting shareholders have to prove their shareholding identity and the number of shares they hold during the exercise of the relevant right.

Company's shareholders representing at least one twentieth (1/20) of the paid share capital have the right to ask the competent Court, for an audit of the Company if there is the possibility of actions that violate the provisions of the Law or the Company's Articles of Association or decisions of the General Meeting, under Article 142, par.1 and 2 of Law 4548/2018, as effective.

Company's shareholders representing at least one fifth (1/5) of the paid share capital have the right to ask the court of the previous paragraph for an audit of the Company, provided that it is believed that the management of the corporate affairs is not applied as imposed by the prudent and sound management principle, as defined in article 142 par. 3 of Law 4548/2018, as effective.

The shareholders requesting the audit must prove to the court their shareholding identity and the number of shares they hold in the exercise of the right in question.

The information of Article 123 par. 3 of Law 4548/2018, including the Invitation to the General Meeting, of the procedure for the exercise of the right to vote through a proxy, the appointment and withdrawal forms, the draft decisions on the items on the agenda and more complete information on the exercise of the minority rights of Article 141 of Law 4548/2018 are available in hard copy in the Company, from which the shareholders can receive copies. Also, all the above-mentioned documents as well as the total number of existing shares and voting rights are available in electronic form on the Company's website.

## **f) Board of Directors**

The Board of Directors is the supreme body that exercises the management of the Company. It has the responsibility to decide on any act relating to the management of the Company, the responsibility of managing the Company's assets as well as of implementing its objective within the limits of the law and excluding issues which the General Meeting of Shareholders has the power to decide. The Board of Directors' obligation and duty is to protect the general corporate interest and to ensure a fair and equitable treatment of the shareholders. The members of the Board of Directors have the obligation to maintain confidentiality regarding the matters and the assumptions of the Company that come to their knowledge in their capacity, as well as to abstain from any act of misuse of such information. It is forbidden to the members of the Board of Directors as well as to any third person who has been assigned with their responsibilities to pursue their own interest's contrary to the interests of the Company.

The Company, in accordance with Article 8 of its Articles of Association, is managed by the Board of Directors consisting of five (5) to nine (9) Members, individuals or legal entities, elected by the General Meeting by secret ballot and by an absolute majority of present and represented shareholders. The members of the Board of Directors may be shareholders of the Company or other individuals or legal entities - not shareholders. In the event of a tie between two or more nominees, the vote shall be repeated to them.

The election of alternate members of the Board of Directors is permitted, the number of which is determined by the relevant decision of the General Meeting that elects them and is within the limit mentioned above and the number of them can not exceed the number of elected members from the General Meeting. Alternate Members may only be required for replacement of a Member or Members of the Board of Directors who have resigned, died or lost their authority in any other way.



The members of the Board of Directors are elected for four years (4 years) tenure, starting from their election and extended until the maturity date of the next Regular General Meeting. Outgoing Members may be re-elected and are freely revocable.

The Board of Directors convenes at the Company's headquarters whenever the Law, the Articles of Association or the Company's provisions require so. The Board of Directors may validly convene in a place other than the headquarters of the Company either in the country or abroad, provided that all members are present or represented at this meeting and that none of them opposes the holding of the meeting and decision-making.

The Board of Directors may convene by teleconference, subject to the relevant decisions and provisions. In this case, the invitation to the Members of the Board of Directors includes the necessary information for their participation in the meeting.

The Board of Directors shall be convened by the Chairman or his/her alternate with an invitation notified to Members at least two (2) working days prior to the meeting. The invitation must clearly state the items on the agenda, otherwise decision making is only allowed if all the members of the Board of Directors are present or represented and nobody rejects the decision-making process.

The meeting of the Board of Directors can be requested by two (2) of its Members by application to its Chairman or his/her alternate, who are obliged to convene the Board of Directors in order to meet within seven (7) days from the submission of the application. The application must, subject to inadmissible penalty, clearly state the issues that will be dealt with by the Board of Directors. If the Board of Directors is not convened by the Chairman or his alternate within the above deadline, the Members who have requested the meeting may convene the Board of Directors within five (5) days from the expiry of the aforementioned seven-day period, announcing the relevant invitation to the other members of the Board of Directors.

The discussions and decisions of the Board of Directors are summarized in the minutes' book, which can also be kept in electronic format. Upon the request of a Member of the Board of Directors, the Chairman is obliged to enter in the minutes a precise summary of his opinion. This book also includes a list of members present or represented at the meeting of the Board of Directors.

The minutes of the Board of Directors are signed by the Chairman of the Board of Directors or his/her alternate and by all the members present or represented at the meeting.

The preparation and signing of the minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if there is no precedent. Copies and extracts from the Board of Directors' minutes are formally issued by the Chairman or the Chief Executive Officer of the Company, without the need for further validation.

The Board of Directors is in quorum and validly convenes when present or represented in this half, plus one of its current members. In order to find the quorum number, any resulting fraction is omitted.

Members of the Board of Directors may delegate their representation to another Member at their meetings in a letter. Each Member may validly represent only one Member. However, at least four Members must attend the meeting. Board decisions are validly approved by an absolute majority of the Members present and represented.

The Board of Directors may elect Members in replacement of other Members who have resigned, died or lost their authority in any other way. This election is possible, provided that the replacement of the aforementioned members is not possible by alternate members elected by the General Meeting.

The aforementioned election by the Board of Directors shall be implemented by decision of the remaining Members, if at least three (3), and shall be valid for the remaining part of the tenure of the replaced Member. The decision of the election is published by Article 13 of Law 4548/2018 and it is announced by the Board of Directors at the next General Meeting, which may replace the elected members, even if no relevant item has been placed on the agenda.

In the event of resignation, death or other loss of membership of a Member or Members of the Board of Directors, the remaining Members may continue to manage and represent the Company without replacing the missing members in accordance with the aforementioned paragraph, provided that their number exceeds half of the members as they had prior to the above events. In any case these members may not be less than three (3).

In any case, the remaining members of the Board of Directors, irrespective of their number, may convene a General Meeting for the sole purpose of electing a new Board of Directors.

The current Company's Board of Directors was elected by the Regular General Meeting of the Company's Shareholders on 27.06.2018, for a four-year tenure and consists of five executive members and three independent non-executive members. Its composition is as follows:

- **Dimitris C. Klonis, Chairman of the Board of Directors (Executive Member)**, Mr. Klonis graduated from Athens University of Economics and Business and holds a Ph.D. degree in Economics from the University of London.
- **Dimitrios G. Antonakos, Vice President (Executive Member)**, Mr. Antonakos graduated from the Polytechnic School of Thessaloniki as Surveyor Engineer and he continued his studies in the Civil Engineering School of the National Technical University of Athens.
- **Petros K. Souretis, Managing Director (Executive Member)**, Mr. Souretis holds a civil engineer degree from Aristotelio University of Thessaloniki, an MSc in "Structures of Hazards" from the CITY University of London and an International MBA degree from the University of Economics of Athens.
- **Ioannis N Schoinas, General Manager (Executive Member)**, Economist with post graduate studies in the Athens University of Economics and Business (MBA) and in the National and Kapodistrian University of Athens (Diploma in Financial Management).
- **Stylianos Alexopoulos (Executive Member)**, Economist, Mr. Alexopoulos graduated from the Business Administration Department of the Athens University of Economics and Business and from the Johan Wolfgang Goethe-Universität (MBA) in Frankfurt.
- **Vasilios Delikaterinis, (Independent non-Executive Member)**, Graduate of Faculty of Economic and Political sciences of the Aristotle University of Thessaloniki, and holds an MBA from the University of La Verne.
- **Sotirios N. Filos, (Independent non-Executive Member)**, Economist.
- **Aggelis Pappas, (Independent non-Executive Member)**, Retired.

In 2019, the Company's Board of Directors convened seventeen (17) times. All of his meetings were attended by all his members.

### **G. Audit Committee**

The Regular General Meeting as at 27.06.2018 proceeded with the election of the members of the Audit Committee, in accordance with article 44 of Law 4449/2017.

The following non-executive members of the Company's Board of Directors now constitute the Audit Committee:

- Sotirios Filos, Chairman, Independent Non-Executive Member (with proven sufficient knowledge in accounting and auditing).
- Vasilis Delikaterinis, Independent Non-Executive Member.
- Aggelis Pappas, Independent Non-Executive Member.

The main duties of the Audit Committee pertain to:

- a) monitoring the financial procedure,
- b) monitoring the effective operation of the internal control and risk management systems and the proper function of the Company's internal control unit,
- c) supervising the statutory audit progress,
- d) checking and monitoring all issues related to the existence and preservation of the objectivity and independence of the legal auditor or auditing firm, especially with regard to the provision of other services rendered by the legal auditor or auditing firm to the entity under audit.

In 2019, the Audit Committee convened eight times in presence of all its members.

The Audit Committee convened three times with the external auditors without the presence of any executive member of the Board of Directors. In particular, the Audit Committee met with the signatory Certified Auditor for the presentation of the Audit Program and the analysis of the auditing approach followed by the Audit Firm for the mandatory annual audit of the financial statements of 2018 for the presentation of the supplementary report of 2018, Article 11 of Regulation (EC) 537/2014 and the Annual Financial Report of 2018 and finally for the presentation of the review report of the interim period (01.01.2019 - 30.06.2019). The Committee has also monitored the effectiveness of internal control systems. In particular, at its meeting in the beginning of the year, it received and approved the Annual Internal Control Program of 2019 and received during the fiscal year the four quarterly Internal Control Reports.

The Audit Committee's mission is to ensure the efficiency and effectiveness of corporate operations, to verify the credibility of the financial information provided to the investing public and shareholders of the Company, the Company's compliance with the current legislative and regulatory framework, the safeguarding of investments and the Company's assets and identifying and addressing the most significant risks, as well as the proposal for the assignment of the auditing firm for the audit of the financial statements each FY.

## **H. Analytical information under Article 4 par. 7 of Law 3556/2007 as effective**

### **I. Structure of the Company's share capital**

The share capital of the Company amounts to five million nine hundred forty-one thousand two hundred and forty Euro and twenty cents (5,941,240.20 Euros), divided into nineteen million eight hundred four thousand one hundred thirty-four (19,804,134) common nominal shares, with voting rights of nominal value thirty cents (€ 0.30) each. The Company's shares are listed on the Securities Market of the Athens Exchange.

Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves or 6% of the paid share capital (and in particular the highest of the two amounts) is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting.

Dividends are entitled to each shareholder who is registered in the Shareholders' Registry held by the Company on the date of determination of dividend holders.

The dividend of each share is paid to the shareholder within three working days of the dispatch from the K.A.A. of the identification of dividend holders in accordance with the provisions of the S.A.T. Operation Regulation. The payment method and payment place are announced in the Daily Price List, on the HELEX website and on the Company's website. The claim for the collection of the dividend is canceled and the corresponding amount is received by the State after 5 years from the end of the year in which the General Meeting approved the distribution.

- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares,
- Each shareholder is entitled to request a copy of the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company,
- Shareholders participate in the Company's General Meeting in which each share is provided with one voting right,
- The General Meeting of the Company's Shareholders retains all its rights and obligations during the winding up (according to paragraph 4 of article 36 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

## **II. Restrictions on transferring Company's shares**

The transfer of Company's shares takes place based on procedures stipulated by the law under which the Company is liable, while there are no restrictions set by the Articles of Association for transfer of shares, especially since they are dematerialized shares listed on Athens Stock Exchange.

## **III. Significant indirect/direct participations according to articles 9-11 of Law 3556/2007**

As at 31.12.2019, the Shareholders holding more than 5% of the Company's Shares and their respective voting rights are presented in the following table:

<b>MAIN SHAREHOLDERS</b>	<b>Number of shares</b>	<b>Participation rate (%)</b>
GEK TERNA SA	7.421.662	37,48%
INTRADEVELOPMENT SA	6.795.848	34,32%
ALPHA BANK SA	1.324.560	6,69%

### **Indirect participations:**

On 31.12.2019, INTRACOM HOLDINGS holds 6.795.848 indirect voting rights, i.e. 34,32% of the total voting rights of the Company through its 100% subsidiary INTRADEVELOPMENT SA.

## **IV. Shares with special control rights**

There are no Company shares that provide special control rights to their holders.

## **V. Restrictions on voting rights**

No restrictions on voting rights emanate from the Company's shares according to the Articles of Association.

## **VI. Agreements between Company shareholders**

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

## **VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association**

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of Law 4548/2018.

## **VIII. Responsibility of the BoD for the issuance of new shares or acquisition of equity shares**

**A)** According to the provisions of article 24 par. 1 item b) and c) of Law 4548/2018 and article 5 par. 2 of the Articles of Association, within the first five years from the relevant decision of the General Meeting, which is subject to the publicity requirements of Article 13 of Law 4548/2018, the Company's Board of Directors has the right to increase the Company's share capital with the issuance of new shares, through a decision that is made with a majority of at least two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting.

This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

**B)** Pursuant to the provisions of Article 26 par. 5 of Law 4548/2018, under the decision of the General Meeting a share disposal program may be provided to the members of the Board of Directors and the Company's employees and its related companies in the form of a stock option right according to the special terms of this decision, summary of which is subject to the provisions of Article 13 of Law 4548/2018.

The decision of the General Meeting specifies, in particular, the maximum number of shares that may be issued, which may not exceed 1/10 of the existing shares under the law, if the shareholders exercise the right to acquire shares, the price and the terms of disposal of the shares to the beneficiaries.

The Board of Directors, by its decision, regulates any other relevant detail, which is not otherwise regulated by the General Meeting, issues the certificates for the right to acquire shares and, every December, shares are issued to the beneficiaries, exercising their right, increasing accordingly share capital and certifying the relative share increase.

**C)** According to the provisions of the paragraphs 5-7 of article 49 of Law 4548/2018, the listed companies may acquire own shares through the Athens Stock Exchange, according to the decision of the General Meeting until the 10% of their total shares, under the specific terms and procedures of the aforementioned paragraphs of Article 49 of Law 4548/2018.

#### **IX. Significant agreements, effective, amended or terminated in case a change arises in the Company's control following a public offer**

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

#### **X. Agreement between the Company and BoD members or employees**

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a public offer.

**P. Psychiko, June 10, 2020**

**AS AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Dimitrios Ch. Klonis**

**Petros P. Souretis**

**Chairman of the BoD**

**Managing Director**

## Independent Auditor's Report

To the Shareholders of "KEKROPS S.A."

### Report on the Audit of the Financial Statements

#### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of law 4548/2018.

#### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs), as they have been incorporated into Greek Legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

During our audit, we remain independent from the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been incorporated into the Greek Legislation, and the ethical requirements that are relevant to the audit of financial statements in Greece. We have fulfilled our ethical responsibilities in accordance with applicable laws 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Audit response
<p><b>Investment property valuation</b></p> <p>On December 31<sup>st</sup>, 2019, the amount of the financial statements "Investment Property" included the following:</p> <ul style="list-style-type: none"><li>- Property under expropriation valued at cost;</li><li>- Property under construction for which the Company has the usufruct right and is valued also at cost;</li><li>- Property under litigation, fully impaired.</li></ul> <p>The tax value of the property under expropriation amounts to €6.4 millions approximately, whereas total assets of the Company amount to €8.0 millions approximately.</p>	<p>For the account "Investment Property" we performed the audit procedures described as following:</p> <p>We have been informed about the recent developments in relation to pending litigations of investment property from the Company's legal adviser.</p> <p>We have evaluated the legal framework of investment property and the Company's ability to develop them, estimations for the legal cases' settlement time and their potential outcome.</p> <p>For the valuation of investment property, we have assessed previously received disclaimer of opinion from an independent valuator, about his inability to value them at fair value in relation to developments since the date of his response.</p>

<p>Significant complications and legal issues of pending litigations, the estimation of their settlement time and the assessment of the Company's ability for property development under current framework, render valuation complicated and subject to judgements and estimations.</p>	<p>We have evaluated the valuator's competence, independence and relevant qualifications. We have evaluated the assumptions and information used by the independent valuator in relation to developments since the date of his response. We have confirmed the purchase cost of properties. We have confirmed the "tax values" of property under expropriation referred to the financial statements. We have reviewed the recognition and valuation policy of investment property and assessed its appropriate application in comparison to prior years, the applicable accounting standards and the development of legal cases.</p>
<p><b>Holdings valuation</b> On December 31<sup>st</sup>, 2019, the amount of financial statements "Financial Assets Available for Sale", as valued at their fair value amount to €5.8 millions approximately, which represents 73% on total assets amounting to €8.0 millions approximately. The relevant figure, as described in note 4.3 of the financial statements derives from the valuation of holdings to the share capital of three entities with a percentage less than 10% in each one of them. We considered the valuation of these holdings significant because of their value materiality on total assets and because their valuation is subject to judgements and estimations.</p>	<p>For the account of the financial statements "Financial Assets Available for Sale" we performed the following audit procedures: We have reviewed property valuations of independent valutors, the published financial statements and other available information related to the Company's investments. We have evaluated the valuator's competence, independence and relevant qualifications. We have reviewed the assumptions and the suitability of valuation methods used by the independent valutors and the Company's management. We have reconciled the fair value of valuations with the values shown in the Company's accounting records. We have confirmed that the relevant disclosure to the financial statements is in accordance with the provisions of the accounting standards.</p>

### Other information

The members of the Board of Directors are responsible for the other information. The other information is included in the Annual Report of the Board of Directors, which is referred to in the "Report on Other Legal and Regulatory Requirements" and in the Statement of the Members of the Board of Directors but does not include the financial statements and our Auditor's report thereon.

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

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

Among other issues, 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 considered to affect our independence, and where applicable, related safeguards.



From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 152 of law 4548/2018.

b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of article 150 and paragraph 1 (cases c and d) of article 152 of the law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2019.

c) Based on the knowledge we obtained from our audit for the Company «KEKROPS S.A.» and its environment, we have not identified any material misstatement to the Board of Directors report.

### **2. Additional Report to the Audit Committee**

Our opinion on the accompanying financial statements is consistent with our Additional Report to the Audit Committee of the Company, as provided under Article 11 of Regulation (EU) No 537/2014.

### **3. Non-audit services**

We declare that we have not provided non-audit services that are prohibited under Article 5 of Regulation (EU) No 537/2014 or other permitted non-audit services.

### **4. Appointment**

We were appointed as auditors of the Company by the decision of the annual general meeting of shareholders on June 17, 2013. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 7 years.

**Halandri, June 10, 2020**



184 A, Kifissias Ave, 152 31, Halandri  
(HAASOB/HICPA Reg. Number 30/161)

Dimitroula M. Apostolakou  
Certified Public Accountant  
(HAASOB/HICPA Reg. Number 1144/15491)

## Statement of Financial Position

Amounts in Euro	note	31/12/2019	31/12/2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.1	669.634	674.832
Investment property	4.2	687.605	676.405
Financial assets at fair value through other comprehensive income	4.3	5.800.424	5.924.561
Other long-term assets		1.259	1.259
<b>Total</b>		<b>7.158.921</b>	<b>7.277.056</b>
<b>Current assets</b>			
Trade and other receivables	4.4	614.138	381.710
Cash and cash equivalents	4.5	190.625	1.428.738
<b>Total</b>		<b>804.763</b>	<b>1.810.447</b>
<b>Total Assets</b>		<b>7.963.683</b>	<b>9.087.504</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	4.6	5.941.240	5.941.240
Share premium	4.6	4.270.992	4.270.992
Capital reserves	4.6	(1.895.265)	(1.817.717)
Retained earnings		(4.797.770)	(4.231.755)
<b>Total Equity</b>		<b>3.519.197</b>	<b>4.162.760</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	4.7	354.576	411.804
Retirement benefit obligations	4.8	8.747	21.104
Other provisions		0	55.067
Other Long-term liabilities		13.893	13.893
Long-term Borrowings	4.9	3.450.000	3.500.000
<b>Total</b>		<b>3.827.217</b>	<b>4.001.868</b>
<b>Current Liabilities</b>			
Trade and other payables	4.10	538.103	842.799
Borrowings	4.9	79.167	80.076
<b>Total</b>		<b>617.269</b>	<b>922.876</b>
<b>Total Liabilities</b>		<b>4.444.486</b>	<b>4.924.744</b>
<b>Total Equity and Liabilities</b>		<b>7.963.683</b>	<b>9.087.504</b>

*The accompanying Notes constitute an integral part of these financial statements.*

## Statement of Comprehensive Income

<i>Amounts in Euro</i>	note	31/12/2019	31/12/2018
Rental Income	4.11	11.400	13.306
Less: Operating expenses	4.12	(295.093)	(249.927)
<b>Gross Profit /(Loss)</b>		<b>(283.693)</b>	<b>(236.621)</b>
Operational expenses	4.12	(173.777)	(173.983)
Service revenue	4.11	1.304	1.272
Other Income / (Expenses)	4.14	53.360	67.104
Refund of unduly paid property tax and interest		0	431.109
<b>Total Operating Gains/(Losses)</b>		<b>(402.806)</b>	<b>88.881</b>
Financial income/(expense)-net	4.15	(172.846)	(178.708)
<b>Profit/(loss) before taxes</b>		<b>(575.652)</b>	<b>(89.828)</b>
Income tax expense	4.16	9.638	(28.859)
<b>Profit/(loss) after taxes (a)</b>		<b>(566.014)</b>	<b>(118.687)</b>
<b>Other comprehensive income/(expenses) for the period</b>			
<b><u>Amounts reclassified to the income statement in subsequent periods</u></b>			
FVOCI financial assets - Fair value losses	4.6	(124.137)	(3.108.179)
Income tax items of other comprehensive income	4.6	46.589	968.558
<b>Other comprehensive income/(expenses) after taxes (b)</b>		<b>(77.548)</b>	<b>(2.139.622)</b>
<b>Total comprehensive income/(expenses) after taxes (a) + (b)</b>		<b>(643.562)</b>	<b>(2.258.308)</b>
<b>Profit /(Loss) per share (€/share)</b>	4.17	<b>(0,0286)</b>	<b>(0,0060)</b>
<b>Profit/(loss) before taxes, financing, investing income and depreciation</b>			
Profit/(loss) before taxes		(575.652)	(89.828)
Plus: Investing Results		0	0
Plus: Financial results		172.846	44.916
Plus: Depreciation		5.198	6.243
<b>Profit/(loss) before taxes, financing, investing income and total depreciation</b>		<b>(397.608)</b>	<b>(38.669)</b>

*The accompanying Notes constitute an integral part of these financial statements.*

## Statement of Changes in Equity

<i>Amounts in Euro</i>	Share capital	Fair value Reserves	Other Reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2018</b>	<b>5.941.240</b>	<b>4.270.992</b>	<b>321.905</b>	<b>(4.113.069)</b>	<b>6.421.068</b>
<b>Losses after tax</b>				(118.687)	<b>(118.687)</b>
<b>Change in equity for period 01/01-31/12/2018</b>					
Available-for-sale financial assets - Fair value (losses)			(3.108.179)		(3.108.179)
Income tax items of other comprehensive income			968.558		968.558
<b>Net income / (expense) recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>(2.139.622)</b>	<b>0</b>	<b>(2.139.622)</b>
<b>Total recognized profit/loss</b>	<b>0</b>	<b>0</b>	<b>(2.139.622)</b>	<b>(118.687)</b>	<b>(2.258.308)</b>
<b>Balance at 31/12/2018</b>	<b>5.941.240</b>	<b>4.270.992</b>	<b>(1.817.717)</b>	<b>(4.231.755)</b>	<b>4.162.760</b>

<i>Amounts in Euro</i>	Share capital	Fair value Reserves	Other Reserves	Retained earnings	Total Equity
<b>Balance at 01/01/2019</b>	<b>5.941.240</b>	<b>4.270.992</b>	<b>(1.817.717)</b>	<b>(4.231.755)</b>	<b>4.162.760</b>
<b>Loss after tax</b>				(566.014)	<b>(566.014)</b>
<b>Change in equity for period 01/01 -31/12/2019</b>					
Financial assets measured at fair value through other comprehensive income - Fair value gains/(losses)			(124.137)		(124.137)
Income tax items of other comprehensive income			46.589		46.589
<b>Net income / (expense) recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>(77.548)</b>	<b>0</b>	<b>(77.548)</b>
<b>Total recognized profit/loss</b>	<b>0</b>	<b>0</b>	<b>(77.548)</b>	<b>(566.014)</b>	<b>(643.562)</b>
<b>Balance at 31/12/2019</b>	<b>5.941.240</b>	<b>4.270.992</b>	<b>(1.895.265)</b>	<b>(4.797.770)</b>	<b>3.519.197</b>

*The accompanying Notes constitute an integral part of these financial statements.*

## Statement of Cash Flows

### Amounts in Euro

#### Cash flows from operating activities

##### Profit/(Loss ) before income tax

Adjustments to profits

Note	31/12/2019	31/12/2018
	(575.652)	(89.828)
(i)	118.919	172.832
	<b>(456.734)</b>	<b>83.004</b>

#### Changes in working capital

Decrease/(Increase) of receivables

Increase/(Decrease) of payables

Outflow liability for staff benefits due to retirement

(235.351)	(104.939)
(305.931)	(71.229)
(6.144)	0
<b>(547.426)</b>	<b>(176.168)</b>

#### Cash Flow from Operating Activities

Less: Income tax payments

Less: Taxes paid

#### Net Cash Flows from Operating Activities

<b>(1.004.159)</b>	<b>(93.164)</b>
(1.000)	(1.000)
(179.965)	(274.532)
<b>(1.185.125)</b>	<b>(368.695)</b>

#### Cash flows from Investing Activities

Real Estate investments

Interest income

#### Net cash used in Investing Activities

(11.200)	(72.600)
8.212	10.203
<b>(2.988)</b>	<b>(62.397)</b>

#### Cash Flows from Financial Activities

Repayment of Debt

#### Net cash used in Financing Activities

(50.000)	(629.000)
<b>(50.000)</b>	<b>(629.000)</b>

#### Net increase/(decrease) of cash and cash equivalents

Opening cash and cash equivalents

Closing cash and cash equivalents

	<b>(1.238.113)</b>	<b>(1.060.092)</b>
	1.428.738	2.488.830
4.5	<b>190.625</b>	<b>1.428.738</b>

Note (i)

### Amounts in Euro

#### Plus / minus adjustments for:

Depreciation of tangible assets

Gains on unused amounts reversed

Provisions for retirement benefit obligations

Impairment - Provision - Extraordinary profits

Interest income

Interest expense

#### Total

Note	31/12/2019	31/12/2018
4.1	5.198	6.243
	(55.067)	0
4.8	(6.213)	1.647
	2.155	(13.767)
4.15	(7.443)	(10.709)
4.15	180.290	189.418
	<b>118.919</b>	<b>172.832</b>

The accompanying Notes constitute an integral part of these financial statements.

## **1. Information about the Company**

### **1.1. General information about the Company**

The Company was established in 1923, and the term of its duration has been set as that until 2100. The Company's title is "HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES KEKROPS SOCIETE ANONYME". It is registered in the General Commercial Registry under Num. 223301000. The Company's registered office is located in the Municipal Unit of Psychiko, Municipality of Filothei, 6, Dafnis Str. The Company is listed on Athens Stock Exchange since 1967 and operates in the segment of construction, development and exploitation of real estate with a special emphasis on maisonettes and luxury residences. Its shares are listed on the Main Market of the Athens Stock Exchange (Real Estate - Real Estate Assets and Development).

The Company is managed by an 8-member Board of Directors, elected at the Regular General Meeting on June 27, 2018. The tenure of the new Board of Directors is four years and can be extended, in exceptional circumstances, until the expiry of the deadline within which the next Regular General Meeting will be convened after the expiry of its tenure.

These annual financial statements were approved by the Board of Directors on June 10, 2020.

The number of headcount in the year ended as at December 31, 2019 was 3 employees.

### **1.2. Nature of the Company's Operations**

The Company's objective, as stated in its Articles of Association, is: "Aiming at profit-making, acquisition, disposal and exploitation of plots of land and every other type of real estate, as well as construction of buildings on behalf of the Company, for the purposes of resale or exploitation, construction of buildings on behalf of third parties, undertaking utility projects, mainly road construction and water supply and, in general, water supply operations, undertaking of quarrying operations of various kinds, trade in building materials and manufacture of all types of building materials and all other operations related to the aforementioned purposes in real estate, industrial or commercial matters, determined by the Board of Directors".

Moreover, the Company's objective is to: a) establish and operate hotels and hotel enterprises in general through construction, acquisition or leasing and providing hotel equipment to hotels, hostels, summer residences, touristic kiosks and facilities; b) establish and operate travel agencies in order to attract tourists and render services in Greece and abroad and, generally, undertake any operations directly or indirectly related to hotel and tourist segment, and c) to hold participating interest in other enterprises with the same or similar objective or collaboration with such enterprises.

## **2. Accounting policies applied by the Company**

The key accounting policies, used under the preparation of these financial statements, have been consistently applied to all the periods, as presented and summarized below unless mentioned otherwise.

### **2.1. Basis for Preparation of Financial Statements**

The Company's annual Financial Statements as of December 31st, 2019 (hereinafter the "financial statements") have been prepared under the historical cost principle with the exception of financial assets at fair value through other profit and loss, carried at fair value, under the going concern principle and are in compliance with the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union.

The preparation of the financial statements according to IFRS requires the use of significant accounting estimates and judgments of the Management on the application of the Company's accounting policies. Moreover, it requires applying calculations and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the financial statements preparation date and the reported amounts of income and expense over the reporting period. Although these calculations are based on the best available knowledge of management in relation to current circumstances, the final results may differ from the aforementioned calculations.

The presentation currency is Euro, which is the currency of the primary economic environment, within which the Company operates, and all the amounts are presented in Euro unless otherwise mentioned.

## **2.2. New accounting standards and interpretations**

New standards, amendments to existing standards and interpretations have been issued and their application is mandatory for the annual periods starting on or after January 1<sup>st</sup>, 2019. The effect of the application if these new standards, amendments and interpretations is presented below as follows:

### **Standards and Interpretations mandatory for the current FY**

#### **IFRS 16 "Leases"**

In January 2016, IASB issued IFRS 16 and replaced IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the substance of transactions involving leases. IFRS 16 introduces a single lessee accounting model, which requires the lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Regarding the accounting on the part of the lessor, IFRS 16 substantially incorporates the requirements of IAS 17. Accordingly, the lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company holds no operating leases and therefore, the financial statements of the Company are not affected following the adoption of the standard.

#### **IFRS 9 (Amendments): "Prepayment Features with Negative Compensation"**

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

#### **IAS 28 (Amendments): "Long term interests in associates and joint ventures"**

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

#### **IFRIC 23: "Uncertainty over income tax treatments"**

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

#### **IAS 19 (Amendments) "Plan amendment, curtailment or settlement"**

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

### **Annual Improvements to IFRSs 2014 (2015 – 2017 Cycle)**

The amendments set out below include changes to four IFRSs.

#### **IFRS 3 'Business combinations'**

The amendments clarify that an entity should remeasure the interest previously held in a jointly controlled operation when it acquires control of that operation.

#### **IFRS 11 "Joint Arrangements"**

The amendments clarify that an entity is not required to remeasure the interest previously held in a jointly controlled operation when it acquires joint control of that operation.

#### **IAS 12 "Income Taxes"**

The amendments clarify that an entity should equally account for all income tax consequences of dividends.

### IAS 23 "Borrowing costs"

The amendments clarify that an entity should account for any borrowing costs incurred to produce an asset when such asset is ready for its intended use or sale.

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

### **IFRS 17 "Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 was issued in May 2017 and replaces IFRS4. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of the standard is to ensure that an entity provides relevant information that fairly represents those contracts. This new standard tackles the comparability challenges arising from the application of IFRS 4, as it introduces consistent accounting for all insurance contracts. Insurance liabilities are measured using current rather than historical costs. The standard has not yet been adopted by the EU.

### **IFRS 3 (Amendments) "Business combinations"** (effective for annual periods beginning on or after 1 January 2020)

The new definition focuses on the concept of business outputs in the form of goods and services provided to customers, contrary to the previous definition that focused on outputs in the form of dividends, reduced cost or other financial benefits to investors and third parties. The amendments have not yet been adopted by the EU.

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

The amendments clarify the definition of 'material' and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. At last, the amendments ensure that the definition of "material" is consistently applied to all IFRSs. The amendments have not yet been endorsed by the EU.

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

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

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

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

## **2.3. Summary of accounting policies**

The key accounting policies adopted under the preparation of the accompanying financial statements are as follows:

### **Property, plant and equipment**

Land plots, buildings and other equipment are recognized in the financial statements at cost, less accumulated depreciation and any potential impairment losses.



Repairs and maintenance are charged to expenses as incurred. Major improvements are capitalized to the cost of the asset to which they relate when they extend the life, increase the earnings capacity or improve the efficiency of the respective assets.

An item of property, plant and equipment (including cost and accumulated depreciation) is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Profits or losses arising from the write-off of an asset are included in the income statement for the year in which the asset is written off.

Assets under construction include fixed assets under construction and are carried at cost. Assets under construction are not depreciated until the fixed asset is completed and put into production.

### Depreciation

Depreciation is calculated based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets.

	Depreciation Rates
Buildings	2%
Machinery, installations and equipment	5%
Vehicles	12%-15%
Furniture and other equipment	15%-33%

### Investment property

Real estate items held either to generate long-term rent from its lease or for the increase in its value (increased capital) or for both purposes are classified as investment property. Investment property includes mainly owner-occupied land plots and a building under construction at the final stage of completion.

Investment property is initially measured at its cost, including the related direct costs of ownership. Subsequently, investment property is recognized at fair value. Gains or losses arising from changes in the actual value of investment property are included in the income statement within the period/year when they arise.

Subsequent expenses are added to the carrying amount of the real estate property only when it is probable that future economic benefits associated with that property item will flow to the Company and that the related costs can be measured reliably.

If an investment property changes to an owner-occupied fixed asset, it is reclassified to property, plant and equipment and its fair value as at the reclassification date is determined as its acquisition cost for accounting purposes.

If a fixed asset is reclassified from property, plant and equipment because of a change in use, any difference arising between the carrying amount and the fair value at the date of its transfer is accounted for as a revaluation under IAS 16. Any arising increase in carrying amount is recognized in the income statement to the extent it reverses a previous impairment in respect of the same item. The additional increase is recognized in other comprehensive income and is recorded in equity in "Other reserves" account. Any resulting write-down that reverses a previous increase in the same item is recognized in other comprehensive income and is charged directly to "other reserves" in equity. Additional decreases are charged to the income statement.

It is to be noted that, as already referred to in Note 4.2 the most significant part of the Company's investment property is claimed by the Greek State or is under expropriation. The property items in question have been fully impaired in previous years. In respect of the expropriated property items, the Company applies the exemption of paragraph 53 of IAS 40 "Investment Property" and measures such property items at acquisition cost, given the uncertainty as to the time and effect of the expropriations and the difficulty in measuring such property items reliably and, on an on-going basis, given the Management's refusal to lift expropriations or to proceed with settling unit indemnities.

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

Amortized intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its recoverable amount, its corresponding impairment loss is recognized in the Income Statement. The recoverable amount is determined as the higher amount between the fair value less costs to sell and the value in use. In order to determine impairment, assets are grouped at the lowest level for which cash flows can be separately identified (cash-generating units). Impairments recognized in prior periods in non-financial assets are reviewed at every reporting date for potential reversal.

### **Financial instruments**

A financial instrument is defined as an agreement creating either a financial asset in a company and a financial liability or a shareholding in another company.

### **Initial recognition and subsequent measurement of financial assets**

As from January 1, 2018, at initial recognition, financial assets are classified as subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model, to which the financial asset belongs.

Except for trade receivables that are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusting for transaction costs, except for financial assets measured at fair value through profit and loss.

In order to classify and measure a financial asset at amortized cost or at fair value through other comprehensive income, cash flows that are "capital and interest payments exclusively" over the outstanding capital balance shall be generated. This evaluation is known as the SPPI ("solely payments of principal and interest") criterion and is conducted at the level of an individual financial instrument.

Following the initial recognition, financial assets are classified into three categories:

- Amortized cost
- Fair value through other comprehensive income, and
- Fair value through profit and loss.

Financial assets (equity investments) held by the Company are measured at their fair value through the statement of other comprehensive income. Changes potentially arising from equity valuation are included in "Items not included in the Income Statement".

### **Impairment of financial assets**

At every financial statements' preparation date, the Company assesses whether the value of a financial asset or a group of financial assets has been impaired as follows:

The Company recognizes a provision for impairment against expected credit losses for all financial assets, measured at fair value through other comprehensive income. Expected credit losses are based on the difference between all contractual cash flows payable under the contract and all cash flows the Company expects to receive, discounted at the approximate initial effective interest rate.

Expected credit losses are recognized in two stages. If the credit risk of a financial instrument has not significantly increased from the initial recognition, an entity measures provision for a loss on that financial instrument at an amount equaling the expected credit losses for 12 following months. If the credit risk of a financial instrument has significantly increased from the initial recognition, an entity measures provision for a loss on that financial instrument at an amount equaling the expected credit losses over the life of the asset, regardless of when the breach occurred.

Regarding trade receivables and contractual assets, the Company applies the simplified approach in order to calculate expected credit losses. Thus, at every reporting date, the Company measures the provision for loss regarding a financial instrument at an amount equaling the expected credit losses over the life of the asset without monitoring the changes in credit risk.

### **Derecognition of financial assets**

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive inflow of cash resources have expired,
- the Company retains the right to receive cash inflows from the specific asset but has also undertaken a commitment to pay them to third parties in full without undue delay in the form of a transfer agreement; or
- the Company has transferred the right to receive cash flows from that asset while either (a) it has transferred substantially all the risks and rewards thereof; or (b) it has not transferred substantially all the risks and rewards, but had transferred the control over that particular asset.

When the Company transfers the rights to receive cash flows from an asset or signs a transfer agreement, it assesses the extent to which it retains the risks and rewards of ownership of the asset. When the Company neither transfers nor retains substantially all the risks and rewards of the transferred asset and retains control over that asset, then the asset is recognized to the extent of the Company's continuing involvement in that asset. In this case, the Company also recognizes a related liability. The transferred asset and the related liability are measured on a basis that reflects the rights and commitments retained by the Company.

Continuing involvement in the form of the guarantee of the transferred asset is recognized at the lower amount between the carrying amount of the asset and the maximum amount of consideration received that the Company might be required to repay.

### **Offsetting financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is recorded in the statement of financial position only when the Company legally holds that right and intends to offset them on a net basis with each other or to claim the asset and settle the obligation at the same time. The legal right shall not depend on future events and shall be applicable in the ordinary course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### **Trade and other receivables**

The Company applies the simplified approach under IFRS 9 in order to calculate expected credit losses. Provision for impairment is always measured at an amount equaling expected credit losses over the life of the receivable. In order to determine expected credit losses in relation to trade and other receivables, the Company uses a table recording provisions for credit losses based on the maturity of the outstanding receivables. Provisions for credit losses are based on historical data taking into account future factors in relation to debtors and the economic environment.

### **Cash and cash equivalents**

Cash available include cash, sight deposits, short-term investments up to 3 months of high liquidity and low risk. Cash and cash equivalents have a negligible risk of a change in value.

### **Share capital**

Share capital includes the common shares of the Company, included in equity. The consideration paid in excess of the nominal value per share is recorded in the "Share premium" account in equity.

Direct costs for the issue of shares are shown as a reduction in the product of the issue. Direct costs associated with the issue of shares for the acquisition of an enterprise are recognized in the income statement.

Acquisition cost of equity shares is deducted from the Company's equity until the equity shares are sold or canceled. Any gains or losses on disposal of equity less costs and taxes directly attributable to the transaction are included in equity as reserves.

### **Loan liabilities**

Loan liabilities are initially recorded at fair value, less any direct expense for the transaction. Afterwards, they are measured at amortized cost, applying the effective interest method. Any difference between

the amount received (net of related costs) and the redemption value, is recognized in the income statement under the effective interest method.

### **Borrowing costs**

Financial expenses relating to construction of property, plant and equipment are capitalized for the period required to complete the construction. All other borrowing costs are recognized in the income statement when incurred.

### **Current and deferred income tax**

Taxation for the year includes current tax and deferred tax. Tax is recognized in profit or loss unless it relates to the items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax expenses include income tax arising from the Company's profits as restated in tax returns and provisions for additional taxes and surcharges for unaudited fiscal years. Current tax expenses are calculated in accordance with the applicable tax rates as already incorporated in the tax legislation or expected to be incorporated.

Deferred income tax is determined applying the liability method that arises from the temporary differences between the tax base and the carrying amount of assets and liabilities. Deferred income tax is not accounted for, if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or tax profit or loss.

Deferred tax assets are recognized to the extent there will be a future taxable profit for the use of the temporary difference generating deferred tax asset receivable.

Deferred tax is determined applying the tax rates (and tax legislation) effective as at the balance sheet date and expected to be applied when deferred tax asset receivable is realized or deferred tax liability is settled.

### **Trade liabilities**

Trade liabilities are initially recognized at fair value and subsequently measured under the amortized cost method applying the effective interest rate. Liabilities are classified as short-term if the payment is due within one year or less. If not, they are classified as the long-term liabilities.

### **Employee benefits**

#### **a) Post-Employment Benefits**

Defined benefit plan relates to the legal obligation to pay the employees a lump sum compensation on the date of retirement. The liability for this plan is recognized in the statement of financial position and comprises of the present value of the defined benefit obligation depending on the accrued employee's entitlement and the time when it is expected to be paid. The commitment of the defined benefit is calculated on an annual basis, applying the projected unit credit method.

The present value of the defined benefit plan is calculated by discounting the expected future cash outflows, applying high-quality corporate bond rates expressed in the currency, in which the benefit is to be paid, and whose maturity approximates the term of the relevant pension liability.

The current service cost of the defined benefit plan is recognized in the income statement unless it is included in the cost of an asset. The current service cost reflects the increase in the defined benefit obligation resulting from employee employment during the fiscal year, as well as changes due to cuts or settlements.

Past service cost is recognized directly in the income statement.

Net interest cost is calculated as the net amount between the defined benefit plan liability and the fair value of the plan assets applying the discount rate. This cost is included in the income statement in employee benefits account.

Actuarial gains and losses arising from empirical adjustments and from changes in actuarial assumptions are recognized in other comprehensive income for the period when incurred.

## **b) Defined contribution plans**

Regarding defined contribution plans, the Company pays contributions to public insurance funds, whether mandatory or contractual. After payment of the contributions, no further commitment is effective regarding the Company. Contributions are recognized as employee benefits when they become payable. Prepayments are recognized as an asset to the extent the prepayment will lead to a reduction in future payments or a refund.

## **Provisions, contingent liabilities and contingent receivables**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that it will be settled through an outflow of resources and a liability can be estimated reliably. Provisions are reviewed at every balance sheet date and are adjusted to reflect the present value of the expenses expected to be required to settle the liability. If the effect of the time value of money is significant, provisions are calculated by discounting expected future cash flows with a pre-tax rate, reflecting the current market estimates for the time value of money and, where necessary, the risks related to the particular liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources including economic benefits is low. Contingent receivables are not recognized in the financial statements but are disclosed when an inflow of financial benefits is probable.

## **Recognition of revenue and expenses**

**Revenue:** Revenue includes the fair value of revenue net of stamp duties or Value Added Tax, discounts and refunds. Revenue is recognized as follows:

- Income from rentals is recognized in profit or loss on a straight-line basis over the lease term.
- Income from construction and disposal of real estate. The Company's property under construction is recorded as inventory. At the time of the irrevocable sale contracts, when risk and benefits arising from the ownership of the property, are transferred to the buyer and to the extent when after signing the above contracts, significant construction work is still to be carried out, the relevant revenue is recognized based on the percentage completion method.
- Income from rendering services is recognized in the period when the services are rendered, based on the stage of completion of the service rendered in relation to all the rendered services. The stage of completion is calculated on the basis of total costs up to the balance sheet date as a percentage of the total estimated costs for each contract. Costs are recognized in the period when incurred. When the outcome of a contract cannot be calculated reliably, income is recognized only to the extent that the expenses incurred are likely to be recovered.
- Income from interest is recognized on a time proportion basis applying the effective interest rate.
- Dividends are recognized as income when the right to receive them is established.

**Expenses:** Expenses are recognized in the income statement on an accrued basis.

## **Distribution of dividends**

Distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements at the date when the distribution is approved by the General Meeting of Shareholders.

## **Earnings per share**

Basic earnings per share are calculated by dividing net earnings by the weighted average number of common shares outstanding on annual basis, excluding the weighted average number of common shares acquired by the Company as equity shares.

### Segment reporting

The Company constructs buildings and sells buildings and plot of lands in Greece. It also leases property domestically. The Management considers construction, disposal and rental of real estate as its sole operation and the entire of Greek territory as one geographical area.

## 3. Financial risk management

### Interest rate risk

The Company is exposed to interest rate fluctuations risk due to its borrowings. Decreases in interest rates positively affect the Company's Income Statement, while increases in interest rate affect it negatively.

The effect on the Company's Income Statement and Equity of an increase or a decrease in interest rate by one percentage point would equal  $\pm 35,5$  k Euro as at 31.12.2019 versus  $\pm 39,4$  k Euro as at 31.12.2018.

### Foreign currency translation risk

The Company is not exposed to foreign currency translation risk since it has no transactions in foreign currency.

### Risk related to Real Estate

The most significant part of the Company's Real Estate is claimed by third parties or is under expropriation. Real state items under expropriation are measured at acquisition cost, while real estate items claimed by third parties have been fully impaired in the previous years.

### Fair value risk

The Company's management conducts estimates and assumptions regarding the fair value of its equity instruments, which may differ from the actual results.

### Fair value determination

The table below presents financial assets (investments presented in Financial Assets at Fair Value through Other Income) measured at fair value, per specific valuation technique:

**Level 1:** Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for the same assets or liabilities.

**Level 2:** Investments that are valued at fair value, using valuation techniques for which all inputs that significantly affect the fair value, are based (either directly or indirectly) on observable market data.

**Level 3:** Investments that are valued at fair value, using valuation techniques, in which the data that significantly affects the fair value, is not based on observable market data.

	31/12/2019			
	Total	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income	5.800.424	0	0	5.800.424
<b>Total</b>	<b>5.800.424</b>	<b>0</b>	<b>0</b>	<b>5.800.424</b>

	<b>31/12/2018</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets at fair value through other comprehensive income	5.924.561	0	0	5.924.561
<b>Total</b>	<b>5.924.561</b>	<b>0</b>	<b>0</b>	<b>5.924.561</b>

The carrying amounts of the following financial assets and liabilities approximate their fair value due to their short-term nature.

- Trade and other receivables
- Cash and cash equivalent
- Suppliers and other liabilities

The fair value of long-term and short-term bank loans does not differ from their carrying amounts due to the application of variable interest rates.

### Credit risk

The Company is not exposed to credit risk due to limited operations.

### Liquidity risk

"Liquidity risk" reflects the Company's inability to settle, in full or in due time, its current and future financial liabilities when they become effective, due to lack of necessary liquidity.

The monitoring of the Company's liquidity risk focuses on management of cash flows and outflows for every period, in order to facilitate that, under normal circumstances, the Company will be in position to settle its cash flows.

The Company's liquidity is monitored by the Management at regular intervals. The following table presents maturity analysis of the Company's financial liabilities as at December 31, 2019 and December 31, 2018:

<i>Amounts in Euro</i>	<b>31/12/2019</b>			
	<b>Current</b>		<b>Non Current</b>	
	<b>Less than 6 months</b>	<b>Between 6 &amp; 12 months</b>	<b>Between 1 &amp; 5 years</b>	<b>Over 5 years</b>
Bank Loans	88.472	139.444	3.909.938	0
Other Long term liabilities	0	0	13.893	0
Trade and other payables *	31.784	302.689	0	0
<b>Total</b>	<b>120.256</b>	<b>442.133</b>	<b>3.923.831</b>	<b>0</b>

<i>Amounts in Euro</i>	<b>31/12/2018</b>			
	<b>Current</b>		<b>Non Current</b>	
	<b>Less than 6 months</b>	<b>Between 6 &amp; 12 months</b>	<b>Between 1 &amp; 5 years</b>	<b>Over 5 years</b>
Borrowings	89.243	140.722	895.000	3.467.750
Other Long term liabilities	0	0	13.893	0
Trade and other payables *	17.744	621.425	0	0
<b>Total</b>	<b>106.987</b>	<b>762.147</b>	<b>908.893</b>	<b>3.467.750</b>

\* Analysis of the account "Suppliers and other liabilities" does not include the category "Income carried forward – Taxes" since the liability in question will not be settled in cash, given the equal receivables. Analytical reference is presented in Notes 4 .4. "Trade and other receivables" & 4.10 "Suppliers and other liabilities".

### Capital risk management

The Company's objective in relation to its capital structure, which includes equity and loan financing, is to ensure its ability to continue as a going concern in the future and maintain the ideal capital structure in terms of cost.

In order to maintain or adjust its capital structure, the Company may change dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its borrowings.

The Company monitors its capital structure and borrowing based on the leverage ratio, which arises from the result of net borrowings divided by total working capital.

Net borrowings are calculated as total borrowings, long-term and short-term as recorded in the statement of financial position, less cash and cash equivalents.

Total working capital is calculated as total equity as recorded in the statement of financial position plus net borrowings.

The leverage ratios as at December 31, 2019 and December 31, 2018 respectively, are presented below as follows:

<b><i>Amounts in Euro</i></b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Debt	3.529.167	3.580.076
Cash and cash equivalents	-190.625	-1.428.738
<b>Net borrowings</b>	<b>3.338.542</b>	<b>2.151.339</b>
Total Equity	3.519.197	4.162.760
Net Debt	3.338.542	2.151.339
<b>Total capital employed</b>	<b>6.857.739</b>	<b>6.314.098</b>
<b>Leverage factor</b>	<b>48,68%</b>	<b>34,07%</b>



## 4. Notes to Financial Statements

### 4.1. Property, plant and equipment

Property, plant and equipment as at December 31, 2019 is analyzed as follows:

<i>Amounts in Euro</i>	Land	Buildings	Others	Assets Under Construction	Total
Acquisition cost at 31/12/2017	601.346	410.133	183.451	34.000	1.228.930
Less: Accumulated Depreciation	0	(365.350)	(182.505)	0	(547.855)
<b>Net book amount at 31/12/2017</b>	<b>601.346</b>	<b>44.783</b>	<b>946</b>	<b>34.000</b>	<b>681.075</b>
Additions	0	0	0	0	0
Depreciation charge	0	(5.899)	(344)	0	(6.243)
Acquisition cost at 31/12/2018	601.346	410.133	183.451	34.000	1.228.930
Less: Accumulated Depreciation	0	(371.249)	(182.849)	0	(554.098)
<b>Net book amount at 31/12/2018</b>	<b>601.346</b>	<b>38.884</b>	<b>602</b>	<b>34.000</b>	<b>674.832</b>
Additions	0	0	0	0	0
Depreciation charge	0	(4.881)	(316)	0	(5.198)
Acquisition cost at 31/12/2019	601.346	410.133	183.451	34.000	1.228.930
Less: Accumulated Depreciation	0	(376.130)	(183.166)	0	(559.296)
<b>Net book amount at 31/12/2019</b>	<b>601.346</b>	<b>34.003</b>	<b>286</b>	<b>34.000</b>	<b>669.634</b>

#### Analysis of owner-occupied real estate:

Description	Surface (M2)	Legal situation	Tax value Amounts in thous. €
OFFICES OF THE COMPANY: DAFNIS -DAVAKI - STEFANAKOU- ANONYMOYS STREET (OT 89)	PLOT 5.056 BUILDING 770	Under expropriation	8.812

The following is to be noticed regarding legal and urban regulations as far as the aforementioned real estate item is concerned:

On 19.04.2004, at Athens Administrative Court of Appeal of Athens (Section A1 - Cassation), a petition initiating third-party proceedings of Municipality of Filothei - Psychiko was heard against the decision No. 2238/2002 of the same Court, which accepted the Company's request for abolition of the expropriation in SS 11 and 89. The aforementioned application of the Municipality of Filothei -Psychiko was rejected by Decision No 1496/2004 of the Athens Administrative Court of Appeals. In response to this decision, Municipality of Filothei - Psychiko made an appeal to Council of State, which issued a decision No. 3627/2007 of the Council of State (Section E), repealing the abovementioned decisions 2238/2002 and 1496/2004 and is reassigning the case to the Management so that it could be re-examined in line with the claims of Municipality of Filothei -Psychiko.

The Company submitted a request to Municipality of Filothei -Psychiko for abolition of the expropriation and declassification of the property from a communal green space to a building site with a parallel modification of the approved urban plan.

### 4.2. Investment property

As at December 31, 2019, investment property account is analyzed as follows:

<b>Amounts in Euro</b>	<b>Land</b>	<b>Buildings</b>	<b>Assets Under Construction</b>	<b>Total</b>
Acquisition cost at 01/01/2018	55.881	190.998	547.924	794.803
Accumulated depreciation- impairment of vaule	0	(190.998)	0	(190.998)
<b>Net book amount at 01/01/2018</b>	<b>55.881</b>	<b>0</b>	<b>547.924</b>	<b>603.805</b>
Additions	0	0	72.600	72.600
Depreciation charge	0	0	0	0
Acquisition cost at 31/12/2018	55.881	190.998	620.524	867.403
Accumulated depreciation- impairment of vaule	0	(190.998)	0	(190.998)
<b>Net book amount at 31/12/2018</b>	<b>55.881</b>	<b>0</b>	<b>620.524</b>	<b>676.405</b>
Additions	0	0	11.200	11.200
Depreciation charge	0	0	0	0
Acquisition cost at 01/01/2019	55.881	190.998	631.724	878.603
Accumulated depreciation- impairment of vaule	0	(190.998)	0	(190.998)
<b>Net book amount at 31/12/2019</b>	<b>55.881</b>	<b>0</b>	<b>631.724</b>	<b>687.605</b>

Investment property is analyzed as follows:

<b>Description</b>	<b>Surface (M2)</b>	<b>Legal situation</b>	<b>Tax value Amounts in thous. €</b>
<b><u>PLOTS OF P. PSYCHIKO</u></b>			
MELETOPOYLOY 7 & REGIONAL STREET (SS 161)	1.049		1.573
AMADRIADON & BERENIKIS (SS 145)	1.100	Under expropriation	1.604
P. NIRVANA 1 & CHALEPA (SS 137)	2.084	Under expropriation	4.107
P. NIRVANA 1a & CHALEPA (off plan)	375	Under expropriation	
<b><u>PALATA AGORA (STORES)</u></b>			
KONTOLEONTOS -PASCHALIAS- CHRISANTHEMON - AMARILIDOS (SS 69)	PLOT 7.230 BUILDING 973	Usufruct right Usufruct right	
<b><u>PLOT OF CHALANDRI</u></b>			
ETHNIKIS ANTISTASIS 2 & KODROY – CHALANDRI (SS 325a)	1.035	Under expropriation	659

Regarding the real estate of Old Market of Psychiko, the Company holds its usufruct for the entire period of its duration, and therefore, it can exploit the property for the relevant period, but as an appellant it cannot proceed with its disposal.

Finally, it is to be noted that the Company is in the litigation procedures with the Greek State in respect of the real estate items, included in the recent decision of the Athens Court of Appeals (3039/2019), against which the Greek State filed an Appeal to the Supreme Court. The items in questions were derecognized from the Financial Statements in previous years.

These real estate items are as follows:

<b>Description</b>	<b>Surface (M2)</b>	<b>Legal situation</b>	<b>Tax value Amounts in thous. €</b>
<b><u>PLOTS OF P. PSYCHIKO</u></b>			
PERSEOS 11-19 & ANONYMOUS STREET (SS 132)	5.829	Under expropriation	8.499
NEFELIS 6 -ERAS – PERSEOS (SS 133)	7.094		13.962
<b><u>ex - QUARRY AREA</u></b>			
PSYCHIKO: Rocky area	31.000		388
PSYCHIKO: Rocky area	18.800		235

PSYCHIKO: Areas outside urban planning limits	193.867	Part of 185 acres Reafforested	5.640
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**Apartment**

PERSEOS 1-3 - ANONYMOUS STREET – DOLASIK (50%) (SS 132)	427		610
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The following is to be noted in respect of legal cases and urban regulations pertaining to the aforementioned real estate items:

- The Council of State issued the decision Num. 962/2003, regarding the appeal made by the Municipality of Filothei - Psychiko against the 1107/2001 Decision of the Athens Administrative Court of Appeal which qualified as appropriate for development the plot of land in SS 137, under the Decision Num. 7577/443/ 04.04.2007 of the Prefect of Athens, published in the Government Gazette (Government Gazette AAP 265 / 22.06.2007).

The Municipality of Filothei - Psychiko submitted to the Council of State the appeal Num. 5391/2007, for the annulment of the aforementioned decision of the Prefect, which was heard on 09.01.2013 after being postponed, as well as the appeal Num. 1447/2007, suspending the enforcement of the aforementioned decision, regarding which the Decision 829/2008 of the Committee of Suspensions of the Council of State was issued, which suspended the implementation of the aforementioned decision of the Prefect. Regarding the latter, the council of State issued the Decision Num. 1436/2016, which annulled the aforementioned decision (7577/443/04.04.2007) on abolition of the expropriation in SS 137. The Company has resubmitted the appeal for abolition of expropriation in accordance with the guidelines provide in the aforementioned decision of the Council of State.

- The Council of State issued a decision Num. 672/2006 regarding the appeal made by the Municipality of Filothei against the Num. 1051/2001 decision of Athens Administrative Court of Appeal (section A1 - Cassation), accepting the application of the Company for abolition of the expropriation of its real estate property a) of the item enclosed by Dolasik, Elikas Athanasiadis and Dafni streets (approximately 5 acres in the area qualified for development - former quarry), b) of the item of 1.233 M2 in SS 132, c) of four plots of land totaling 5.791 M2 (following the new remeasurement - totaling 5.829,14 M2) in SS 132 and d) of a land plot of 1.180 M2 in SS 161. The aforementioned decision of the Council of State partially eliminated the above mentioned Decision No. 1051/2001, in particular, only with respect to the item listed in a) case, which is included in the area claimed by the Greek State and was characterized under the city plan in 1988, as the area intended for broadening Elikas Athanasiadou Street, referring the case to the Management, so that the the Company's request for abolition of the expropriation could ne examined in line with the claims of the Municipality of Filothei - Psychiko.

Regarding items listed in cases b) and c) (of a total area of approximately 6,8 acres), they were qualified for development under Decision Num. 3409/202/2006 of the Prefect of Athens, which was published in the Government Gazette (GG No 238/28.03.2006), while the item listed in case b) has already been developed and constitutes residential area of the Company.

The Municipality of Filothei - Psychiko submitted to the Council of State an appeal Num. 3322/2006 asking the annulment of the aforementioned decision of the Prefect, which was heard after being postponed on 13.05.2009, as well as an appeal Num. E '743/2006 requesting the suspension of the implementation of the above decision, which was rejected by the decision of the Committee of Suspensions of the Council of State Num. 932/2006. The Council of State issued the Decision Num. 5479/2012, accepting the application of the Municipality of Filothei - Psychiko for the annulment of the Decision Num. 3409/202/2006 of the Prefect of Athens (Government Gazette D 238/28-3-2006) "the approved urban development plan in sections of SS 132 of the Municipality of Filothei - Psychiko".

In respect of item (d), the Company submitted an application to the Central Council of Urban Planning and Contestation (KESYPOTHA) of the Ministry of Environment and Energy for abolition of the expropriation. After examining the application, KESYPOTHA had a positive opinion and on 10.09.2018 issued "Amendments to the approved urban development plan in SS 161 of the Municipality of Filothei - Psychiko (Prefecture of Attica) determining the use of land, terms and limitations of the building construction" under which the property was declassified from a communal green space to a building site.

The Municipality of Filothei - Psychiko submitted to the Council of State (E Department) an application for the annulment of the aforementioned Decision, which will be heard following postponement on 23.10.2019, 11.12.2019 and 11.03.2020, on 17.06.2020.

- On 15.11.2006, following a postponement, the Council of State heard an appeal lodged by the Municipality of Filothei -Psychiko against the decision of Athens Administrative Court of Appeal (Section A1 - Cassation), which accepted the Company's application for abolition of the expropriation in SS 145. Regarding this issue, the E Section of the Council of State issued the Decision 975/2007, which refers the case to the Management, so that the application for abolition of the expropriation made by KEKROPS S.A. could be examined in line with the claims of the Municipality of Filothei - Psychiko. The case was heard at the Council of Urban Planning and Contestation (SY.PO.THA) of the Decentralized Administration of Attica, Regional Unit of the Northern Sector of Athens on 23.01.2017. The decision-making was initially postponed to facilitate provision of additional urban planning and ownership information. The Company has provided all the necessary information as required and the case was heard once more on 20.06.2019. SY.PO.THA partially accepted the proposal for modification of the road plan in SS 145 and disclosed its decision to the Ministry of Environment and Energy so that it could proceed with further actions.
- The Deputy Minister of Environment and Energy (YPEKA) remitted the abolition on expropriation of the Company's plot located between SS 325 and SS 338 in Kodrou Str. and Athinon Ave. (already Ethnikis Antistaseos), in Chalandri. The Company has filed an appeal to Athens Court of Appeal for determining a temporary unit price for compensation, regarding which the Athens' Single-Member Court of Appeal issued the Decision Num. 104/2018, defining the temporary price of a unit of compensation for the aforementioned property of the Company at the amount of five hundred fifty Euro per M2 regarding land as well as the temporary unit price compensation on the expropriated land, as specifically stated in the text of the Decision. Thereafter, the Company has filed an appeal to Athens Three Member Court of Appeal against the Municipality of Chalandri requesting determining the final price for compensation per unit as well as recognition of compensation beneficiary in respect of the property described above, which was heard on December 11, 2018 and the relevant decision (Department 1st State) was issued under Num. 5262/2019, determining the final price for compensation per unit of expropriated item as six hundred and fifty euro per square meter (€ 650,00/sq.m.) and the compensation for the items within the real estate of approximately thirteen thousand and five hundred euro (€ 13.500,00) as a total.
- The Greek State made an appeal to Athens Multi-Member Court of First Instance dated as of 01.12.1988, claiming an area of 300 acres in the area of Tourkovouni (Quarry of Psychiko), a part of which belongs to the Company. Regarding the aforementioned appeal, Athens Multi-Member Court of First Instance issued the Decision Num. 5722/1997, rejecting the appeal of the Greek State. The Greek State made another appeal to the Athens Court of Appeal, which was heard on 24.11.1998. When the data and evidence, demanded by the Court, were provided in full, the case was heard on 29.11.2011. Athens Court of Appeal issued the Decision Num. 2887/2012, postponing the final verdict and demanding additional evidence. When the required evidence was submitted, the case was heard on 08.04.2014 and the Decision Num. 3401/2014, accepting the appeal of the Greek State. The Company filed an appeal against the decision in question to the Supreme Court, which was heard on November 2, 2016 and the Decision Num. 447/2017 of the Supreme Court was issued requiring additional participation apart from that of the Greek State in support of the Company's claims so that the case could be heard again. Following the additional evidence, provided by the Company, the above appeal was to be heard on November 1, 2017, when it was postponed and was finally heard on January 24, 2018. The Supreme Court issued the Decision Num. 589/2018, accepting the appeal made by the Company against as of 3401/2014 Decision of Athens Court of Appeal. In particular, the Supreme Court dismissed the appeal against the Company since, notwithstanding the provisions of Article 281 of the Civil Code, Athens Court of Appeal rejected as unfounded the objection of abuse of the right to ownership of the Greek State, invoking KEKROPS, referring to the argument that for at least 70 years, the Greek State explicitly acknowledged its ownership through a series of demonstrative actions.

Thus, the case was heard at Athens Three-member Court of Appeal for a substantive verdict, in accordance with the above-mentioned verdicts of the Supreme Court, which were binding in respect of the Court of Appeal during the hearing of December 4, 2018, and the decision Num. 3039/2019 was issued essentially accepting the appeal and rejecting the file made by the Greek State and the decisions in favor of the Company were made.

On December 6, 2019, the Greek State submitted an Application for the Revocation of the above decision Num. 3039/2019. The hearing has been scheduled for September 23, 2020.

- An appeal for cancellation was made to Athens Administrative Court of Appeal, the association called "Association of Psychiko Real Estate Owners" questioning the validity of a) the Building Permits 130/17 and 231/12 issued by the Building Permits Department of Municipality of Agia Paraskevi, b) the Building Permit 1633/1996 issued by the Municipality of Agia Paraskevi, c) the decision of the Ministry of Culture ΥΠΠΟ/43680/ΔΠΚΑΝΜ/1394/16.09.1996, d) the decision of the Ministry ΥΠΠΟ/ΔΑΣΝΜ/29002/824/06.04.2009, e) the decision of the Ministry of Culture ΥΠΠΟ/31111/ΔΠΚΑΝΜ/813/01.09.1995 and f) any other decision revoking the Building Permit 1633/1996, concerning the Old Market of Psychiko. The Company made an appeal against the relative decision. The appeal was heard on 05.11.2018 and the decision Num. 2638/2019 was issued, which accepted our intervention, rejected the Cancellation Request regarding the urban issues (eg 130/2017 Building Permit) and referred the appeal to the Council of State as part of it is directed against a decision of the Ministry of Culture. Against this decision, as well as against the Building Permits Department of Municipality of Agia Paraskevi, the Minister of Culture and against our Company, the Association filed an appeal under Num. E 697/2020 to the Court of Appeals, scheduled for hearing on 29.04.2020, postponed for 13.05.2020 and further postponed for 24.06.2020.
- In view of the procedures regarding the above appeal for cancellation, the association called "Association of Psychiko Real Estate Owners" has also made an appeal to Athens Administrative Court of Appeal asking for suspension of the actions challenged in appeal for cancellation, which were related to the building permit of the Old Market of Psychiko. Following its Decision Num. 407/2017, the Court rejected the appeal in question.
- The association called "Association of Psychiko Real Estate Owners" and Mr. Georgios Liapis made an appeal to the Council of State against the Decision Num. 1322/2017 of Athens Administrative Court of Appeal, which partially accepted the appeal for cancellation of the above claimants, only regarding absence of the relative opinion of the Urban Planning and Design Control Committee (ΕΡΑΕ) in the building permit of the Old Market, which the Company has timely taken due care to obtain. The hearing of the above Appeal was set for October 24, 2018, and was postponed to be heard on 05.06.2019, 23.10.2019, 11.12.2019, 15.01.2020, 29.04.2020, 13.05.2020 and on 24.06.2020.
- The association called "Association of Psychiko Real Estate Owners" and the Municipality of Filothei - Psychiko, made an appeal to the Council of State (E Department) for cancelation of the Decision of the Ministry of Culture under Num. ΥΠΠΟΑ/ΓΔΑΜΤΕ/ΔΠΑΝΣΜ/ΤΠΑΝΣΜΜΤΠΙΤ/241322/26.07.2018 (ΑΔΑ ΨΙΔ94653Π4-ΨΧΓ) approving the use of the stores in the Old Market of Psychiko proposed by ΚΕΚΡΟΡS (SS 69) as well as the minutes Num. 16 (17.05.2018) of the Central Council of Monuments Preservation. The appeal was to be heard on 06.02.2019 and, following the postponements, on 13.03.2019, 29.05.2019, 30.10.2019, 12.02.2020 and 07.10.2020.

To the best of our knowledge, apart from the aforementioned cases, there are no other pending legal cases against the Company.

#### **4.3. Financial assets at fair value through other income**

The Company holds participating interest in the share capital of three real estate developers, operating in Lavrion.

In particular, the Company holds:

- 9.22% of the paid-up share capital of the Company under the title "EUROTERRA S.A. REAL ESTATE", namely: 45,427 common nominal shares of nominal value of 29,35 Euro each, of a total acquisition value of 3,622 k Euro. The Company was established in 1997 and its term of duration has been set as of 06.11.2050. This particular company owns a land plot of 97,262 sq.m. which occupies a single land plot, on which urban development is permissible, located in the most privileged position of the city of Lavrion, with a frontage of 400 m on the coastal road.
- 9.30% of the paid-up share capital of the Company under the title "REBIKAT S.A. REAL ESTATE", namely: 122,720 nominal shares of nominal value of 2.93 Euro each, of a total acquisition value of 360 k Euro. The Company was established in 1999 and its term of duration has been set as that of

50 years and owns 50% of a plot of land with a total area of 7,902.18 sq.m. and buildings 6,947.5 sq.m. (former industrial complex - spinning mill) in Lavrio, Attica.

- 9.70% of the paid-up share capital of the Company under the title "ABIES S.A. REAL ESTATE", namely: 89,515 nominal shares of nominal value of 2.93 Euro each, of a total acquisition cost of 263 k Euro. The Company was established in 2000 and its term of duration has been set as that of 50 years. The company used to own a land plot of a total area of 46,826 sq.m. in Lavrio, Attica. The plot in question was sold at the end of FY 2019. On 17/01/2020, the Extraordinary General Meeting decided to pay cash to the shareholders by reducing the nominal value of shares by 2.35 Euro per share.

The fair values of the real estate of participating interests, as arising from the Valuation Reports prepared by independent certified valuers and the valuation techniques applied are presented in the table below as follows:

<b>Company</b>	<b>Real Estate Item Fair Value</b>	<b>Real Estate Item</b>	<b>Method</b>
EUROTERRA S.A.	71.700.000	Fair Value of Land Fair Value of Land Development Fair Value of Buildings Complex	Comparative Method Residual Method Income Method
REBIKAT S.A. (50% value of Plot)	2.807.000	Fair Value of Land Development and Buildings	Residual Method

The two valuations were based on the physical characteristics of the real estate, the permitted uses and the opportunity cost of the investments already made.

The Company's Management proceeded with valuation of its investments, based on the aforementioned estimates of the fair values of real estate items held by the companies EUROTERRA S.A. and REBIKAT S.A. as well as the financial statements of the aforementioned companies. The valuation of ABIES S.A. was based on its financial statements and the decisions of the Extraordinary General Meeting held on January 17<sup>th</sup> 2020.

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
<b>Company</b>		
EUROTERRA SA	5.313.687	5.340.540
REBIKAT SA	255.353	237.749
ABIES SA	231.384	346.272
<b>Total</b>	<b>5.800.424</b>	<b>5.924.561</b>

Changes in portfolio have been recorded as follows:

	<b>31/12/2019</b>	<b>31/12/2018</b>
<b>Balance at beginning of period</b>	<b>5.924.561</b>	<b>9.032.741</b>
Changes in fair value	(124.137)	(3.108.179)
<b>Balance at end of period</b>	<b>5.800.424</b>	<b>5.924.561</b>

#### 4.4. Trade and other receivables

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Trade receivables	1.617	4.189
Other debtors	2.905	5.246
Prepaid expenses	1.070	769
Advances to suppliers	201.208	8.000
Receivables from the State - VAT	203.708	159.876
Receivables from the State - Property tax	203.630	203.630
<b>Total Trade and Other Receivables</b>	<b>614.138</b>	<b>381.710</b>

The accounts "Receivables from the Greek State – Real Estate Tax" and the account "Income from Deferred Income - Taxes" in the item "Suppliers and other liabilities" in note 4.10 present claims against the Greek State amounting to € 203.6 k arising from the submitted appeals, under which the Company demands to be returned wrongfully submitted taxes and fees with the legally effective interest: 1) interest of € 133 k and 2) real estate tax amounting to € 70 k in respect of the expropriated real estate property of Company as at January 1, 2011.

Within the year, the Greek State, pursuant to the decision of the Athens Administrative Court of Appeal (No 3814/2016), returned wrongfully paid the Real Estate Tax (RET) with the legally effective interest for the real estate property under expropriation held by the Company as at January 1, 2013.

Receivables are allocated as follows, due to their maturity:

##### **Not past due and not impaired at the balance sheet date**

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Less than 3 months	2.687	4.189
Between 3 and 6 months	204.113	11.204
Between 6 months and 1 year	57.283	47.042
More than 1 year	0	0
<b>Sub Total</b>	<b>264.083</b>	<b>62.436</b>

##### **Not impaired at the balance sheet date but past due in the following periods:**

<b>Amounts in Euro</b>		
Less than 3 months	0	0
Between 3 and 6 months	0	0
Between 6 months and 1 year	0	0
More than 1 year	146.425	115.644
<b>Sub Total</b>	<b>146.425</b>	<b>115.644</b>
<b>Total</b>	<b>410.508</b>	<b>178.080</b>

Post due and non-impaired receivables pertain to the Company's claims against the Greek State for part of the VAT and other withholding fees.

#### 4.5. Cash available

Cash available is analyzed as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Cash in hand and at banks	190.625	1.428.738
<b>TOTAL</b>	<b>190.625</b>	<b>1.428.738</b>

#### 4.6. Equity

##### Share capital and share premium

The Company's shares are listed on Athens Stock Exchange.

The Company's share capital, following the share capital increase by € 4,885,019.72 through issue of 13,202,756 new shares of nominal value € 0.30, decided at the Annual General Meeting of Shareholders on 24.05.2017, amounts to € 5,941,240.20, divided into 19,804,134 common nominal shares with voting rights of nominal value € 0.30 each.

<b>DATE</b>	<b>Number of share</b>	<b>Nominal value</b>	<b>Share capital</b>
<b>31/12/2019</b>	19.804.134	0,30	5.941.240
<b>31/12/2018</b>	19.804.134	0,30	5.941.240

According to the Shareholders' Registry of the Company on 31.12.2019, the shareholders holding in excess of 5% of the paid-up share capital were the following:

<b>MAIN SHAREHOLDERS</b>	<b>Number of shares</b>	<b>Participation rate (%)</b>
GEK TERNA SA	7.421.662	37,48%
INTRADEVELOPMENT SA	6.795.848	34,32%
ALPHA BANK SA	1.324.560	6,69%
FREE FLOAT	4.262.064	21,52%
<b>Total</b>	<b>19.804.134</b>	<b>100,00%</b>

It is to be noted that on 31.12.2019, the members of the Board of Directors and key executives held no shares of the Company.

##### The Company's reserves are analyzed as follows:

<i>Amounts in Euro</i>	<b>Statutory reserves</b>	<b>Special reserves</b>	<b>Tax free and specific reserves</b>	<b>Fair value reserves</b>	<b>Reserves from actuarial gain/losses</b>	<b>Total</b>
<b>Balance 01/01/2018</b>	<b>386.000</b>	<b>173.352</b>	<b>10.632</b>	<b>(253.442)</b>	<b>5.362</b>	<b>321.905</b>
<i>Changes during the year</i>						
Fair Value Adjustment				(2.139.622)		(2.139.622)
<b>Balance 31/12/2018</b>	<b>386.000</b>	<b>173.352</b>	<b>10.632</b>	<b>(2.393.064)</b>	<b>5.362</b>	<b>(1.817.717)</b>
<i>Changes during the year</i>						
Fair Value Adjustment				(77.548)		(77.548)
<b>Balance 31/12/2019</b>	<b>386.000</b>	<b>173.352</b>	<b>10.632</b>	<b>(2.470.612)</b>	<b>5.362</b>	<b>(1.895.265)</b>



#### 4.7. Deferred tax assets / obligations

The table below presents the analysis of deferred tax assets/obligations.

<i>Amounts in Euro</i>	31/12/2019		31/12/2018	
	Receivables	Liabilities	Receivables	Liabilities
Share capital issuance costs	10.525	0	14.512	0
Financial assets at fair value through other comprehensive income	0	(373.321)	0	(419.910)
Accrued expense	0	0	0	(11.681)
Retirement benefit obligations	2.099	0	5.276	0
Accrued Expenses	6.120	0	0	0
<b>Total</b>	<b>18.745</b>	<b>(373.321)</b>	<b>19.788</b>	<b>(431.591)</b>
<b>Offsetting</b>	(18.745)	(18.745)	(19.788)	(19.788)
<b>Deferred Tax Liabilities</b>	<b>0</b>	<b>(354.576)</b>	<b>0</b>	<b>(411.804)</b>

Changes within the current and previous years in the Income Statement and the Equity are presented below:

<i>Amounts in Euro</i>	31/12/2019		31/12/2018	
	Income Statement Revenue / (Expenses)	Equity	Income Statement Revenue / (Expenses)	Equity
Share capital issuance costs	(3.986)	0	(3.943)	0
Financial assets at fair value through other comprehensive income	0	46.589	0	968.558
Accrued expense	11.681	0	(23.549)	0
Retirement benefit obligations	(3.177)	0	(366)	0
Accrued Expenses	6.120	0		
<b>Total</b>	<b>10.638</b>	<b>46.589</b>	<b>(27.859)</b>	<b>968.558</b>

Deferred income taxes are calculated on all temporary tax differences between the carrying amount and the tax value of assets and liabilities. Deferred income taxes are calculated applying the tax rates expected to be effective for the year, when the asset is realized or the liability is settled and are based on the tax rates (and tax legislation) effective or enacted at the balance sheet date. The Company has not calculated deferred tax asset on tax loss.

It is to be noted that the corporate income tax rate in Greece has been set at 24% for 2019 pursuant to Law 4646/2019.

As at 31/12/2019, regarding the Company, the effect of the gradual decrease in the income tax in the following years, as arising from revaluation of deferred tax assets and liabilities, has resulted in a decrease in the deferred liability of € 14,151.89. The decrease in deferred liability is allocated to equity by € 15,555.03 and to the income statement (deferred income tax expense) by € 1,403.14.

#### 4.8. End of service employee benefit obligations

Provisions for end of services employee compensation are as follows:

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Balance at start	21.104	19.457
Total expense charged in the income statement	(12.357)	1.647
<b>Liability in the Balance Sheet</b>	<b>8.747</b>	<b>21.104</b>

The amounts recorded in the statement of comprehensive income are as follows:

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Cost of current service	1.061	1.278
Interest expense	401	370
(Gains)/Losses on curtailment/settlements	(7.675)	0
Benefits paid	(6.144)	0
<b>Total</b>	<b>(12.357)</b>	<b>1.647</b>

The change of the obligation recorded in the Statement of Financial Position is as follows:

<b>Amounts in Euro</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Balance at the beginning of the period	21.104	19.457
Cost of current service	1.061	1.278
Interest expense	401	370
(Gains)/Losses on curtailment/settlements	(7.675)	0
Benefits paid	(6.144)	0
<b>Balance at the end of the period</b>	<b>8.747</b>	<b>21.104</b>

Key actuarial assumptions are presented below as follows:

	<b>31/12/2019</b>	<b>31/12/2018</b>
Discount rate	1,90%	1,90%
Future salary increase	2,00%	2,00%

Sensitivity analysis of changes in actuarial assumptions is as follows:

<b>31/12/2019</b>	<b>Discount rate 1,90%</b>	<b>Discount rate + 0,50%</b>	<b>Discount rate - 0,50%</b>	<b>Average remaining working life + 2 Years</b>	<b>Future salary increases +0,05</b>
<b>Retirement benefit obligations</b>	8.747,43	8.360,24	9.162,62	8.764,58	11.667,93
<b>Cost of current service</b>	1.061,47	568,79	1.582,21	1.078,65	3.982,00
<b>Interest expense</b>	401,00	506,50	295,46	400,98	400,98

#### 4.9. Long-term and short-term Loans

##### Non-current borrowings

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Bank borrowings	3.450.000	3.500.000
<b>Total non-current borrowings</b>	<b>3.450.000</b>	<b>3.500.000</b>

##### Current borrowings

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Current portion of non-current borrowings	79.167	80.076
<b>Total current borrowings</b>	<b>79.167</b>	<b>80.076</b>
<b>Total borrowings</b>	<b>3.529.167</b>	<b>3.580.076</b>

The bond loan has been granted with guarantees to the Bondholders and in favor of the Company by a) INTRACOM CONSTRUCTIONS S.A. up to the amount of € 1.226 k and b) by GEK TERNA S.A. up to the amount of € 1,340 k and there has been a provision of collateral on 50% of the shares incorporated into temporary securities held by the Company in its participating interest in Euroterra S.A., Rebikat S.A. and Abies S.A. The registered mortgage on two real estate items of the Company and on a horizontal real estate item of € 5.95 million remained unchanged.

Maturity of loan liabilities is analyzed as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Less 1 year	79.167	80.076
Between 1 and 2 years	100.000	100.000
Between 2 and 5 years	3.350.000	100.000
Over 5 years	0	3.300.000
<b>Total borrowings</b>	<b>3.529.167</b>	<b>3.580.076</b>

#### 4.10. Suppliers and other liabilities

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Trade payables	3.574	6.614
Advance to customers	299.472	615.472
Social security and other taxes	2.530	2.441
Professional and other fees payable	20.203	2.896
Other Taxes	7.742	10.647
Accrued Expenses	952	1.099
Income carried forward - Taxes	203.630	203.630
<b>Total</b>	<b>538.103</b>	<b>842.799</b>

Advance from customers pertain to advance payment under a private preliminary agreement on disposal of a land plot of 1.2 acres located in street section (SS) 132 in the Community of Psychiko, Municipality

of Filothei - Psychiko, for a total consideration of € 2.4 million. The specific area is part of a plot of land which is included in the decision 3039/2019 and is being expropriated, with a total area of 5,829.14 sq.m.

The item "Income carried forward – Taxes" pertain to the amounts of taxes and duties the Company demands to be returned plus the legally effective interest from the Greek State as referred to in Note 4.4.

#### 4.11. Revenue

The Company's revenue is analyzed as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Rental Income	11.400	13.306
Sales of services	1.304	1.272
<b>Total</b>	<b>12.704</b>	<b>14.577</b>

#### 4.12. Expenses per category

Expenses incurred in 2019 and 2018 are recorded below as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>		
	<b>Operating expenses</b>	<b>Operational expenses</b>	<b>Total</b>
Employee benefit expense	0	62.884	<b>62.884</b>
Consultancy, administration and other professional fees	106.994	85.861	<b>192.855</b>
Subcontractors' fees	0	0	<b>0</b>
Utilities	23.656	8.157	<b>31.813</b>
Repair and maintenance costs	0	907	<b>907</b>
Property taxes	164.166	0	<b>164.166</b>
Other taxes	258	42	<b>299</b>
Other expenses	19	10.728	<b>10.747</b>
Depreciation of tangible assets	0	5.198	<b>5.198</b>
<b>Total</b>	<b>295.093</b>	<b>173.777</b>	<b>468.870</b>

<i>Amounts in Euro</i>	<b>31/12/2018</b>		
	<b>Operating expenses</b>	<b>Operational expenses</b>	<b>Total</b>
Employee benefit expense	0	55.582	<b>55.582</b>
Consultancy, administration and other professional fees	35.620	94.574	<b>130.194</b>
Subcontractors' fees	1.200	0	<b>1.200</b>
Utilities	61.020	8.998	<b>70.018</b>
Repair and maintenance costs	71	455	<b>526</b>
Property taxes	150.779	0	<b>150.779</b>
Other taxes	1.228	8	<b>1.235</b>
Other expenses	8	8.125	<b>8.133</b>
Depreciation of tangible assets	0	6.243	<b>6.243</b>
<b>Total</b>	<b>249.927</b>	<b>173.983</b>	<b>423.910</b>

#### 4.13. Employees' fees

Employees' fees, effective in 2019 and 2018, are analyzed as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Wages and salaries	61.699	43.931
Social security costs	13.943	10.373
Provision for personnel retirement benefit	(12.758)	1.278
<b>Total</b>	<b>62.884</b>	<b>55.582</b>

The average headcount at the end of the current year was 3 persons, like last year.

#### 4.14. Other income / (expenses)

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
<b>Other Expenses</b>		
Tax fines and surcharges	0	(449)
Other non-recurring expenses	(2.396)	653
<b>Sub-total</b>	<b>(2.396)</b>	<b>204</b>
<b>Other incomes</b>		
Income from unused provisions	55.067	13.767
Other non-recurring income	688	53.134
<b>Sub-total</b>	<b>55.755</b>	<b>66.901</b>
<b>Total</b>	<b>53.360</b>	<b>67.104</b>

#### 4.15. Financial results

Financial revenue and expenses are analyzed as follows:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Interest cost of retirement benefit obligations	401	370
Interest expense for bank borrowings	179.056	185.998
Other banking expenses	833	3.050
<b>Total</b>	<b>180.290</b>	<b>189.418</b>
<b>Financial Income</b>		
Interest income	7.443	10.709
<b>Total</b>	<b>7.443</b>	<b>10.709</b>
<b>Financial Results</b>	<b>172.846</b>	<b>178.708</b>

#### 4.16. Income tax

Income tax is analyzed as follows in the income statement:

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Current tax	(1.000)	(1.000)
Deferred tax	10.638	(27.859)
<b>Total taxes</b>	<b>9.638</b>	<b>(28.859)</b>

Tax returns statement is submitted on an annual basis, while the declared gains or losses remain temporary until the tax authorities inspect the Company's books and records and the final audit report is issued.

The unaudited fiscal years of the Company, taking into account the fact that until the financial statements approval date no audit order has been disclosed by the competent tax authorities, are from 2014 to 2019.

Regarding FYs 2013, 2014 and 2015, the Company has been subject to the tax audit of the Certified Public Accountants, in compliance with the provisions of Article 65A, Law 4174/2013, as amended and effective, and an Unqualified Conclusion Tax Compliance Certificate was issued.

From the fiscal year 2016 onwards, the issue of tax certificate is optional, so the Company's Management has decided not to be subject to the tax audit of the Certified Public Accountants for the fiscal years 2016, 2017, 2018 and 2019.

#### 4.17. Earnings per share

Earnings per share are calculated through dividing profits proportionally attributable to the Company's shareholders by the weighted average number of shares outstanding during the year, without taking into account the shares that have been potentially acquired by the Company, listed as treasury shares.

<i>Amounts in Euro</i>	<b>31/12/2019</b>	<b>31/12/2018</b>
Profit/(loss) after taxes	(566.014)	(118.687)
Weighted average number of shares	19.804.134	19.804.134
<b>Profit /(Loss) per share (€/share)</b>	<b>(0,029)</b>	<b>(0,006)</b>

#### 4.18. Contingent liabilities

The Company's tax obligations for FYs 2014 - 2019 have not been inspected by the tax authorities and, therefore, are not final as far as the aforementioned FYs are concerned.

#### 4.19. Related parties' transactions

All transactions with related parties are performed in compliance with the regular market conditions.

##### *Amounts in Euro*

##### **Sales**

<b>Company Name</b>	<b>Explanation</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
GEK - TERNA S.A.	Sales of services	1.304	1.272
<b>Total</b>		<b>1.304</b>	<b>1.272</b>

**Expenses / Purchases**

<b>Company Name</b>	<b>Explanation</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
INTRAKAT S.A.	Interest expenses under loan agreement		30.055
Management Executives and Administration Members	Fees	48.000	48.000
<b>Total</b>		<b>48.000</b>	<b>78.055</b>

**Amounts in Euro****Receivables**

<b>Company Name</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
GEK - TERNA S.A.	1.617	3.227
<b>Total</b>	<b>1.617</b>	<b>3.227</b>

**Liabilities**

<b>Company Name</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
INTRAKAT S.A.	299.472	615.472
<b>Total</b>	<b>299.472</b>	<b>615.472</b>

Liabilities to INTRAKAT are analyzed in Note 4.10.

**4.20. Subsequent events**

The Company monitors recent evolutions regarding the rapid spread of Coronavirus (COVID-19) and examines any potential effects it will have on its financial position and operations. Due to the fact that it is not currently possible to predict exactly what the evolutions will be globally as well as in the Greek economy, the Company will be later on able to determine how these evolutions will affect its operations, financial performance, cash flows and financial position. As a result, the Management cannot currently quantify any adverse effects. In addition, due to the temporary suspension of operations of all Courts and Prosecutions in the country until 27.4.2020, the Management considers that there is a possibility of postponing the trial of pending cases related to its real estate.

The Company announces that, following the Application of the Greek State before the Supreme Court for the Appeal on 6.12.2019, for the decision No. 3039/2019 of the Athens Court of Appeals, which in essence accepted the Company's appeal and rejected the action of the Hellenic State, a trial date was set for September 23, 2020.

The Company announces that on 30.04.2020 the disposal of raised funds was completed with the Company's share capital increase through cash payment and preference rights in favor of the old shareholders, based on the of 24.05.2017 decision of the Annual General Meeting of the Shareholders of the Company "HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES K E K R O P S S.A." and Num. 19/799/31.10.2017 decision of the Board of Directors of the Hellenic Capital Market Commission.

The completion of the raised funds disposal is presented in the following table:

<b>Category of Use of Raising Funds</b> (amounts in thousands Euro)	<b>Projected use according to the Bulletin</b>	<b>Allocated funds until 30/04/2020</b>	<b>Unallocated Balance as at 30/04/2020</b>
<u>Financing of working capital</u>			
Operating Expenses	742	742	-
Tax Repayment	581	581	-
Third Parties Liabilities Repayment	1.890	1.890	-
Bank Loans Repayment	1.220	1.220	-
Post Due Debts Repayment	343	343	-
Share Capital increase expenses	109	109	-
<b>Total</b>	<b>4.885</b>	<b>4.885</b>	<b>-</b>

In addition to the above, there are no other subsequent events as of December 31, 2019 concerning the Company for which reference is to be made pursuant the International Financial Reporting Standards (IFRS).

**P. Psychiko, June 10, 2020**

The Chairman of the BoD

The Managing Director

The Financial Director

**Dimitrios Ch. Klonis**  
ID Num. AK121708

**Petros K. Souretis**  
ID Num. AN 028167

**Kyriaki G. Anastopoulou**  
ID Num. AH 135720



**HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES**  
**KEKROPS S.A.**  
**GEMI Num. 223301000**  
**HEADQUARTERS AND ADDRESS: 6, Dafnis St., 154 52, P. Psychiko**

### **TABLE OF APPROPRIATION OF FUNDS**

It is hereby disclosed that in compliance with the decision of Athens Stock Exchange as of 02.11.2017 following the increase of the share capital of the Company through cash payment and preference rights in favor of the old shareholders, based on the decision of the Annual General Meeting of the Shareholders of HOTEL – TOURIST – CONSTRUCTION & QUARRY SERVICES "KEKROPS S.A." as at 24.05.2017 and Num. 19/799/31.10.2017 decision of the Board of Directors of the Hellenic Capital Market Commission, a net amount of Euro 4,775,804.72 (Euro 4,885,019.72 less expenses of 109,215.00 Euro) was raised. The period for exercising the pre-emptive right was from 06.11.2017 to 20.11.2017. The aforementioned increase resulted in 13,202,756 new nominal shares listed for trading on 04.12.2017. The Company's Board of Directors verified the increase of the Share Capital on 24.11.2017. The funds raised in relation to the Prospectus were made available until 31/12/2019, according to the table presented below. Following the completion of the Share Capital Increase the share capital of the Company amounted to 5,941,240.20 Euro, divided into 19,804,134 common nominal shares of nominal value 0.30 Euro each, while share premium amounting to 924,192.92 Euro has been credited to the account "Share Premium".

<b>Use of Funds Raised</b> (amounts in thousand Euro)	<b>Total Funds Raised</b>	<b>Total funds used until 31/12/2019</b>	<b>Remaining Amount for disposal at 31/12/2019</b>
<u>Financing of working capital</u>			
Operating Expenses	742	742	-
Repayment of Taxes	581	581	-
Repayment of Third Parties Liabilities	1.890	1.890	-
Repayment of Bank Loans	1.220	1.163	57
Repayment of outstanding arrears	343	343	-
Share Capital increase expenses	109	109	-
<b>Total</b>	<b>4.885</b>	<b>4.828</b>	<b>57</b>

From the total amount of the Share Capital Increase standing at to € 4,885 k intended for allocation until 31.12.2019, the amount of € 4,828 k was finally allocated and € 57 k remained unallocated.

In particular, regarding the above unallocated amounts in the category " Repayment of Bank Loans " 57 k was decided by the Board of Directors as of October 31, 2019 to be transferred for allocation to the same category until 30.04.2020, provided that the General Meeting approves it.

#### **Palaio Psychiko, June 10, 2019**

The Chairman of the BoD

The Managing Director

The Financial Director

**Dimitrios Ch. Klonis**  
ID Num. AK121708

**Petros K. Souretis**  
ID Num. AN 028167

**Kyriaki G. Anastopoulou**  
ID Num. AH 135720

## **Independent Auditor’s Report on Actual Findings of Agreed-upon-Procedures on “Report on Appropriation of Funds”**

To the Board of Directors of the Company “KEKROPS S.A.”

In compliance with the assignment we received from the Board of Directors of “KEKROPS S.A.” (the Company), we have conducted the below agreed-upon-procedures in the context of the regulatory framework of Athens Stock Exchange and the relevant legal framework of the capital market, regarding the Company’s Report on Appropriation of Funds pertaining to the share capital through cash payment performed on November 24, 2017. The Company’s Management is responsible for the preparation of the aforementioned Report. We have performed our engagement according to the International Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. Our responsibility is to perform the following agreed-upon procedures and disclose our findings to you.

### Procedures:

- 1) We have compared the amounts recorded as appropriated funds in the accompanying “Report of Appropriation of Funds raised from the Share Capital Increase through Cash Payment” with the corresponding amounts recognized in the Company’s books and records in the period when they were reported.
- 2) We have examined the completeness of the Report and the consistency of its content with the references made in the Prospectus, issued by the Company for this purpose, as well as with the relevant decisions and announcements of the competent bodies of the Company.

### Findings:

- a) The amounts per intended use recorded as appropriated funds in the accompanying “Report of Appropriation of Funds raised from the Share Capital Increase through Cash Payment” arise from the Company’s books and records in the period when they were reported.
- b) The report includes the minimum of the information, required for this purpose from the legal framework of the Athens Stock Exchange and the regulatory framework of the capital market, and is consistent with the references made in the Prospectus, as well as with the relevant decisions and announcements of the competent bodies of the Company.

Since the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any further assurance apart from that reported above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention, apart from those reported in the previous paragraph.

Our Report is addressed exclusively to the Company’s Board of Directors within the regulatory framework of Athens Stock Exchange and the relevant legal framework for the capital market. Therefore, the current Report is not to be used for any other purpose since it relates only to the amounts recorded above and does not extend to the financial statements prepared by the Company for FY 01.01 – 31.12.2019, regarding which we issued a separate Auditor’s Report on June 10, 2020.

Halandri, June 10, 2020

The Certified Public Accountant  
Dimitroula M. Apostolakou  
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184A, Kifisias Avenue, 152 31 Halandri  
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