

Quadratix Limited

Registrar of Companies Copy (signed)

Report and
financial
statements

31 December 2017

Certified true copy of the original Financial Statements
Directors' and Independent Auditors' report laid before the
Company's Annual General Meeting held on

Director:

Secretary:

CALMCO SECRETARIAL LTD

QUADRATIX LIMITED

FINANCIAL STATEMENTS
31 December 2017

QUADRATIX LIMITED

FINANCIAL STATEMENTS
31 December 2017

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QUADRATIX LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Stelios Loizou
Eleni Ierodiakonou
Themis Themistocleous
Aristotelis Karytinou
Thiresia Messari

Company Secretary:

Calmco Secretarial Ltd

Independent Auditors:

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Registered office:

21 Demostheni Severi
ANNA COURT, Floor 5
CY 1080, Nicosia
Cyprus

Registration number:

HE350057



Independent Auditor's Report To the Members of Quadratrix Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Quadratrix Limited (the "Company"), which are presented in pages 5 to 19 and comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and 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 give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.



Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink that reads "George C. Kazamias". The signature is written in a cursive style and ends with a long, sweeping horizontal stroke that tapers to a point on the right.

George C Kazamias
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 23 May 2018

QUADRATIX LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2017

	Note	2017 €	11/12/2015- 31/12/2016 €
Revenue	5	1,148,333	-
Direct property related expenses	7	(37,819)	-
Other expenses	6	(29,445)	(8,013)
Net loss from the fair value adjustment of investment property	10	(606,627)	-
Operating profit/(loss)		474,442	(8,013)
Interest income		539	-
Finance costs	8	(2,500)	-
Profit/(loss) before tax		472,481	(8,013)
Tax	9	(22,914)	1,002
Net profit/(loss) for the year/period		449,567	(7,011)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year/period		449,567	(7,011)


QUADRATIX LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2017

	Note	2017 €	2016 €
ASSETS			
Non-current assets			
Investment properties	10	24,397,000	-
Deferred tax assets	14	-	1,002
		<u>24,397,000</u>	<u>1,002</u>
Current assets			
Trade and other receivables	11	130,653	1,650
Cash at bank	12	1,042,050	-
		<u>1,172,703</u>	<u>1,650</u>
Total assets		<u>25,569,703</u>	<u>2,652</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	8,275	2,000
Share premium	13	25,083,610	-
Retained earnings /(accumulated losses)		442,556	(7,011)
Total equity		<u>25,534,441</u>	<u>(5,011)</u>
Current liabilities			
Trade and other payables	15	24,306	7,663
Current tax liabilities	16	10,956	-
		<u>35,262</u>	<u>7,663</u>
Total equity and liabilities		<u>25,569,703</u>	<u>2,652</u>

On 23 May 2018 the Board of Directors of Quadratix Limited authorised these financial statements for issue.


.....
Thiresia Messari
Director


.....
Eleni Ierodiakonou
Director

QUADRATIX LIMITED

STATEMENT OF CHANGES IN EQUITY 31 December 2017

	Note	Share capital €	Share premium €	Retained earnings/ (accumulated losses) €	Total €
Comprehensive loss					
Net loss for the period		-	-	(7,011)	(7,011)
Transactions with owners					
Issue of share capital	13	2,000	-	-	2,000
Balance at 31 December 2016/ 1 January 2017					
		<u>2,000</u>	<u>-</u>	<u>(7,011)</u>	<u>(5,011)</u>
Comprehensive income					
Net profit for the year		-	-	449,567	449,567
Transactions with owners					
Issue of share capital	13	6,275	25,093,725	-	25,100,000
Share capital increase related expenses	13	-	(10,115)	-	(10,115)
Balance at 31 December 2017					
		<u>8,275</u>	<u>25,083,610</u>	<u>442,556</u>	<u>25,534,441</u>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

QUADRATIX LIMITED

CASH FLOW STATEMENT

31 December 2017

	Note	2017 €	11/12/2015- 31/12/2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		472,481	(8,013)
Adjustments for:			
Net loss from the fair value adjustment of investment property	10	606,627	-
Interest income		(539)	-
		1,078,569	(8,013)
Changes in working capital:			
Increase in trade and other receivables		(129,003)	(1,650)
Increase in trade and other payables		16,644	7,663
Cash generated from/(used in) operations		966,210	(2,000)
Tax paid		(10,957)	-
Net cash generated from/(used in) operating activities		955,253	(2,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment property	10	(14,302,213)	-
Subsequent capital expenditure on investment property	10	(1,414)	-
Interest received		539	-
Net cash used in investing activities		(14,303,088)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		6,275	2,000
Proceeds from issue of shares at a premium		14,383,610	-
Net cash generated from financing activities		14,389,885	2,000
Net increase in cash and cash equivalents		1,042,050	-
Cash and cash equivalents at beginning of the year/period		-	-
Cash and cash equivalents at end of the year/period	12	1,042,050	-

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1. Incorporation and principal activities

Country of incorporation

The Company Quadratix Limited (the "Company") was incorporated in Cyprus on 11 December 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 21 Demostheni Severi, ANNA COURT, Floor 5, CY 1080, Nicosia, Cyprus.

Principal activities

In accordance with the Company's Article of Association, its purpose is to operate in the real estate investment market.

The Company is a member of the Group of NBG Pangaea REIC (incorporated in Greece), which on 31 December 2017 held 100% of the Company's share capital. The Company's financial statements are consolidated in the financial statements of the above Group by the full consolidation method, which in turn are consolidated in the financial statements of National Bank of Greece S.A.

The Company did not employ any personnel as of December 31, 2017.

These financial statements are available at the Company's Registered Office and on the website address of the parent company, NBG Pangaea REIC (<http://www.nbgpangaea.gr>).

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of its investment property.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2. Significant accounting policies (continued)

Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Interest income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Investment properties

Investment property, principally comprising shops and office buildings, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2. Significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company is exposed to credit risk primarily with respect to cash balances held as at the reporting date. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.3 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2017

4. Critical accounting estimates and judgments (continued)

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of investment property**

The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets. Further details on the valuation methodologies, assumptions used and sensitivity analysis is disclosed in Note 10.

5. Revenue

	2017	11/12/2015- 31/12/2016
	€	€
Rental income		
Total	1,148,333	-
	1,148,333	-

There were no contingent rental arrangements under the existing operating leases. Rental income is not subject to seasonality.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2017	11/12/2015- 31/12/2016
	€	€
No later than 1 year	1,563,510	-
Later than 1 year and no later than 5 years	6,301,086	-
Later than 5 years	14,864,165	-
Total	22,728,761	-

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

6. Other expenses

	2017	11/12/2015- 31/12/2016
	€	€
Auditors' remuneration	5,000	1,000
Accounting fees	3,100	-
Other professional fees	12,750	-
Incorporation expenses	-	4,300
Irrecoverable VAT	3,992	903
Stationery and printing	591	1,010
Other expenses	4,012	800
Total expenses	29,445	8,013

7. Direct property related expenses

	2017	11/12/2015- 31/12/2016
	€	€
Insurance (Note 17.7)	10,169	-
Defence contribution on rent	25,838	-
Other expenses	1,812	-
Total expenses	37,819	-

During the year ended December 31, 2017 direct property related expenses incurred in investment property that generated rental income.

8. Finance costs

	2017	11/12/2015- 31/12/2016
	€	€
Sundry finance expenses	2,500	-
Total expenses	2,500	-

9. Tax

	2017	11/12/2015- 31/12/2016
	€	€
Corporation tax - current year/period	21,912	-
Deferred tax - charge/(credit) (Note 14)	1,002	(1,002)
Charge/(credit) for the year/period	22,914	(1,002)

	2017	11/12/2015- 31/12/2016
	€	€
Profit / (loss) before tax	472,481	(8,013)
Tax calculated at the applicable corporation tax rate of 12.5%	59,060	(1,002)
Tax effect of expenses not deductible for tax purposes	79,082	777
Tax effect of allowances and income not subject to taxation	(116,005)	-
Tax effect of tax losses (brought)/carried forward	(225)	225
Deferred tax - charge/(credit) (Note 14)	1,002	(1,002)
Charge / (credit) for the year / period	22,914	(1,002)

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

9. Tax (continued)

The corporation tax rate is 12.5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

10. Investment properties

	2017	2016
	€	€
Balance at 1 January	-	-
Additions	25,003,627	-
Fair value adjustment	(606,627)	-
Balance at 31 December	24,397,000	-

On March 21, 2017 the Company's Board of Directors decided its share capital increase by: a) the amount of €10,700,000 due to the contribution in kind on behalf of NBG Pangaea REIC to the Company of the 30.06.2016 agreement between NBG Pangaea REIC and Sklavenitis Cyprus Limited (prior name Chris Cash & Carry Limited) for the sale by the latter of properties in Limassol Cyprus (hypermarket and offices), with the issuance of 2,675 common ordinary shares with a par value of one (1) euro each and an issue price of four thousand (4,000) euros each and b) the amount of €14,400,000 to be paid in cash, with the issuance of 3,600 common ordinary shares, with a par value of one (1) euro each and an issue price of four thousand (4,000) euros each. The Company acquired the properties on April 6, 2017 for a total consideration of €24,000,000 (excluding acquisition related expenses of €1,003,627). The properties are leased to Sklavenitis Cyprus Limited with a 25-year duration.

The Company's investment property is measured at fair value. The table below presents the Company's investment property per business segment for 2017:

Country	Cyprus		
	Retail	Offices	Total
Fair value measurement level	3	3	
Fair value at the beginning of the period	-	-	-
Additions:			
Direct acquisition of investment property	23,398,165	1,604,048	25,002,213
Subsequent capital expenditure on investment property	1,323	91	1,414
Net (loss)/gain from the fair value adjustment of investment property	(753,758)	147,131	(606,627)
Fair value at the end of the period	22,645,730	1,751,270	24,397,000

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period, there were no transfers into and out of Level 3.

The property valuations are supported by appraisals performed by independent professionally qualified valuers for December 31 each year. The investment property valuation for the consideration of the fair value is performed taking into consideration the high and best use of each property given the legal status, technical characteristics and the allowed uses for each property. The valuations are based on at least two methods.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

10. Investment properties (continued)

Information about fair value measurements of investment property per business segment for 31.12.2017:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Cyprus	Retail	22,645,730	15% market approach and 85% DCF	125,684	8.33%	6.75%
Cyprus	Offices	1,751,270	15% market approach and 85% DCF	8,102	8.33%	6.75%

The last valuation of the Company's properties was performed at December 31, 2017 by independent valuers. For the Company's portfolio the market approach and the discounted cash flow (DCF) method were used.

The abovementioned valuation had as a result a net loss from fair value adjustment of investment property amounting to €606,627 (31.12.2016: Nil). The loss derives from capitalized expenses relating to the acquisition of the property (mainly transfer tax of €949,748).

Were the discount rate as at December 31, 2017, used in the DCF analysis, to increase or decrease by +/-10% from Management's estimate, the carrying amount of investment property would be lower by €1,887,908 or higher by €2,204,602, respectively.

Were the capitalization rate as at December 31, 2017, used in the DCF analysis, to increase or decrease by +/-10% from Management's estimate, the carrying amount of investment property would be lower by €349,462 or higher by €427,901, respectively.

11. Trade and other receivables

	2017	2016
	€	€
Trade receivables	127,075	-
Shareholders' current accounts - debit balances (Note 17.3)	-	1,650
Prepaid expenses (Note 17.8)	3,578	-
Total	130,653	1,650

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

12. Cash at bank

Cash balances are analysed as follows

	2017	2016
	€	€
Cash at bank (Note 17.2)	1,042,050	-
	1,042,050	-

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

13. Share capital & Share Premium

	2017			2016	
	Number of shares	Share capital €	Share premium €	Number of shares	Share capital €
Authorised					
Ordinary shares of €1 each	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>	<u>10,000</u>
		€			€
Issued and fully paid					
Balance at 1 January	2,000	2,000	-	-	-
Issue of shares	<u>6,275</u>	<u>6,275</u>	<u>25,083,610</u>	<u>2,000</u>	<u>2,000</u>
Balance at 31 December	<u>8,275</u>	<u>8,275</u>	<u>25,083,610</u>	<u>2,000</u>	<u>2,000</u>

On 21 March 2017, the Company issued 6,275 ordinary shares of €1 each at a premium of €3,999 per share. The share capital increase related expenses, which amounted to €10,115, have been deducted from share premium. As of December 31, 2017 total share premium amounted to €25,083,610.

14. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 8). The applicable corporation tax rate in the case of tax losses is 12.5%.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The movement on the deferred taxation account is as follows:

Deferred tax assets

	Tax losses €
Balance at 1 January 2016	-
Charged to:	
Statement of profit or loss and other comprehensive income (Note 9)	<u>1,002</u>
Balance at 31 December 2016/ 1 January 2017	1,002
Credited to:	
Statement of profit or loss and other comprehensive income (Note 9)	<u>(1,002)</u>
Balance at 31 December 2017	-

15. Trade and other payables

	2017 €	2016 €
Shareholders' current accounts - credit balances (Note 17.4)	-	6,663
Accruals	4,902	1,000
Other creditors	<u>19,404</u>	-
Total	<u>24,306</u>	7,663

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2017

16. Current tax liabilities

	2017	2016
	€	€
Corporation tax	10,956	-
Total	10,956	-

17. Related party transactions

The Company is controlled by NBG Pangaea REIC (parent company), incorporated in Greece, which owns 100% of the Company's shares and the National Bank of Greece, as ultimate parent Company. Both NBG Pangaea REIC and National Bank of Greece SA are listed on the Athens Stock Exchange.

All transactions with related parties have been carried out on the basis of the "arm's length" principle, i.e. under normal market conditions for similar transactions with third parties. The following transactions were carried out with related parties:

17.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2017	11/12/2015- 31/12/2016
	€	€
Directors' remuneration	2,400	-
Total	2,400	-

17.2 Cash balances

	2017	2016
	€	€
National Bank of Greece (Cyprus) (Note 12)	1,042,050	-
Total	1,042,050	-

17.3 Shareholders' current accounts - debit balances

	2017	2016
	€	€
Unpaid share capital	-	1,650
Total	-	1,650

The shareholders' current accounts are interest free, and have no specified repayment date.

17.4 Shareholders' current accounts - credit balances

	2017	2016
	€	€
Parent company	-	6,663
Total	-	6,663

The shareholders' current accounts are interest free, and have no specified repayment date.

17.5. Finance costs

	2017	11/12/2015- 31/12/2016
	€	€
National Bank of Greece (Cyprus) (Note 8)	2,500	-
Total	2,500	-

QUADRATIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2017

17. Related party transactions (continued)

17.6. Interest income

	2017	11/12/2015- 31/12/2016
	€	€
National Bank of Greece (Cyprus)	539	-
Total	539	-

17.7. Direct property related expenses – Insurance

	2017	11/12/2015- 31/12/2016
	€	€
Ethniki Insurance Cyprus Ltd. (Note 7)	10,169	-
Total	10,169	-

17.8. Trade and other receivables – Deferred expenses

	2017	2016
	€	€
Ethniki Insurance Cyprus Ltd. (Note 7)	3,578	-
Total	3,578	-

18. Contingent liabilities

The Company had no contingent liabilities as at December 31, 2017.

19. Commitments

The Company had no capital or other commitments as at December 31, 2017.

20. Events after the reporting period

On January 31, 2018 the Company signed a loan agreement with the Bank of Cyprus Ltd, for an amount of €15,000,000, relating to the refinancing of the acquisition of its investment property. The loan bears interest of 6-month Euribor plus a margin of 3.65% and has seven years maturity. The proceeds of the loan will be used for the financing of investments of the Group. The parent company, NBG Pangaea REIC, has given corporate guarantee up to the amount of €5,000,000 for liabilities of the Company under the abovementioned loan agreement.

There are no other significant events subsequent to the date of the financial statements relating to the Company for which disclosure is required by the IFRSs as endorsed by the EU.

Independent auditor's report on pages 2 to 4.

