NBG PANGAEA

NBG PANGAEA R.E.I.C.

INTERIM FINANCIAL REPORT
for the period from January 1 to June 30, 2019

This interim financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.

September 2019

All amounts expressed in € thousand, unless otherwise stated

Certification by Members of the Board of Directors pursuant to article 5 of Law 3556/2007

We, the members of the Board of Directors of the company NBG PANGAEA R.E.I.C., certify that to the best of our knowledge:

(1) The interim condensed financial information for the six-month period ended June 30, 2019 have been prepared in accordance with IAS 34 and IFRS as adopted by the European Union and present a true and fair view of the items in the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company and of the companies included in the consolidation.

(2) The Board of Directors report for the six-month period ended June 30, 2019 truly and fairly presents all information required by Article 5, Para 6 of Law 3556/2007.

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The Executive Member of the BoD	The Member of the BoD
Aristotelis Karytinos	Thiresia Messari	Athanasios Karagiannis

Semi-annual Board of Directors Report
of "NBG Pangaea Real Estate Investment Company"
on the Interim Condensed Financial Information
for the six-month period ended 30.06.2019

In accordance with the provisions of L.3556/2007 and the Decisions no. 1/434/3.7.2007, 7/448/11.10.2007 and 8/754/14.4.2016 of the Hellenic Capital Market Commission, we present below the Board of Directors Report of the Company (hereinafter Board of Directors or BoD) on the Interim Condensed Financial Information for the period from January 1, 2019 to June 30, 2019 (all amounts are expressed in € thousand, unless otherwise stated).

FINANCIAL POSITION OF THE GROUP

During the first semester of 2019, the Group continued with its increased investment activity in real estate, with the new investments being fully attached to the Company's strategy for the development of its portfolio with selected placement to properties with significant investment characteristics (see "SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2019" below). The new acquisitions were financed by loans. During the first semester of 2019, the Company entered into long-term loan agreements, as presented in Note 16 of the Interim Condensed Financial Information for the six-month period ended June 30, 2019. Part of the loans' proceeds refinanced existing long-term and short-term borrowings resulting in the extension of the weighted average maturity of the Group's loans from 2 years as of 31 December 2018 to 7 years as of 30 June 2019 (incl. options of the Company for the extension of the maturities). In addition, the weighted average interest rate (spread) on the Group's borrowings was formed to 3.24% as at 30 June 2019.

Through the abovementioned financings, the Company is able to support the expansion of its portfolio and its sustainable business growth, while promoting its strategic focus on sustainable development. More buildings in Greece will meet the latest standards of sustainability and environmental friendliness. It is noted that the Company will also be integrated into the research and evaluation system of the Global Real Estate Sustainability Benchmark ("GRESB"), which aims to enhance values through the evaluation and promotion of sustainability practices.

In the context of a prudent financial management policy, the Company's Management seeks to manage its lending (short and long term) by utilizing a variety of funding sources in accordance with its business planning and strategic objectives. The Company assesses its financing needs and available funding sources in the international and domestic financial markets and explores any opportunities to raise additional capital through borrowing in these markets.

As of June 30, 2019, the Group's real estate portfolio consisted of 373 (December 31, 2018: 349) commercial properties (mainly retail and offices), of a total leasable area of 1,317 thousand sq.m.. Three hundred and twenty nine (329) of those properties are located in Greece, mainly in prime areas. In addition, twenty six (26) properties are located in Cyprus, fourteen (14) properties are located in Italy, two (2) properties in Bulgaria and two (2) properties in Romania.

As of June 30, 2019 the fair value of the Group's investment property (incl. hotels and other related facilities, which are included in the line "Property and Equipment") of the Group amounted to €2,140,531 (December 31, 2018: €1,779,481) according to the valuation performed by the independent statutory valuers, i.e. the company "Proprius Commercial Property Consultants EPE" (representative of Cushman & Wakefield) and jointly the companies "P. Danos & Associates" (representative of BNP Paribas) and "Athinaiki Oikonomiki EPE" (representative of Jones Lang LaSalle) and the company " Hospitality Consulting Services S.A." for the properties outside Italy and the company "CBRE Valuations S.P.A." for the properties in Italy.

In addition, the Group owns residencial properties and land plots for the development of residential properties for sale (hereinafter "Real Estate Inventories"), the fair value of which as of June 30, 2019 amounted to €33,622 according to the valuation performed by the independent statutory valuer.

Finally, the Company participates with 40% in the company "AEP Chanion S.A.", owner of two land plots in Chania, Crete. The fair value of the land plots, according to the valuation performed by the independent statutory valuer, as of June 30, 2019 amounted to €8,600. The abovementioned investment is included in line "Investment in joint ventures" in the Statement of Financial Position as of 30 June 2019.

SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2019

A. CORPORATE EVENTS

1. On June 18, 2019 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €73,071 (i.e. €0.286 per share – amount in €), as dividend to its shareholders for the year 2018. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 18, 2018, the remaining dividend that was distributed amounted to €50,076 (i.e. €0.196 per share – amount in €).

2. On May 23, 2019 Invel Real Estate B.V. directly acquired 76,156,116 shares with voting rights in the Company, i.e. it acquired on a solo basis a percentage of 29.81% of the total number of voting rights of the Company. On the same date, May 23, 2019, CL Hermes Opportunities L.P. directly acquired, 7,281,997 shares with voting rights in the Company, i.e. 2.85% of the total number of voting rights in the Company. The above-mentioned percentage of 32.66% of voting shares was transferred to Invel Real Estate B.V. and CL Hermes Opportunities L.P. by National Bank of Greece S.A. Following those two acquisitions, National Bank of Greece S.A. does not own any shares or voting rights in the Company. Consequently, from the above mentioned date (May 23, 2019) onwards, National Bank of Greece S.A. no longer controls the Company by virtue of the Shareholders Agreement dated 30.12.2013 between National Bank of Greece S.A. and Invel Real Estate (Netherlands) II B.V., and consequently the control rights over the Company that, according to the law and the Company's articles of association, are conferred to Invel Real Estate (Netherlands) II B.V., in its capacity as majority shareholder of the Company with a percentage of 63.39% fully exercised by the latter.

B. INVESTMENTS

1. During the first semester of 2019, the Group proceeded with the below investments which contributed to the dispersion of the Group's real estate portfolio:

   - On June 25, 2019 the Company concluded the acquisition of the 100% of the management shares and 88.2% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus. CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). The consideration for the acquisition of the shares of CYREIT amounted to €140,437. The acquisition cost of the properties at the acquisition date amounted to €147,635 and its fair value amounted to €163,021, according to the valuation performed by the independent statutory valuers.

   - On May 31, 2019 the Company acquired 40.0% of the shares of the company "Alpha Investment Property Chanion Societe Anonyme" ("AEP Chanion S.A.") for a consideration of €3,472. The company owns two land plots in Chania of a total area of 11.4 thousand sq.m. The aim of the Company and its partners is the development and exploitation of these land plots taking into account the prime area in which they are located.

   - On April 25, 2019, the company Panterra S.A. was established in Maroussi, Attica. The share capital of the company amounts to €11,500 and divided to 1,150,000 common ordinary shares with a par value of €10 each. The Company owns 49% of the share capital of Panterra S.A. (refer to under 2 below).

- On February 22, 2019, the Company acquired 90% of the shares of Vibrana Holdings Ltd., in Cyprus. On April 18, 2019 the company Vibrana Holdings Ltd. acquired 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Public Company Limited" ("CTDC"), owner of the 5* hotel "The Landmark Nicosia" in Nicosia, Cyprus. The total consideration for the acquisition of the shares of CTDC amounted to €55,524 through a public offer submitted on February 26, 2019 for the acquisition of at least 90% and up to 100% of the shares of CTDC.The consideration that corresponds to the indirect percentage of the Company (90% of the 97.93%) amounted to €49,972. Vibrana, subsequent to April 18, 2019 and up to June 30, 2019, acquired an additional 0.2% of the shares of CTDC (for an additional consideration of €95), therefore as of June 30, 2019 owns 98.1% of the shares of CTDC. It is noted that, subsequent to June 30, 2019, Vibrana on August 13, 2019 exercised its rights to acquire the 100% of the shares of CTDC.

- On March 28, 2019, the Company proceeded with the acquisition of the majority stake (60%) of the share capital of the company Aphrodite Hills Resort Limited, in Paphos, Cyprus. Aphrodite Hills Resort has the only certified PGA National Cyprus golf course as well as hotel facilities and other properties related to the use, operation and exploitation of the resort. In addition, the company owns inventories which include residences and land plots for the development of residences and their subsequent sale. Pangaea's and its partners aim is to continue to expand the resort as there is a significant residual building factor for the development of additional housing. The fair value of the investment property, the hotel facilities and the other properties related to the hotel as well as the abovementioned inventories as of the acquisition date amounted to €89,007.

- On March 28, 2019, the Company proceeded with the acquisition of the majority stake (60%) of the share capital of the company Aphrodite Springs Public Limited in Paphos, Cyprus. Aphrodite Springs covers 150 hectares of land, adjacent to Aphrodite Hills Resort, and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses. The cost of the land plot at the date of the acquisition amounted to €8,108 and its fair value amounted to €25,500.

2. In addition, the Group during the first semester 2019 proceeded with the signing of binding offers for the acquisition of investment properties as presented below:

   - On May 14 and 15, 2019, the Company proceeded with the signing of preliminary agreements for the acquisition of a property located in Athens, for a total consideration of €5,875. From this amount, the company has already paid an amount of €1,170 as a prepayment. The total area of the property is approximately 5.3 thousand sq.m..

   - On May 13, 2019, the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of a company's shares, owner of a land plot in Aspropyrgos, Attica, on which a building will be developed that will be used as commercial warehouses with modern specifications. The total area of the building will be, upon completion of the construction, 5.2 thousands sq.m. and the building is already leased to a creditworthy tenant. The signing of the final contract is expected to take place by September 30, 2019, upon completion of the construction the building and its delivery for use to the tenant. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company on that date (with an estimated price for the property of €2,578). Within the context of the preliminary agreement, the Company paid, up to June 30, 2019, an amount of €773 as a prepayment.

   - On March 28, 2019 the Company agreed with the Bank of Cyprus Public Company Limited the acquisition of two adjacent commercial properties in Athens (one of which has a total area of 6.9 thousands sq.m. and is located on Syggrou Avenue and Lagoumtzi Avenue and the other has total area of 2 thousands sq.m. and is located on Evridamantos and Lagoumtzi Street) for a total consideration of €10,000. The properties were acquired by Panterra S.A. on which the Company participates with 49%. (See "EVENTS AFTER THE DATE OF THE INTERIM FINANCIAL STATEMENTS" below.)

FINANCIAL PERFORMANCE OF THE GROUP

Revenue: Total revenue of €79,451 for the six month period ended June 30, 2019 relates to:

1. Rental income of €65,998 for the period ended June 30, 2019, compared to €60,704 for the respective period of 2018, representing an increase of 8.7%. The increase on rental income mainly relates to rental income from new properties acquired by the Group during the second semester of 2018 and during the current period.
2. Revenue from hotel and other operations of €11,453 (compared to Nil for the respective period in 2018) which derived from the companies Aphrodite Hills Resort Limited & The Cyprus Tourism Development Public Company Limited (companies that were included in the Group during the first semester of 2019), and
3. Revenue from the sale of Real Estate Inventories, owned by Aphrodite Hills Resort Limited, of €2,000 (compared to Nil for the respective period in 2018).

Net gain / (loss) from the fair value adjustment of investment property: The stable recovery of the Greek economy, the increase of confidence and the strong fiscal performance were depicted in the commercial real estate market, which presents improving trends. The commercial real estate properties with investment characteristics similar to those of our Group's portfolio (investment grade properties) continue to hold a more advantageous position. As a result, the fair value of investment properties of the Group increased during the first semester of 2019 by €73,884 (compared to net gain of €29,675 of the previous period).

Personnel expenses (including remuneration to the members of the Board of Directors and its committees): The salaries and expenses of the personnel, the members of Board of Directors and its committees amounted to €7,461 for the first semester of 2019 compared to amount €1,400 of the prior period (increase €6,061). This increase is mainly due to the relative expenses amounting to €3,843 of the companies Aphrodite Hills Resorts και CTDC, which were acquired during the first semester of 2019 (see "SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2019" above). In addition, an amount of €1,774 is included in personell expenses for the first semester of 2019 which relates to the distribution of profit of the year 2018 to the personnel and to the members of the BoD, following the resolution of the Annual Genenal Meeting of the Company's Shareholders which took place on June 18, 2019.

Consumables used, net change in real estate inventories and impairment of real estate inventories: The consumables used, the net changes in real estate inventories and the impairment of real estate inventories amounted to €6,705 for the first semester of 2019 compared to Nil of the respective period in 2018. The increase is attributable to the companies Aphrodite Hills Resort and the The CTDC.

Other Expenses: Other expenses of the Group for the first semester of 2019 amounted to €6.617 compared to €1,119 of the previous period (increase €5,498). The aforementioned increase is mainly due to the incorporation of the new investments to which the Company proceeded with during the second semester of 2018 and during the first semester of 2019 (indicatively Aphrodite Hills, CTDC, etc.).

Operating Profits / (Losses): Operating profits of the Group for the first semester of 2019 amounted to €124,263 compared to operating profits of €81,327 of the previous period. Excluding the net gain from the fair value adjustment of investment property (first semester 2019: net gain of €73,884, first semester 2018: net gain of €29,675) and the impairment of real estate inventories (first semester 2019: €2,889, first semester 2018: Nil), the Group's operating profits for the six-month period ended June 30, 2019 amounted to €53,268 compared to €51,652 of the previous period (an increase of 3.1%).

Finance costs: The Group's finance costs for the first semester of 2019 amounted to €14,583 compared to €10,728 of the prior period (increase 35.9%). The increase is mainly attributable to the new that the Group concluded during the first semester of 2019 as well as to the loans of the companies acquired during the second semester of 2018 and the first semester of 2019 (as it is presented in detail in the Note 16 of the Interim Contensed Financial Statements for the six months period ended on 30 June 2019).

Taxes: As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.2778/1999 as in force, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the recent amendment introduced by the article 46, par. 2 of L.4389/2016 to article 31, par. 3 of L.2778/1999, the tax for each semester cannot be lower than 0.375% on its average investments plus cash and cash equivalents, at current prices. The subsidiaries of the

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Company in Greece, Karolou Touristiki S.A., Irina Ktimatiki S.A. and Anaptixi Fragokklisia S.A. have the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L. in Italy, Egnatia Properties S.A. in Romania, Quadratix Ltd., Lasmane Properties Ltd., Aphrodite Hills Resort Limited, Aphrodite Springs Public Company, CYREIT Variable Investment Company Plc and Vibrana Holdings in Cyprus and PNG Properties EAD and I&B Real Estate EAD in Bulgaria are taxed on their income, based on a tax rate equal to 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six - month period ended June 30, 2019.

Taxes at a Group level amounted to €10,260 for the six-month period ended June 30, 2019 compared to €5,884 of the previous period. The increase is mainly due to the increase of deferred taxes that derived from the new investments of the Group during the first semester of 2019 and secondarily to the increase in the fair value of investment property.

Profit / (Loss) for the period: The Group's profit for the six-month period ended June 30, 2019 amounted to €112.348 compared to profit for the period of €64,749 of the previous period. Excluding the net gain / (loss) from the fair value adjustment of investment property (first semester 2019: net gain of €73,884, first semester 2018: net gain of €29,675) and the impairement of real estate inventories (first semester 2019: €2,889, first semester 2018: Nil), Group's profit for the period amounted to €41,869 for the first semester of 2019, compared to profit for the period of €35,074 of the previous period.

CORPORATE RESPONSIBILITY PROGRAM "STRUCTURES OF RESPONSIBILITY"

During the first semester of 2019, the Company continued the realization of the corporate responsibility program entitled "Structures of Responsibility", adopted during 2016, a continuously evolving plan of social actions and interventions. The improvement of infrastructure and the operational upgrade of important social structures have been selected as the program's field of action and basic element, using the experience and expertise of the Company's executives and in cooperation with well-known bodies in local and national level and aiming at the substantial social contribution and the address of key social problems.

BASIC RATIOS OF EFFICIENCY AND EFFECTIVENESS

The Company's Management measures and monitors the Group's performance on a regular basis based on the following ratios, which are widely used in the sector in which the Group operates.

	30.06.2019	31.12.2018
Current ratio [1] (Current assets / Current liabilities)	0.42x	0.20x
Gearing ratio [2]	37.2%	29.7%
LTV [3]	39.8%	31.4%
Net LTV [4]	36.7%	28.8%

[1] The current liabilities as at 30.06.2019 include a capital loan of € 237,500, which was refinanced in July 2019 through the issuance of a secured long term bond loan of up to € 300 million, with a full and exclusively undertaking of the loan from National Bank of Greece S.A. ("NBG") and the European Bank for Reconstruction and Development ("EBRD" and, together with NBG, the "Issuers").

[2] The Gearing Ratio is defined as the long-term and current liabilities as they are shown in the statement of financial position divided by total assets at each reporting date.

[3] The LTV ratio is defined as the outstanding capital of borrowings divided by the fair value of the real estate portfolio (ie investment property, owner occupied property and hotel units and other facilities (included in the lines "Property and equipment") and Real Estate Inventories at each reporting date.

[4] The net LTV ratio is defined as the outstanding capital of borrowings minus cash & cash equivalents divided by the fair value of the real estate portfolio (ie investment property, owner occupied property and hotel units and other facilities (included in the line "Property and equipment") and Real Estate Inventories at each reporting date.

The Company's Management defines as Net Asset Value (NAV) the total shareholders' equity taking into account, at each reporting date, the difference between the fair value and the net book value of the owneroccupied property, real estate inventories and other non current assets. (30.06.2019: €761, 31.12.2018: €(62)).

Net Asset Value (NAV)	30.06.2019	31.12.2018
NAV	**1,314,346**	**1,286,620**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**5.14**	**5.04**

The Company's Management defines EPRA Net Asset Value (EPRA NAV) as the Net Asset Value (NAV), as defined above, adjusted in order to include investments in real estate and other investments at fair value and to exclude certain items which are not expected to occur in the long term, such as the fair value of derivative financial instruments (30.06.2019: €17, 31.12.2018: €148) and deferred tax (30.06.2019: €25,898, 31.12.2018: €4,586), in accordance with the directions issued by the European Public Real Estate Association (EPRA) (November 2016).

EPRA Net Asset Value (EPRA NAV)	30.06.2019	31.12.2018
EPRA NAV	**1,340,261**	**1,291,354**
No. of shares at year end (in thousands)	255,495	255,495
EPRA NAV (per share)	**5.25**	**5.05**

	From 01.01. to		
	30.06.2019	**30.06.2018**	**% Change**
Profit for the period	112,864	64,749	
Plus: Depreciation of property and equipment	609	12	
Plus: Amortization of intangible assets	19	14	
Plus: Net Finance costs	14,573	10,694	
Plus: Taxes	10,260	5,884	
EBITDA	**138,325**	**81,353**	
Less: Net change in fair value of financial instruments at fair value through profit or loss	(48)	(101)	
Less: Net gain of fair value adjustment of investment properties	(73,884)	(29,675)	
Minus: Net non-recurring income[1]	(13,315)	-	
Plus: Impairment of inventories and property & equipment	2,952	-	
Adjusted EBITDA	**54,030**	**51,577**	**4.8%**

[1] Net non-recurring income includes negative goodwill from the acquisition of subsidiaries (30.06.2019: €13.355, 30.06.2018: Nil), expenses relating to the initial public offering for the listing of the Company's shares on the Athens Stock Exchange, which was canceled (30.06. 2019: €22, 30.06.2018: Nil) and expenses relating to the merger by absorption of NBG Pangaea REIC from its subsidiary MIG Real Estate (30.06.2019: €18, 30.06.2018: Nil).

Funds from Operations (FFO)	From 01.01. to		
	30.06.2019	**30.06.2018**	**% Change**
Profit for the period attributable to the Company's equity shareholders	108,593	64,749	
Plus: Depreciation of property and equipment	609	12	
Plus: Amortization of intangible assets	19	14	
Plus: Differed taxes	3,366	-	
Plus: Impairment provision for inventories and Property & Equipment	2,952	-	
Less: Net change in fair value of financial instruments at fair value through profit or loss	(48)	(101)	
Less: Net non-recurring income[1]	(13,315)	-	
Less: Net gain from fair value adjustment of investment properties	(73,884)	(29,675)	
Plus: Gain attributable to the non controlling interest of the abovementioned adjustments	4,378	**-**	
FFO	**32,670**	**33,722**	**(6.7)%**

EVENTS AFTER THE DATE OF THE INTERIM FINANCIAL STATEMENTS

The Extraordinary General Meeting of the Company’s Shareholders which took place on September 11, 2019 resolved upon the amendment of the company’s corporate name to «Prodea Real Estate Investment Company Société Anonyme», with distinctive title «Prodea Investments». This amendment is subject to the registration of the decision approving the amendment to the articles of association of the company by the competent authority of the Ministry of Development and Investments with the General Commercial Registry.

On September 11, 2019 the Extraordinary General Meeting of the Company’s Shareholders resolved upon the granting of an authorization to the Company’s Board of Directors so that the latter proceeds with a share capital increase through the issuance of new dematerialized common registered voting shares to be paid in cash under the terms that the Company’s Board of Directors will determine in the future. Such authorization must be exercised by the Board of Directors within 10 months from the date of the General Meeting of the Company’s Shareholders granting the authorization for the share capital increase to the Company’s Board of Directors.

On September 10, 2019 Panterra S.A. concluded with the acquisition of two adjacent commercial properties for a total consideratiom of € 10,000. According to the planning, it is anticipated the demolition for the properties and a construction of a building or buildings of current specifications based on the principles of the sustainable development of estimated total surface area over 24 thousands sq.m. (above-ground area of over 14 thousand sq.m. and underground auxiliary areas and parking spaces of 10 thousand sq.m.).

On July 10, 2019, the Company proceeded with the refinancing of a loan of €237,500 through the issuance of a common secured long-term bond loan of up to €300,000, with the exclusive full undertaking of this from the National Bank of Greece ("NBG") and the European Bank for Reconstruction and Development ("EBRD" and, together with NBG, the "Issuers"). The undertaken amounts for each Issuer amount to €250,000 for NBG and €50,000 for EBRD. The remaining amount of the loan of €62,500, will finance part of the Company's investment plan.

There are no other significant events subsequent to the date of the interim financial statements relating to the Group or the Company for which disclosure is required by International Financial Reporting Standards (hereinafter IFRSs).

SIGNIFICANT RISKS

Fluctuations in property values (price risk)

The Group is exposed to risk from changes in property values and rents which can originate from:

a) the developments in the real estate market in which the Group operates,
b) the characteristics of properties owned by the Group and
c) events concerning existing tenants of the Group.

The Group minimizes its exposure to this risk, as the majority of the Group’s lease agreements consists of long-term operating leases with creditworthy tenants, for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

The Group is governed by an institutional framework (Law 2778/1999, as in force) under which:

a) periodic valuation of properties by an independent professional valuer is required,
b) a valuation of properties prior to an acquisition or a sale by an independent professional valuer is required,
c) development or repair of properties is permitted if the cost of works does not exceed 40% of the final commercial value after the completion of works and
d) the value of each property must not exceed 25% of the value of the property portfolio.

This framework contributes significantly to prevent or/and timely manage related risks.

Credit risk

Credit risk relates to cases of default of counterparties to meet their transactional obligations. As of June, 2019 the Group has concentrations of credit risk with respect to cash and cash equivalents and trade receivables which relates to mainly receivables from rentals under property operating lease contracts.

No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. It is note that the Group's maximum exposure mainly results from NBG (30.06.2019: 50.9%, 30.06.2018: 55.3% of the total rental income).

The Group applies IFRS 9 Financial Instruments in relation to the impairment of the Group's financial assets, including lease receivables and receivables from customers in the context of the hotels operation (city hotel, tourist resort).

The impact of IFRS 9 on the Group and Company Interim Financial Statements was not material and is set out in Note 11. The Group's accounting policy is set out in Note 2.12 of the annual consolidated Financial Statements for the year ended 31 December 2018.

Inflation risk

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future. The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

Cash flow risk and fair value interest rate risk

The Group has significant interest bearing assets comprising demand deposits and short term bank deposits. Furthermore, the Group's liabilities include borrowings.

The Group is exposed to fluctuations in interest rates prevailing in the market and on its financial position and cash flows. Borrowing costs may increase as a result of such changes and create losses or borrowing costs may be reduced by the occurrence of unexpected events. To reduce the Group's exposure to fluctuations in interest rates of long-term borrowings, the re-pricing dates are limited by contract to a maximum period of six months.

Liquidity risk

The current or prospective risk to earnings and capital arising from the Group's inability to collect outstanding receivables without incurring significant losses. The Group ensures timely the required liquidity in order to meet its liabilities through the regular monitoring of liquidity needs and collection of amounts due from customers, the preservation of bridge loans with financial institutions and prudent cash management.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

According to the common industry practice in Greece, the Group monitors the capital structure on the basis of gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as depicted in the statement of financial position. The regulatory regime governing Real Estate Investment Companies (hereinafter REICs) in Greece permits to Greek REICs to borrow up to 75.0% of their total assets, for acquisitions and improvements on properties.

The goal of the Group's Management is to optimise the Group's capital structure through the effective use of debt financing.

All amounts expressed in € thousand, unless otherwise stated

The table below presents the gearing ratio (or debt ratio) as at June 30, 2019 and December 31, 2018.

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Borrowings	863,454	560,139	644,725	393,759
Total assets	2,322,234	1,885,865	1,952,868	1,686,057
Gearing ratio	**37.2%**	**29.7%**	**33.0%**	**23.4%**

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the six-month period ended June 30, 2019 and the year 2018 the Group has complied with this obligation.

External factors and international investments

The Group has investments in Cyprus, Italy, Bulgaria and Romania. External factors which may affect the Group's financial position and results are the economic conditions prevailing in the above-mentioned countries, as well as any changes in the tax framework.

RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out on the basis of the "arm's length" principle (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24) are thoroughly described in Note 29 of the Interim Condensed Financial Statements for the six-month period ended June 30, 2019.

PROSPECTS

The prospects for the Greek economy are positive for 2019 and since September 1 controls on capital movements have been completely abolished, boosting confidence in the Greek economy and attracting foreign investments. The Greek market for commercial real estate and especially those with significant investment characteristics is expected to show further upward trends as it is directly affected by the above positive developments.

The Group's revenue for 2019, is expected to present a further increase mainly due to the new investments of the Group in real estate property carried out during 2019.

Finally, it is noted that the Company, having taken into consideration the current applicable circumstances and recent economic developments, considers that the market conditions have substantially changed and, based on that, it is now possible for the Company to seek to raise funds in the international and domestic market. The Company will use the funds to be raised to further develop its portfolio and achieve its investment objectives, which include, *inter alia*, the possibility of expanding the current high-quality portfolio, mainly in Greece and Cyprus. In this context, the Company will review imminently the possibility of raising funds through a share capital increase, the structure of which will take into account the existing free float and the need to efficiently enhance the free float by expanding the currently applicable shareholders base and attract new international and Greek institutional investors and investment funds.

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The Executive Member of the BoD	The Member of the BoD
Aristotelis Karytinos	Thiresia Messari	Athanasios Karagiannis

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Board of directors of NBG Pangaea Real Estate Investment Company

Introduction

We have reviewed the accompanying company and consolidated statement of financial position of NBG Pangaea Real Estate Investment Company, as of 30 June 2019 and the related company and consolidated statements of income, total comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by Law 3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the semi-annual Board of Directors Report, as defined in article 5 of Law 3556/2007, in relation to the accompanying condensed interim financial information.

Athens, 23 September 2019

The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kiffisias Avenue,
152 32, Halandri
SOEL Reg. No. 113

Marios Psaltis
SOEL Reg. No. 38081

All amounts expressed in € thousand, unless otherwise stated

	Note	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
ASSETS					
Non-current assets					
Investment property	5	2,029,430	1,779,481	1,408,037	1,359,579
Investment in subsidiaries	9	-	-	440,514	226,228
Equity method investments	10	359	-	-	-
Investment in joint venture	10	9,127	-	9,107	-
Property and equipment	6	121,905	2,149	2,218	2,147
Goodwill, Software and other Intangible assets	7	15,160	101	87	101
Other long-term assets		11,642	9,733	38,540	19,181
		2,187,623	**1,791,464**	**1,898,503**	**1,607,236**
Current assets					
Trade and other assets	11	34,492	47,525	22,510	45,605
Inventories	12	33,989	-	-	-
Cash and cash equivalents	13	66,130	46,876	31,855	33,216
		134,611	**94,401**	**54,365**	**78,821**
Total assets		**2,322,234**	**1,885,865**	**1,952,868**	**1,686,057**
SHAREHOLDERS' EQUITY					
Share capital	14	766,484	766,484	766,484	766,484
Share premium	14	15,890	15,890	15,970	15,970
Reserves	15	346,703	342,176	345,878	341,748
Other equity	19	(8,869)	-	-	-
Retained Earnings		193,377	162,132	142,248	143,331
Total shareholders' equity		**1,313,585**	**1,286,682**	**1,270,580**	**1,267,533**
Non-controlling interests		42,564	-	-	-
Total equity		**1,356,149**	**1,286,682**	**1,270,580**	**1,267,533**
LIABILITIES					
Long-term liabilities					
Borrowings	16	603,077	111,859	395,736	55,862
Retirement benefit obligations		231	218	231	218
Deferred tax liability	18	25,898	4,586	-	-
Other long-term liabilities	19	13,833	3,955	3,625	3,426
		643,039	**120,618**	**399,592**	**59,506**
Short-term liabilities					
Trade and other payables	17	55,734	24,118	27,073	15,139
Borrowings	16	260,377	448,280	248,989	337,897
Derivative financial instruments		17	148	-	-
Current tax liabilities		6,918	6,019	6,634	5,982
		323,046	**478,565**	**282,696**	**359,018**
Total liabilities		**966,085**	**599,183**	**682,288**	**418,524**
Total equity and liabilities		**2,322,234**	**1,885,865**	**1,952,868**	**1,686,057**

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

		Group		Company	
		From 01.01. to		From 01.01. to	
	Note	**30.06.2019**	**30.06.2018**	**30.06.2019**	**30.06.2018**
Revenue	26	79,451	60,704	54,206	52,844
		79,451	**60,704**	**54,206**	**52,844**
Net gain from the fair value adjustment of investment property	5	73,884	29,675	47,544	6,978
Direct property related expenses		(2,866)	(1,817)	(2,258)	(1,462)
Property taxes-levies	21	(4,739)	(4,609)	(3,830)	(3,824)
Personnel expenses (incl. remuneration to the members of the Board of Directors and its committees)	22	(7,461)	(1,400)	(3,616)	(1,399)
Consumables used		(1,955)	-	-	-
Net change in real estate inventories		(1,861)	-	-	-
Impairment of real estate inventories		(2,889)	-	-	-
Depreciation of property and equipment	6	(609)	(12)	(37)	(12)
Amortisation of intangible assets	7	(19)	(14)	(14)	(14)
Net change in fair value of financial instruments at fair value through profit or loss		48	101	-	-
Net impairment loss on financial assets		(206)	(123)	(104)	(92)
Other income		179	183	2,627	2,580
Other expenses	23	(6,617)	(1,119)	(1,382)	(786)
Corporate Responsibility		(77)	(242)	(77)	(242)
Operating Profit		**124,263**	**81,327**	**93,059**	**54,571**
Share of profit of associates and joint ventures	10	79	-	-	-
Negative goodwill from acquisition of subsidiaries	8	13,355	-	-	-
Interest income		10	34	616	229
Finance costs	24	(14,583)	(10,728)	(10,915)	(8,571)
Profit before tax		**123,124**	**70,633**	**82,760**	**46,229**
Taxes	25	(10,260)	(5,884)	(6,642)	(5,769)
Profit for the period		**112,864**	**64,749**	**76,118**	**40,460**
Attributable to:					
Non-controlling interests		(4,271)	-	-	-
Company's equity shareholders		**108,593**	**64,749**	**76,118**	**40,460**
Earnings per share (expressed in € per share) - Basic and diluted	27	0.43	0.25	0.30	0.16

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Profit for the period	**112,864**	**64,749**	**76,118**	**40,460**
Other comprehensive income / (expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation Reserve	85	-	-	-
Currency translation differences	82	1	-	-
Cash flow hedges	83	83	-	-
Total of items that may be reclassified subsequently to profit or loss	**250**	**84**	**-**	**-**
Other comprehensive income/(expense) for the period	**250**	**84**	**-**	**-**
Total comprehensive income for the period	**113,114**	**64,833**	**-**	**40,460**
Attributable to:				
Non-controlling interests	(4,271)	-	-	-
Company's equity shareholders	**108,843**	**64,833**	**76,118**	**40,460**

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

	Group From 01.04. to		Company From 01.04. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Revenue	46,376	30,218	27,188	26,262
	46,376	**30,218**	**27,188**	**26,262**
Net gain from the fair value adjustment of investment property	61,265	38,849	47,746	17,124
Direct property related expenses	(1,532)	(898)	(1,261)	(714)
Property taxes-levies	(2,384)	(2,352)	(1,914)	(1,943)
Personnel expenses (incl. remuneration to the members of the Board of Directors and its committees)	(6,539)	(721)	(2,777)	(721)
Consumables used	(1,955)	-	-	-
Net change in real estate inventories	(1,861)	-	-	-
Impairment of real estate inventories	(2,889)	-	-	-
Depreciation of property and equipment	(589)	(6)	(18)	(6)
Amortisation of intangible assets	(12)	(7)	(7)	(7)
Net change in fair value of financial instruments at fair value through profit or loss	(31)	25	-	-
Net impairment loss on financial assets	(110)	(149)	(51)	(118)
Other income	100	96	14	2
Other expenses	(5,780)	(545)	(771)	(381)
Corporate Responsibility	(44)	(213)	(44)	(213)
Operating Profit	**84,015**	**64,297**	**68,105**	**39,285**
Share of profit of associates and joint ventures	79	-	-	
Negative goodwill from acquisition of subsidiaries	10,608	-	-	-
Interest income	8	5	505	103
Finance costs	(8,073)	(5,394)	(6,108)	(4,332)
Profit before tax	**86,637**	**58,908**	**62,502**	**35,056**
Taxes	(4,384)	(2,906)	(3,499)	(2,914)
Profit for the period	**82,253**	**56,002**	**59,003**	**32,142**
Attributable to:				
Non-controlling interests	(141)	-	-	-
Company's equity shareholders	**82,112**	**56,002**	**59,003**	**32,142**
Earnings per share (expressed in € per share) - Basic and diluted	0.32	0.22	0.23	0.13

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.04. to		From 01.04. to	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit for the period	**82,253**	**56,002**	**59,003**	**32,142**
Other comprehensive income / (expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation Reserve	85	-	-	-
Currency translation differences	(32)	3	-	-
Cash flow hedges	42	42	-	-
Total of items that may be reclassified subsequently to profit or loss	**95**	**45**	**-**	**-**
Other comprehensive income/(expense) for the period	**95**	**45**	**-**	**-**
Total comprehensive income for the period	**82,348**	**56,047**	**59,003**	**32,142**
Attributable to:				
Non-controlling interests	(141)	-	-	-
Company's equity shareholders	**82,207**	**56,047**	**59,003**	**32,142**

Athens, September 23, 2019

The Vice-Chairman of the BoD and CEO	The CFO / COO	The Deputy CFO
Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

Statement of Changes in Equity - Group
for the period ended June 30, 2019

All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	Note	Attributable to Company's shareholders							
		Share capital	**Share premium**	**Reserves**	**Other equity**	**Retained Earnings / (Losses)**	**Total**	**Non-controlling interests**	**Total**
Balance January 1, 2018		**766,484**	**15,890**	**339,152**	**-**	**106,327**	**1,227,853**	**-**	**1,227,853**
Adjustment due to adoption of IFRS 9		**-**	**-**	**-**	-	(234)	**(234)**	**-**	**(234)**
Balance January 1, 2018 as adjusted		**766,484**	**15,890**	**339,152**	**-**	**106,093**	**1,227,619**	**-**	**1,227,619**
Other comprehensive income for the period		-	-	84	-	-	**84**	**-**	**84**
Profit for the period		-	-	-	-	64,749	**64,749**	**-**	**64,749**
Total comprehensive income after tax		**-**	**-**	**84**	**-**	**64,749**	**64,833**	**-**	**64,833**
Transfer to reserves		**-**		2,856	-	(2,856)	**-**		**-**
Dividend distribution 2017	20	**-**		**-**	-	(56,209)	**(56,209)**		**(56,209)**
Balance June 30, 2018		**766,484**	**15,890**	**342,092**	**-**	**111,777**	**1,236,243**	**-**	**1,236,243**
Movements up to December 31, 2018		-	-	84	-	50,355	**50,439**	**-**	**50,439**
Balance December 31, 2018		**766,484**	**15,890**	**342,176**	**-**	**162,132**	**1,286,682**	**-**	**1,286,682**
						-			
Balance December 31, 2018		**766,484**	**15,890**	**342,176**	**-**	**162,132**	**1,286,682**	**-**	**1,286,682**
Other comprehensive income for the period		-	-	250	-	-	**250**		**250**
Profit for the period		-	-	-	-	108,593	**108,593**	4,271	**112,864**
Total comprehensive income after tax		**-**	**-**	**250**	**-**	**108,593**	**108,843**	**4,271**	**113,114**
Transfer to reserves		-	-	4,277		(4,277)	**-**	-	**-**
Dividend distribution 2018	20	-	-	-	-	(73,071)	**(73,071)**	-	**(73,071)**
Put option held by non-controlling interests	19	-	-	-	(8,869)	-	**(8,869)**	-	**(8,869)**
Acquisition of subsidiaries		-	-	-	-	-	**-**	38,293	**38,293**
Balance June 30, 2019		**766,484**	**15,890**	**346,703**	**(8,869)**	**193,377**	**1,313,585**	**42,564**	**1,356,149**

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
Balance January 1, 2018		**766,484**	**15,970**	**338,894**	**117,788**	**1,239,136**
Adjustment due to adoption of IFRS 9		-	-	-	(249)	**(249)**
Balance January 1, 2018 as adjusted		**766,484**	**15,970**	**338,894**	**117,539**	**1,238,887**
Profit for the period		-	-	-	40,460	40,460
Total comprehensive income after tax		**-**	**-**	**-**	**40,460**	**40,460**
Transfer to reserves		**-**		2,856	(2,856)	**-**
Dividend distribution 2017	20	**-**		**-**	(56,209)	**(56,209)**
Balance June 30, 2018		**766,484**	**15,970**	**341,750**	**98,934**	**1,223,138**
Movements up to December 31, 2018		-	-	(2)	44,397	44,395
Balance December 31, 2018		**766,484**	**15,970**	**341,748**	**143,331**	**1.267.533**
Balance December 31, 2018		**766,484**	**15,970**	**341.748**	**143,331**	**1,267,533**
Profit for the period		-	-	-	76,118	**76,118**
Total comprehensive income after tax		**-**	**-**	**-**	**76,118**	**76,118**
Transfer to reserves		-	**-**	4,130	(4,130)	**-**
Dividend distribution 2018	20	**-**	**-**	**-**	(73,071)	**(73,071)**
Balance June 30, 2019		**766,484**	**15,970**	**345,878**	**142,248**	**1,270,580**

All amounts expressed in € thousand, unless otherwise stated

		From 01.01. to	
	Note	**30.06.2019**	**30.06.2018**
Cash flows from operating activities			
Profit before tax		123,124	70,633
Adjustments for:			
- Provisions for employee benefits		12	(1)
- Other provisions		-	9
- Depreciation of property and equipment	6	609	12
- Amortization of intangible assets	7	19	14
- Net (gain) / loss from the fair value adjustment of investment property	5	(73,884)	(29,675)
- Interest income		(10)	(34)
- Finance costs		14,583	10,728
- Net change in fair value of financial instruments at fair value through profit or loss		(48)	(101)
- Net impairment loss on financial assets		206	123
- Negative goodwill from acquisition of subsidiaries		(13,355)	
- Other		212	-
Changes in working capital:			
- (Increase) / Decrease in receivables		(649)	2,741
- (Increase) / Decrease in inventories		3,063	-
- Increase / (Decrease) in payables		679	5,721
Cash flows from operating activities		54,561	60,170
Interest paid		(13,007)	(9,633)
Tax paid		(6,075)	(5,683)
Net cash flows from operating activities		**35,479**	**44,854**
Cash flows from investing activities			
Acquisition of investment property	5	-	(24,782)
Subsequent capital expenditure on investment property	5	(1,237)	(418)
Purchases of property and equipment	6	(917)	-
Prepayments and expenses related to future acquisition of investment property		(2,103)	(2,859)
Acquisitions of subsidiaries (net of cash acquired)	8	(186,220)	(7,560)
Acquisition of investment in joint ventures	10	(9,107)	-
Interest received		9	37
Net cash flows used in investing activities		**(199,575)**	**(35,582)**
Cash flows from financing activities			
Proceeds from share capital increase of subsidiaries		5,735	-
Proceeds from the issuance of bond loans and other borrowed funds	16	374,305	75,000
Expenses related to the issuance of bond loans and other borrowed funds		(6,291)	(1,242)
Expenses related to share capital increase		(76)	-
Repayment of borrowings and lease liabilities		(140,232)	(48,316)
Dividends paid	20	(50,076)	(33,214)
Net cash flows used in financing activities		**183,365**	**(7,772)**
Net increase in cash and cash equivalents		**19,269**	**1,500**
Cash and cash equivalents at the beginning of the period		46,876	49,335
Effect of foreign exchange currency differences on cash and cash equivalents		(15)	-
Cash and cash equivalents at the end of the period		**66,130**	**50,835**

All amounts expressed in € thousand, unless otherwise stated

	Note	From 01.01. to 30.06.2019	30.06.2018
Cash flows from operating activities			
Profit before tax		82,760	46,229
Adjustments for:			
- Provisions for employee benefits		12	(1)
- Other provisions		-	9
- Depreciation of property and equipment	6	37	12
- Amortization of intangible assets	7	14	14
- Net gain from the fair value adjustment of investment properties	5	(47,544)	(6,978)
- Interest income		(616)	(229)
- Finance costs		10,915	8,571
- Net impairment (gain) / loss on financial assets		104	92
- Other		189	-
Changes in working capital:			
- (Increase) / Decrease in receivables		(859)	3,518
- Increase / (Decrease) in payables		4,473	5,450
Cash flows from operating activities		49,485	56,687
Interest paid		(9,973)	(7,768)
Tax paid		(5,990)	(5,644)
Net cash flows from operating activities		**33,522**	**43,275**
Cash flows from investing activities			
Acquisition of investment property	5	-	(24,320)
Subsequent capital expenditure on investment property	5	(914)	(418)
Prepayments and expenses related to future acquisition of investment property		(2,103)	(2,859)
Purchases of property and equipment	6	(13)	-
Acquisition of subsidiaries	8	(146,536)	(7,560)
Acquisition of investment in joint ventures		(9,107)	-
Participation in subsidiaries' capital increase		(56,604)	-
Proceeds from share capital decrease of subsidiaries		-	14,300
Loans granted to foreign subsidiaries		(17,080)	-
Interest received		7	36
Net cash flows used in investing activities		**(232,350)**	**(20,821)**
Cash flows from financing activities			
Proceeds from the issuance of bond loans and other borrowed funds	16	362,000	60,000
Expenses related to the issuance of bond loans and other borrowed funds		(5,981)	(831)
Repayment of borrowings and lease liabilities		(108,476)	(46,813)
Dividends paid	20	(50,076)	(33,214)
Net cash flows used in financing activities		**197,467**	**(20,858)**
Net increase in cash and cash equivalents		**(1,361)**	**1,596**
Cash and cash equivalents at the beginning of the period		33,216	36,308
Cash and cash equivalents at the end of the period		**31,855**	**37,904**

All amounts expressed in € thousand, unless otherwise stated

NOTE 1: General Information

"NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" (former "MIG REAL ESTATE INVESTMENT COMPANY") operates in real estate investment market under the provisions of Article 22 of L. 2778/1999, as in force. As Real Estate Investment Company (REIC), the company is supervised by the Hellenic Capital Market Commission. It is also noted that the Company is licensed as an alternative investment fund manager according to Law 4209/2013.

The headquarters are located at 6, Karageorgi Servias str., Athens, Greece. The Company is registered with the No. 3546201000 in the General Commercial Companies Registry (G.E.MI.) and its duration expires on December 31, 2110.

The Company together with its subsidiaries (hereinafter the "Group") operates in real estate investments both in Greece and abroad, such as Cyprus, Italy, Bulgaria and Romania.

The Extraordinary General Meeting of the shareholders of the Company which took place on September 11, 2019 resolved upon the amendment of the Company's corporate name to «Prodea Real Estate Investment Company Société Anonyme», with distinctive title «Prodea Investments». This amendment is subject to the registration of the decision approving the amendment to the articles of association of the Company by the competent authority of the Ministry of Development and Investments with the General Commercial Registry.

As of June 30, 2019, the number of employees of the Group and of the Company was 694 and 32 respectively. (December 31, 2018: 30 employees for the Group and the Company, June 30, 2018: 27 employees for the Group and the Company).

The current Board of Directors has a term of three years which expires on June 18, 2022 with an extension until the first Annual General Meeting of Shareholders, which will take place after the end of the term. The Board of Directors was elected by the Annual General Meeting of Shareholders held on June 18, 2019 and was constituted as a body in its same day meeting. The Board of Directors has the following composition:

The current Board of Directors has the following composition:

Christophoros N. Papachristophorou	Chairman, Businessman	Executive Member
Aristotelis D. Karytinos	Vice-Chairman, CEO	Executive Member
Thiresia G. Messari	CFO / COO	Executive Member
Nikolaos M. Iatrou	Business Executive	Non Executive Member
Athanasios D. Karagiannis	Investment Advisor	Non Executive Member
Ioannis P. Kyriakopoulos	General Manager of NBG Group	Non Executive Member
Georgios E. Kountouris	Economist	Non Executive Member
Prodromos G. Vlamis	Assistant Professor at University of Piraeus & Associate at the University of Cambridge	Independent - Non Executive Member
Spyridon G. Makridakis	Professor at University of Nicosia & Emeritus Professor at INSEAD Business School	Independent - Non Executive Member

These interim condensed Financial Statements have been approved for issue by the Company's Board of Directors on September 23, 2019 and are available on the website address http://www.prodea.gr.

NOTE 2: Summary of Significant Accounting Policies

2.1 Basis of Preparation

The interim condensed financial information of the Group and the Company for the six-month period ended June 30, 2019 (the "Interim Financial Statements") have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

These Interim Financial Statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the annual consolidated and separate financial statements of NBG Pangaea REIC as at and for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for the adoption of new and amended standards as set out below (Note 2.2.1). In addition the Group adopted new accounting policies for the property and equipment, for the inventories and for the intangible assets acquired through business combinations (Note 2.2.2).

The amounts are stated in Euro, rounded to the nearest thousand (unless otherwise stated) for ease of presentation.

It is mentioned that where necessary, comparative figures have been adjusted to conform to changes in current period's presentation. Management believes that such adjustments do not have a material impact in the presentation of financial information.

The Interim Financial Statements have been prepared based on the going concern principle, applying the historical cost convention, except for investment properties, property and equipment which include land and buildings related to hotel and other facilities and derivative financial instruments, which have been measured at fair value.

2.2 Adoption of International Financial Reporting Standards (IFRSs)

2.2.1 New standards, amendments and interpretations to existing standards applied from 1 January 2019:

- **IFRS 16 (new standard) "Leases".** On January 1, 2019, the Group adopted IFRS 16. IFRS 16 supersedes the relevant lease guidance included in IAS 17 leases and sets out the principles for the recognition, measurement, presentation and disclosure of lease agreements, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

  IFRS 16 introduces a single on-balance sheet accounting model for lessees. A lessee recognizes a Right of Use (RoU) Asset, representing its right to use the underlying asset and a lease obligation representing its obligation to make lease payments. The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate (IBR). The RoU is initially measured at the amount of the lease liability.

  Subsequently, the RoU is amortized over the lease term and the financial liability is measured at amortized cost. The operating lease expense recognized in accordance with IAS 17 is replaced by a depreciation charge of the RoU and an interest expense arising from the unwinding of the discount on the lease liability. The change in the presentation of operating lease expenses will result in improved cash flows from operating activities and a corresponding reduction in cash flows from financing activities.

  Lessor accounting remains the same as in the current standard – i.e. lessors continue to classify the leases as finance or operating leases using similar classification criteria as IAS 17.

Leases in which the Group is lessor
There was no significant impact for the Group's finance leases or for the leases in which the Group is a lessor.

Leases in which the Group is a Lessee
The Group applied the modified retrospective approach, where the right is set equal to the amount of the lease liability upon adoption and did not restate the comparative information. The Group has elected to take the recognition exemption for short-term and low-value leases for which lease payments are recognized as operating expenses on a straight-line basis over the term of the lease.

The most significant estimate used to measure the lease liability relates to the interest rate used to discount the lease at the present value as of the date of initial application and is considered from the date of first application and is considered to be a critical accounting estimate.

The Impact of IFRS Adoption 16 in the Interim Financial Statements of the Group and the Company were not material. IFRS 16 increased the Group's assets and liabilities by €207.

The RoU is included in the item "Property and Equipment" (Note 6) and the lease liabilities are included in the items "Other long term liabilities" and "Trade and other payables" (Note 17).

- **IAS 19 (Amendment) Plan Amendment, Curtailment or Settlement**. The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendment has no impact on the Interim Financial Statements of the Group and the Company.

- **IFRS 9 (Amendment) 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. The amendment has no impact on the Interim Financial Statements of the Group and the Company.

- **IAS 28 (Amendment) 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. The amendment has no impact on the Interim Financial Statements of the Group and the Company.

- **IFRIC 23 Uncertainty over Income Tax Treatments** (effective for annual periods on or after 1 January 2019, as issued by the IASB). 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. The interpretation has no impact on the Interim Financial Statements of the Group and the Company.

- **"Annual Improvements to IFRS Standards 2015–2017 Cycle"**. The amendments impact the following standards:

  - **IFRS 3 "Business Combinations"** - amended to clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

  - **IFRS 11** "Joint Arrangements" - amended to clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - **IAS 12** "Income Taxes"- clarified to state that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23** “Borrowing costs” - clarified to provide that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The amendments had no impact on the Interim Financial Statements of the Group and the Company.

2.2.2 New Standards, amendments and interpretations existing standards effective after 2019

- **Definition of a business - Amendment to IFRS 3** (effective for annual periods beginning on or after 1 January 2020, as issued by the IASB). The IASB issued amendments to the definition concept of business in IFRS 3 “Business Combination” to help entities to determine whether an acquired set of activities and assets is a business combination or not. They clarify the minimum requirements for a Business, remove the assessment of whether market participants are capable of replacing any missing elements or processes and continuing to produce outputs, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments should apply to transactions made on or after the beginning of the first reporting period of 1 January 2020. Therefore, entities do not have to revisit such transactions that occurred in prior periods.

- **Definition of materiality - Amendments to IAS 1 and IAS 8** (effective for the Group as of 1 January 2020). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, to align the definition of "material" across the standards and to clarify its definitions. The new definition states that 'information is material if, by omitting, misstating or obscuring it, could reasonably be expected to influence decisions that the primary users of general purposes financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of the information or both. An entity will need to assess whether information individually or in combination with other information is material in the context of the Financial Statements.

- **Conceptual framework.** In March 2018, the IASB issued a revised version of the Conceptual Framework for Financial Reporting ("the Framework"), which will be effective for annual periods beginning on or after 1 January 2020. The Framework sets out the fundamental financial reporting concepts that guide the IASB in developing of IFRSs. The Framework underpins existing IFRS Standards but does not overrides them. Preparers of the financial statements use the Framework as a point of reference for developing accounting policies in the rare instances where a particular business transaction is not covered by existing IFRSs. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new or amending existing IFRSs and interpretations. The Group is currently evaluating the impact of the amended Framework on its accounting policies.

2.2.3 Update of Significant Accounting Policies disclosed in Note 2 of Annual Financial Statement of NBG Pangaea REIC:

2.2.3.1 Property and Equipment

The Group acquired through business combinations property and equipment which include land and buildings relating to hotel and other facilities (Note 6 and 8). In relation to those property and equipment the Group has adopted the revaluation method. The accounting policy disclosed below replaces Note 2.7 of Annual Financial Statements of NBG Pangaea REIC for the year ended 31 December 2018.

« Note 2.7 Property and Equipment»

There are two categories of Property and Equipment:

a) Property and equipment which include land, buildings and equipment held by the Group for use in the supply of services and for administrative purposes.

Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition. Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property and equipment, are capitalized only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated from the asset, otherwise they are expensed as incurred.

Depreciation of an item of property and equipment begins when it is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an item of property and equipment that is retired from active use does not cease unless it is fully depreciated. Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property and equipment per category is as follows:

Land: No depreciation
Buildings: 40 years
Furniture and other equipment: 3 – 10 years
Motor vehicles: up to 10 years
Other tangible assets: 5 years

At each reporting date, the Group assesses whether there is an indication that an item of property and equipment may be impaired. If any indication exists, the Group estimates the recoverable amount of the asset and when the carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and the amount of the gains/losses is recognized in the income statement.

b) Property and equipment which include land and buildings relating to hotel and other facilities.

Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition. Subsequent to initial recognition, property and equipment is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment. Under the revaluation model, revaluations are carried out regularly, so that the carrying amount of property and equipment does not differ materially from its fair value at the balance sheet date. If a revaluation results in an increase in value, it is credited to other comprehensive income and accumulated in equity under the heading "revaluation surplus" unless it represents a reversal of a revaluation decrease previously recognised as an expense, in which case it is recognised in income statement. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus.

Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property and equipment per category is as follows:

Land: No depreciation
Hotel and other facilities: 100 years

2.2.3.2 Inventories

The Group acquired through business combinations inventories which relate to residences, land plot for the development of residences for subsequent sale and to consumables (Note 8). Group's accounting policy relating to the inventories is presented below:

Inventories are initially recorded at cost. Subsequent measurement is at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business of the Group, less the estimated costs necessary to make the sale. When the inventories are considered obsolete or slow moving the Group records a provision for impairment. Write-offs and impairment losses are recognized when incurred and are recorded to the income statement. Cost is determined using the weighted average method.

2.2.3.3 Goodwill, Software and other intangible assets

The Group acquired intangible assets through business combinations which have an indefinite useful life and are related to management and service contracts directly related to the use, operation and exploitation of the villas and apartments of Aphrodite Hills Resort (Note 7 and 8). In addition, the Group through business combinations recognized goodwill through the indirect acquisition of The Cyprus Tourism Development Public Company Limited ('CTDC') (Note 7 and 8).

The following accounting policy replaces Note 2.8 of the annual consolidated Financial Statements of NBG Pangaea REIC for the year ended 31 December 2018.

"Note 2.8 Intangible Assets"

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement. Subsequent to initial recognition, goodwill is measured at carrying amount.

Intangible assets acquired through business combinations
Intangible assets acquired through business combinations that have an indefinite useful life include management contracts and services directly related to the use, operation and exploitation of the villas and apartments located at Aphrodite Hills Resort (Note 7 and 8).

Software
Software acquisition cost includes costs that are directly attributable to specific and identifiable software products owned by the Group and which are expected to generate future benefits for more than one year and which will exceed the related acquisition costs. Costs that improve or extend the operation of software beyond their original specifications are capitalized and added to their initial acquisition value.

Such intangible assets are amortised using the straight-line method over their useful lives, which may not exceed 12 years.

Expenses such as establishment and initial installation costs, personnel training costs, advertising and promotional expenses, and relocation and reorganization costs for a part or for the whole Company are recognized as expenses at the time they are incurred.

Impairment
At each reporting date, the Management of the Company examines the value of intangible assets (intangible assets acquired through business combinations and software) in order to determine whether there is any impairment. If such is the case, the Management of the Company carries out an impairment test to determine whether the book value of those assets can be fully recovered. When the carrying amount of an intangible asset exceeds its recoverable amount, a provision for impairment is performed.

For the purpose of testing of impairment of goodwill, goodwill is allocated to Cash Generating Units ("CGUs"). The allocation is performed to those CGUs, which expect to benefit from the business combination from which the goodwill arise. The Group assesses the carrying value of goodwill on an annual basis or more frequently to determine whether there is a possible impairment of its value. In assessing this, it is estimated whether the carrying value of goodwill remains fully recoverable. The assessment is made by comparing the carrying value of the CGU where the goodwill has been allocated to with its recoverable amount, which is the greater of its fair value less costs to sell and its value in use. Fair value is valued at market value, if available, either determined by an independent valuer or derived from a valuation model. If the recoverable amount is below the carrying amount, an impairment loss is recognized and the goodwill is impaired by the surplus of the carrying value of the CGU over the recoverable amount.

2.3 Critical Accounting Estimates and Judgments

In preparing these Interim Financial Statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the consolidated and separate Financial Statements for the year ended December 31, 2018, with the exception of the incremental borrowing rate for the discounting of the lease liabilities upon application of IFRS 16.

NOTE 3: Financial Risk Management

3.1 Financial Risk Management

The Group is exposed to a variety of financial risks such as market risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other assets, cash and cash equivalents, trade and other payables and borrowings. The risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

In the context of a prudent financial management policy, the Company's Management seeks to manage its borrowing (short and long term) by utilizing a mix of funding sources in accordance with its business planning and strategic objectives. The Company assesses its financing needs and available funding sources in the international and domestic financial markets and explores any opportunities to raise additional capital through financing in those markets.

The Interim Financial Statements do not include all information regarding the financial risk management and the relevant disclosures required in the annual Financial Statements and should be read in conjunction with the published consolidated and separate Financial Statements for the year ended December 31, 2018.

3.2 Fair Value Estimation of Financial Assets and Liabilities

The Group measures the fair value of financial instruments based on a framework for measuring fair value that categorises financial instruments based on three-level hierarchy in accordance with the hierarchy of the inputs used to the valuation technique, as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

All amounts expressed in € thousand, unless otherwise stated

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. More specifically, the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data. More specifically if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

- *Financial instruments carried at fair value*

The table below analyses financial assets and liabilities of the Group carried at fair value, by valuation method, as at June 30, 2019 and December 31, 2018, respectively.

June 30, 2019		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	17	-	**17**

December 31, 2018		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	148	-	**148**

The derivative financial instruments presented above relate to interest rate swaps. The fair value of interest rate swaps is calculated, using Bloomberg, as the present value of the estimated future cash flows based on observable yield curves. As a result, the derivative financial instruments are included in Level 2.

There were no transfers between Levels 1 and 2, nor any transfers in and out of Level 3 during the period.

The Group'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 that transfer.

- *Financial instruments not carried at fair value*

The tables below analyse financial assets and liabilities of the Group not carried at fair value as at June 30, 2019 and December 31, 2018, respectively:

June 30, 2019		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	863,454	**863,454**

December 31, 2018		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	560,139	**560,139**

The liabilities included in the tables above are carried at amortized cost and their carrying value approximates their fair value.

As at June 30, 2019 and December 31, 2018, the carrying value of cash and cash equivalents, trade and other assets as well as trade and other payables approximates their fair value.

NOTE 4: Segment Reporting

The Group has recognized the following business segments, depending on the origin of the revenues per geography (country) and type of properties:

- Greece - Retail,
- Greece - Offices,
- Greece - Hotels
- Greece - Other (include student housing, storage space, archives, petrol stations and parking spaces),
- Italy - Offices,
- Italy - Retail,
- Italy - Other (relates to a land plot and storage space),
- Cyprus - Retail,
- Cyprus – Hotel,
- Cyprus – Other (relates to land plot and residences and land plots for development)
- Other Countries[1] - Retail,
- Other Countries - Offices,

Due to the acquisition of the companies Aphrodite Hills Resort Limites, Aphrodite Springs Public Limited and CTDC that the Group concluded during the first semester of 2019, the geographical segment “Cyprus” and the operational segment “Hotels” were recognized as separate business segments.

As of June 30, 2019 additional information is disclosed for the segment Retail (High Street Retail & Supermarket and Bank Branches). The equivalent information is also disclosed for the comparative figures as of June 30, 2018 and December 31, 2018.

[1] The category “Other Countries” as of June 30, 2019 includes Romania and Bulgaria while as of June 30, 2018 and December 31, 2018 it includes Romania, Bulgaria and Cyprus.

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2019

Country	Greece				Italy			Cyprus				Other Countries		
Segment	**Retail**	**Offices**	**Hotel**	**Other**	**Retail**	**Offices**	**Other**	**Retail**	**Office**	**Hotel**	**Other**	**Retail**	**Offices**	**Total**
Revenue	28,806	24,399	576	1,193	380	6,041	-	834	84	11,470	2,020	50	3,598	**79,451**
Total segment revenue	**28,806**	**24,399**	**576**	**1,193**	**380**	**6,041**	**-**	**834**	**84**	**11,470**	**2,020**	**50**	**3,598**	**79,451**
Net gain / (loss) from the fair value adjustment of investment property	20,234	26,199	1,095	1,560	(393)	8,478	(2,670)	672	1	798	17,371	246	293	**73,884**
Consumables, net change & impairment of inventories	-	-	-	-	-	-	-	-	-	(1,955)	(4,750)	-	-	**(6,705)**
Direct property related expenses (incl. property taxes-levies)	(2,486)	(2,833)	(558)	(303)	(68)	(983)	(202)	(70)	(7)	(9)	(3)	(31)	(52)	**(7,605)**
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	-	-	(522)	-	-	-	**(522)**
Net impairment gain / (loss) on financial assets	(67)	(8)	1	1	(7)	(85)	3	(3)	(2)	(39)	-	-	-	**(206)**
Total segment operating profit / (loss)	**46,487**	**47,757**	**1,114**	**2,451**	**(87)**	**13,450**	**(2,869)**	**1,433**	**76**	**9,743**	**14,638**	**265**	**3,839**	**138,297**
Unallocated operating income														**227**
Unallocated operating expenses														**(14,261)**
Operating Profit														**124,263**
Unallocated interest income														**10**
Unallocated finance costs														**(13,113)**
Allocated finance costs	(21)	(14)	(259)	(8)	-	-	-	-	-	(335)	(133)	-	(700)	**(1,470)**
Unallocated income														**13,434**
Profit before tax														**123,124**
Deferred Taxes	-	-		-	-	-	-	(20)	-	(65)	446	(11)	(121)	**229**
Unallocated Taxes														**(10,489)**
Profit for the period														**112,864**
Segment assets as at June 30, 2019														
Segment assets	746,195	651,361	24,642	30,610	14,127	201,741	52,989	96,102	48,339	158,787	99,265	11,586	90,479	**2,226,223**
Unallocated assets														**96,011**
Total assets														**2,322,234**
Segment liabilities as at June 30, 2019														
Segment liabilities	44,690	37,558	50,424	16,382	227	2,312	2,697	2,182	1,180	45,993	28,892	79	42,396	**275,012**
Unallocated liabilities														**691,073**
Total liabilities														**966,085**
Non-current assets additions as at June 30, 2019	176	897	78	-	-	-	-	71,391	46,174	22,064	35,283	-	2	**176,065**

All amounts expressed in € thousand, unless otherwise stated

The segment “Retail” as of June 30, 2019 is further analysed below:

	Greece		Italy		Cyprus	Other Countries		
Segment	**High Street Retail & Supermarket**	**Bank Branches**	**High Street Retail & Supermarket**	**Bank Branches**	**High Street Retail & Supermarket**	**High Street Retail & Supermarket**	**Bank Branches**	**Total**
Revenue	7,978	20,828	278	102	834	-	50	**30,070**
Total segment revenue	**7,978**	**20,828**	**278**	**102**	**834**	**-**	**50**	**30,070**
Net gain / (loss) from the fair value adjustment of investment property	7,457	12,777	(303)	(90)	672	270	(24)	**20,759**
Direct property related expenses (incl. property taxes-levies)	(1,187)	(1,299)	(50)	(18)	(70)	(27)	(4)	**(2,655)**
Net impairment gain / (loss) on financial assets	(67)	-	(7)	-	(3)	-	-	**(77)**
Total segment operating profit / (loss)	**14,181**	**32,306**	**(82)**	**(6)**	**1,433**	**243**	**22**	**48,097**
Segment Assets as of June 30, 2019								
Assets	255,961	490,234	10,483	3,644	96,102	10,380	1,206	**868,010**
Segment liabilities as of June 30, 2019								
Liabilities	41,461	3,229	137	90	2,182	17	62	**47,178**
Non-current assets additions as at June 30, 2019	174	2	-	-	71,391	-	-	**71,567**

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2018

Country	Greece				Italy			Other countries			
Segment	**Retail**	**Offices**	**Hotels**	**Other**	**Retail**	**Offices**	**Other**	**Retail**	**Offices**	**Hotels**	**Total**
Revenue	27,829	24,396	215	574	449	6,155	-	801	285	-	**60,704**
Total segment revenue	**27,829**	**24,396**	**215**	**574**	**449**	**6,155**	**-**	**801**	**285**	**-**	**60,704**
Net gain / (loss) from the fair value adjustment of investment property	3,796	2,987	78	340	296	6,284	13,822	1,674	398	-	29,675
Direct property related expenses (incl. property taxes-levies)	(2.071)	(2,943)	(29)	(261)	(44)	(848)	(171)	(42)	(17)	-	(6,426)
Net impairment gain / (loss) on financial assets	63	(162)	-	(8)	(6)	(19)	(3)	-	-	-	(135)
Total segment operating profit / (loss)	**29,617**	**24,278**	**264**	**645**	**695**	**11,572**	**13,648**	**2,433**	**666**	**-**	**83,818**
Unallocated operating income											**195**
Unallocated operating expenses											**(2,686)**
Operating Profit											**81,327**
Unallocated interest income											**34**
Unallocated finance costs											**(10,222)**
Allocated finance costs	-	(506)	-	-	-	-	-	-	-	-	**(506)**
Profit before tax											**70,633**
Taxes											**(5,884)**
Profit for the period											**64,749**
Segment assets as at December 31, 2018											
Segment assets	736,578	619,948	12,356	32,357	14,493	192,040	55,693	35,148	92,154	11,206	**1,801,973**
Unallocated assets											**83,892**
Total assets											**1,885,865**
Segment liabilities as at December 31, 2018											
Segment liabilities	2,870	8,391	3,760	2,835	186	2,365	2,523	17	39,032	-	**61,979**
Unallocated liabilities											**537,204**
Total liabilities											**599,183**
Non-current assets additions as at December 31, 2018	21,301	5,592	7,252	13,069	-	-	60	9,528	84,600	11,200	**152,602**

The segment “Retail” is further analysed as of 30.06.2019 as below:

All amounts expressed in € thousand, unless otherwise stated

	Greece		Italy		Other Countries		
Segment	**High Street Retail & Supermarket**	**Bank Branches**	**High Street Retail & Supermarket**	**Bank Branches**	**High Street Retail & Supermarket**	**Bank Branches**	**Total**
Revenue	7,315	20,514	347	102	731	70	**29,079**
Total segment revenue	**7,315**	**20,514**	**347**	**102**	**731**	**70**	**29,079**
Net gain / (loss) from the fair value adjustment of investment property	14,257	(10,461)	226	70	1.558	116	**5.766**
Direct property related expenses (incl. property taxes-levies)	(833)	(1,238)	(36)	(8)	(37)	(5)	**(2,157)**
Net impairment gain / (loss) on financial assets	63	-	(6)	-	-	-	**57**
Total segment operating profit / (loss)	**20,802**	**8,815**	**531**	**164**	**2,252**	**181**	**32,745**
Segment Assets as of 31 December 2018							
Assets	253,612	482,966	10,761	3,732	33,921	1,227	**786,219**
Segment Liabilities as of 31 December 2018							
Liabilities	1,168	1,702	99	87	7	10	**3,073**
Non-current assets additions as at 31 December 2018	21,301	-	-	-	9,528	-	**30,829**

All amounts expressed in € thousand, unless otherwise stated

In relation to the above segment analysis we state that:

(a) There are no transactions between business segments.
(b) Segment assets include investment properties, inventories, property and equipment, other intangible assets (customer contracts) and trade & other assets.
(c) Unallocated assets include property and equipment, goodwill, software, equity method investments, investment in joint ventures, cash and cash equivalents, other long-term and current assets.
(d) Unallocated liabilities as of June 30, 2019 and December 31, 2018 mainly include borrowings amounted to €661,740 and €521,504 respectively.

Concentration of customers

NBG, lessee of the Group, represent more than 10% of Group's rental income. Rental income from NBG for the six-month period ended June 30, 2019 amounted to €33,573, i.e. 50.9% (six-month period ended June 30, 2018: €33,582 i.e. 55.3%).

NOTE 5: Investment Property

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Balance at the beginning of the period	**1,779,481**	**1,580,698**	**1,359,579**	**1,309,775**
Additions:				
- Direct acquisition of investment property	-	42,784	-	28,840
- Acquisitions through business combinations (Note 8)	166,721	84,600	-	-
- Acquisitions of subsidiaries other than through business combinations (Note 8)	8,108	24,257	-	-
- Subsequent capital expenditure on investment property	1,236	961	914	901
- Transfer from property and equipment	-	13	-	13
- Transfer to property and equipment	-	(158)	-	-
Net gain from the fair value adjustment of investment property	73,884	46,326	47,544	20,050
Balance at the end of the period	**2,029,430**	**1,779,481**	**1,408,037**	**1,359,579**

On June 25, 2019 the Company proceeded with the acquisition of 100% of the management shares and 88.2% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus (Note 8). CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). CYREIT is supervised by the Cyprus Securities and Exchange Commission and its investment shares are listed on the Cyprus Stock Exchange (in the Market of Non-Trading Investment Plans). The acquisition value of the properties amounted to €147,635 and the fair value at the date of the acquisition amounted to €163,021, according to the valuation performed by the independent statutory valuers.

On May 14 and 15, 2019, the Company proceeded with the signing of preliminary agreements for the acquisition of a property located in Athens, for a total consideration of € 5,875. From this amount, the company has already paid an amount of € 1,170 as a prepayment. The total area of the property is approximately 5.3 thousand sq.m..

On May 13, 2019, the Company proceeded with the signing of a preliminary agreement for the acquisition of 100% of a company's shares, owner of a land plot in Aspropyrgos, Attica, on which a building is currently being developed that will be used as commercial warehouses with modern specifications. The total area of the building will be, upon completion of the construction, 5.2 thousands sq.m. and the building is already leased to creditworthy tenants. The conclusion of the acquisition is expected to take place by September 30, 2019, upon the completion of the construction the building and its delivery for use to the tenant. The final consideration will be determined at the date of transfer of the company's shares taking into account the financial position of the company on that date (with an estimated price for the property of € 2,578). Within the context of the preliminary agreement, the Company paid, up to June 30, 2019, an amount of € 773 as a prepayment.

On March 28, 2019, the Company proceeded with the acquisition of a majority stake (60%) of the company Aphrodite Springs Public Limited in Paphos, Cyprus. Aphrodite Springs spreads over 150 hectares of land, adjacent to Aphrodite Hills Resort, and is licensed to develop a golf course and 125 thousand sq.m. of residential properties and properties of supplementary uses. The acquisition value of the land plot amounted to €8,108 and the fair value at the date of the acquisition amounted to €25,500. At the same date, the Company proceeded with the acquisition of a majority stake (60%) of the company Aphrodite Hills Resort Limited in Paphos, Cyprus (Note 8). The fair value of investment property at the date of the acquisition, not including the hotel and the other relating to the hotel facilities (Note 6), amounted to €3,700.

On March 28, 2019 the Company agreed with Bank of Cyprus Public Company Limited the acquisition of two adjacent commercial properties in Athens (one of which has a total area of 6.9 thousands sq.m. and is located on Syggrou Avenue and Lagoumtzi Avenue and the other has total area of 2 thousands sq.m. and is located on Evridamantos and Lagoumtzi Street) for a total consideration of €10,000. The properties will be acquired by Panterra S.A. in which the Company owns 49% (Note 10). On July 3, 2019, signed a notarial preliminary agreement for the acquisition of the two properties. The signing of the final agreement took place on September 10, 2019 (Note 30).

The Group's borrowings which are secured on investment property are stated in Note 16.

The Group's investment property is measured at fair value. The table below presents the Group's investment property per business segment and geographical area for June 30, 2019. The Group'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.

All amounts expressed in € thousand, unless otherwise stated

	Greece				Italy			Romania		Cyprus				Bulgaria		30.06.2019
Segment	**Retail**	**Offices**	**Hotels**	**Other[1]**	**Retail**	**Offices**	**Other[2,3]**	**Retail**	**Offices**	**Retail**	**Offices**	**Hotels**	**Other[4]**	**Retail**	**Offices**	**Total**
Level	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**725,300**	**615,941**	**14,013**	**26,689**	**14,321**	**189,344**	**55,590**	**1,226**	**5,344**	**23,688**	**2,115**	**11,200**	**-**	**10,110**	**84,600**	**1,779,481**
Additions:																
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	71,391	46,174	22,002	27,154	-	-	**166,721**
Acquisitions through not business combination	-	-	-	-	-	-	-	-	-	-	-	-	8,108	-	**-**	**8,108**
Subsequent capital expenditure on investment property	176	897	78	-	-	-	-	-	-	-	-	62	21	-	**-**	**1,236**
Transfers among segments	(10,722)	2,247	8,475	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain / (loss) from the fair value adjustment of investment property	20,234	26,199	1,095	1,560	(393)	8,478	(2,670)	(24)	80	672	1	798	17,371	270	213	**73,884**
Fair value at the end of the period	**734,988**	**645,284**	**23,661**	**28,249**	**13,928**	**197,822**	**52,920**	**1,202**	**5,424**	**95,751**	**48,290**	**34,062**	**52,654**	**10,380**	**84,815**	**2,029,430**

[1] The segment “Other” in Greece includes student housing, commercial warehouses, storage spaces, archives, petrol stations and parking spaces.
[2] The segment “Other” in Italy relates to land plot and storage space.
[3] It is noted that regarding the fair value of land plot in Italy, under the existing agreement, the Company is entitled to receive compensation from the previous owner in case of loss from the sale of land and provided certain conditions are met.
[4] The segment “Other” in Cyprus relates to land plot, storage spaces and other properties with special use.

All amounts expressed in € thousand, unless otherwise stated

The segment “Retail” is further analysed as of 30.06.2019 as below:

Country	Greece		Italy		Romania	Cyprus	Bulgaria	
Segment	**High Street Retail & Supermarket**	**Bank Branches**	**High Street Retail & Supermarket**	**Bank Branches**	**Bank Branches**	**High Street Retail & Supermarket**	**High Street Retail & Supermarket**	**Total**
Level	3	3	3	3	3	3	3	
Fair value at the beginning of the period	**242,403**	**482,897**	**10,651**	**3,670**	**1,226**	**23,688**	**10,110**	**774,645**
Additions:								
Acquisitions through business combinations	-	-	-	-	-	71,391	-	**71,391**
Subsequent capital expenditure on investment property	174	2	-	-	-	-	-	**190**
Transfers among segments	(5,194)	(5,528)	-	-	-	-	-	**(10,722)**
Net gain / (loss) from the fair value adjustment of investment property	7,457	12,777	(303)	(90)	(24)	672	270	**20,759**
Fair value at the end of the period	**244,840**	**490,148**	**10,348**	**3,580**	**1,202**	**95,751**	**10,380**	**856,249**

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area as of June 30, 2019:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Highstreet Retail & Supermarkets	244,840	15%-20% market approach and 80%-85% discounted cash flows (DCF)	1,429	7.06% - 10.54%	6.00% - 9.50%
Greece	Bank Branches	490,148	15%-20% market approach and 80%-85% DCF	2,232	7.32% - 10.06%	6.00% - 8.75%
Greece	Offices	645,284	15%-20% market approach and 80%-85% DCF	3,572	8.14% - 11.10%	6.75% - 9.25%
Greece	Hotels	23,661	0%-15%-20% market approach and 80%-85%-100% DCF	-	8.70% - 10.30%	7.50% - 8.50%
Greece	Other[1]	28.249	0%-15%-20% market approach and 80%-85%-100% DCF	165	9.70% - 10.37%	8.50% - 9.25%
Italy	Highstreet Retail & Supermarkets	10,348	0% market approach and 100% DCF	260	6.00% - 7.10%	4.65% - 5.40%
Italy	Bank Branches	3,580	0% market approach and 100% DCF	16	6.57%	4.85%
Italy	Offices	197,822	0% market approach and 100% DCF	4,300	5.50% - 7.20%	4.65% - 6.00%
Italy	Other[2]	52,500	0% market approach and 100% residual method	-	-	-
Italy	Other[3]	420	0% market approach and 100% DCF	3	6.75%	5.70%
Romania	Bank Branches	1,202	15% market approach and 85% DCF	11	9.23% - 10.98%	7.75% - 9.50%
Romania	Offices	5,424	15% market approach and 85% DCF	31	9.23%	7.75%
Cyprus	Highstreet Retail & Supermarkets	95,751	0%-15%-20% market approach and 80%-85%-100% DCF	459	6.95% - 9.40%	5.00% - 8.00%
Cyprus	Offices	48,290	15%-20% market approach and 80%-85% DCF	251	6.90% - 7.99%	5.00% - 6.00%
Cyprus	Hotels	34,062	0% market approach and 100% DCF	-	10.00% - 10.02%	8.50%
Cyprus	Other[4]	52,654	0%-20% market approach and 80%-100% DCF	129	6.90% - 12.70%	5.00% - 9.00%
Bulgaria	Highstreet Retail & Supermarkets	10,380	0% market approach and 100% DCF	178	11.04%	8.75%
Bulgaria	Offices	84,815	20% market approach and 80% DCF	546	9.39%	7.76%

[1] The segment “Other” in Greece includes student housing, storage spaces, archives, petrol stations and parking spaces.
[2] The segment “Other” in Italy relates to land plot.
[3] The segment “Other” in Italy relates to storage space.
[4] The segment “Other” in Cyprus relates to land plot, storage spaces and other properties with special use.

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurement of investment property as of 31.12.2018 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Highstreet Retail & Supermarkets	242,403	15%-20% market approach and 80%-85% discounted cash flows (DCF)	1,395	7.25% - 10.49%	6.25% - 9.25%
Greece	Bank Branches	482,897	15%-20% market approach and 80%-85% DCF	2,273	7.19% - 10.39%	6.00% - 9.00%
Greece	Offices	615,941	15%-20% market approach and 80%-85% discounted cash flows (DCF)	3,302	8.17% - 10.73%	7.00% - 9.50%
Greece	Hotels	14.013	0%-20% market approach and 80%-100% discounted cash flows (DCF)	35	9.41% - 11.21%	7.75% - 9.00%
Greece	Other[1]	26,689	0%-15%-20% market approach and 80%-85%-100% DCF	166	10.64% -12.20%	8.50% - 11.75%
Italy	Highstreet Retail & Supermarkets	10,651	0% market approach and 100% DCF	58	5.43% - 6.90%	5.10% - 6.35%
Italy	Bank Branches	3,670	0% market approach and 100% DCF	19	6.14%	5.00%
Italy	Offices	189,344	0% market approach and 100% DCF	1,027	5.85% - 8.19%	5.10% - 6.90%
Italy	Other[2]	55,100	0% market approach and 100% residual method	-	-	-
Italy	Other[3]	490	0% market approach and 100% direct capitalization	2	-	4.50%
Romania	Highstreet Retail & Supermarkets	1,226	20% market approach and 80% DCF	10	9.55% - 10.80%	7.75% - 9.00%
Romania	Offices	5,344	20% market approach and 80% DCF	35	9.55%	7.75%
Cyprus	Highstreet Retail & Supermarkets	23,688	20% market approach and 80% DCF	88	7.60%	6.25%
Cyprus	Offices	2,115	20% market approach and 80% DCF	8	7.60%	6.25%
Cyprus	Hotels	11,200	20% market approach and 80% DCF	79	9.97%	7.50%
Bulgaria	Highstreet Retail & Supermarkets	10,110	0% depreciated replacement cost method and 100% DCF	131	10.26%	8.10%
Bulgaria	Offices	84,600	20% market approach and 80% DCF	549	9.31%	7.50%

[1] The segment “Other” in Greece includes city hotels, storage space, archives, petrol stations and parking spaces.
[2] The segment “Other” in Italy relates to land plot.
[3] The segment “Other” in Italy relates to storage space.

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally qualified valuers who prepare their reports twice a year as at June 30 and December 31. 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. In accordance with existing Greek REIC legislation JMD 26294/B1425/19.7.2000, valuations are based on at least two methods.

The last valuation of the Group's properties was performed at June 30, 2019 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force. For the Group's portfolio the market approach and the discounted cash flow (DCF) method were used, for the majority of the valuations. For the valuation of the Group's properties, except for one property, the discounted cash flow (DCF) method was assessed by the independent valuers to be the most appropriate.

For the valuation of Group's properties in Greece, Cyprus and Romania, the method of discounted cash flow (DCF) was used in all properties and in the most properties the market approach. For the weighing of the two methods (DCF and market approach), the rates 80%, 85% or 100% for the DCF method and 20%, 15% or 0%, respectively, for the market approach have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, such as the properties of our portfolio, transact in the market.

For the property in Bulgaria, which constitutes Retail, two methods were used, the method of discounted cash flow (DCF) and the market approach. For the weighing of the two methods the rates 100% for the DCF method and 0% for the depreciated replacement cost method have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised one, transact in the market, while the property is under development thus the other methods are considered as less appropriate.

For the property in Bulgaria, which constitutes Offices, two methods were used, the discounted cash flow (DCF) method and the market approach. For the weighing of the two methods (DCF and market approach), the rates 100% for the DCF method and 0% for the market approach, respectively have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised one, transact in the market.

For properties in Italy, which constitute commercial properties (offices and retail) and storage spaces, the independent valuers used two methods, the discounted cash flow (DCF) method and the market approach, as shown in the table above. For the weighing of the two methods the rates 100% for the DCF method and 0% for the market approach have been applied. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, as the appraised ones, transact in the market and represents the common appraisal practice, while the value derived by using the market approaches is very close to the one derived by using the DCF method.

Specifically for the property in Torvaianica area, in the municipality of Pomezia, Rome, which is a land plot with development potential, two methods were used, the residual method and the market approach according to the the data depicted in the above table. For the weighing of the two methods the rates 100% for the residual method and 0% for the market approach have been applied. The increased weighting for the residual method is due to the fact that the valuers take into consideration the current development plan, which is difficult to be considered by using another method, and and that the value derived by using the market approach is very close to the one derived by using the residual method.

The abovementioned valuation had as a result a net gain from fair value adjustment of investment property amounting to €73,884 for the Group (June 30, 2018: net gain of €29,675).

All amounts expressed in € thousand, unless otherwise stated

Were the discount rate as at June 30, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €151,408 or higher by €113,715, respectively.

Were the capitalization rate as at June 30, 2019, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be lower by €112,990 or higher by €73,846, respectively.

Were the sales price/rental value of the development as at June 30, 2019, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €66,696 higher or €66,622 lower, respectively.

Were the construction cost of the development as at June 30, 2019, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €54,389 lower or €54,463 higher, respectively.

NOTE 6: Property and Equipment

Group	Land and buildings (Administrative Use)	Land and buildings (Hotel & Other Facilities)	Motor vehicles	Fixtures and equipment	Assets under construction & Advances	Right-of-use Asset	Total
Cost or Fair value							
Balance at January 1, 2018	**2,153**	**-**	**2**	**20**	**47**	**-**	**2,222**
Additions	-	-	-	2	-	-	**2**
Transfer to investment property	-	-	-	-	(13)	-	**(13)**
Other transfers	282	-	7	291	(33)	-	**547**
Balance at December 31, 2018	**2,435**	**-**	**9**	**313**	**1**	**-**	**2,758**
Accumulated depreciation							
Balance at January 1, 2018	**(149)**	**-**	**(2)**	**(13)**	**-**	**-**	**(164)**
Depreciation charge	(21)	-	-	(3)	-	-	**(24)**
Other transfers	(123)	-	(7)	(291)	-	-	**(421)**
Balance at December 31, 2018	**(293)**	**-**	**(9)**	**(307)**	**-**	**-**	**(609)**
Net book value at December 31, 2018	**2,142**	**-**	**-**	**6**	**1**	**-**	**2,149**
Cost or Fair value							
Balance at January 1, 2019	**2,435**	**-**	**9**	**313**	**1**	**-**	**2,758**
Impact of IFRS 16	-	-	-	-	-	207	**207**
Balance at January 1, 2019 adjusted for impact of IFRS 16	**2,435**	**-**	**9**	**313**	**1**	**207**	**2,965**
Additions	-	577	-	236	-	-	**813**
Additions through acquisition of subsidiary (Note 8)	-	110,648	-	8,164	-	514	**119,326**
Other	-	85	-	-	-	**(3)**	**82**
Balance at June 30, 2019	**2,435**	**111,310**	**9**	**8,713**	**1**	**718**	**123,186**
Accumulated depreciation							
Balance at January 1, 2019	**(293)**	**-**	**(9)**	**(307)**	**-**	**-**	**(609)**
Depreciation charge	(11)	(146)	-	(365)	-	(87)	**(609)**
Impairment	-	(63)	-	-	-		**(63)**
Balance at June 31, 2019	**(304)**	**(209)**	**(9)**	**(672)**	**-**	**(87)**	**(1,281)**
Net book value at June 30, 2019	**2,131**	**111,101**	**-**	**8,041**	**1**	**631**	**121,905**

All amounts expressed in € thousand, unless otherwise stated

The category “Land and buildings - Hotel & Other Facilities” of the Group comprises the properties of the company Aphrodite Hills Resort Limited in which the Company acquired a majority stake (60%) on March 28, 2019 (Note 8) and the properties of the company “The Cyprus Tourism Development Public Company Limited” which the Company acquired through its subsidiary, Vibrana Holdings Ltd., on April 18, 2019 (Note 8). Aphrodite Hills Resort has the only certified PGA National Cyprus golf course in Paphos, as well as hotel facilities and other properties related to the use, operation and exploitation of the resort. CTDC is the owner of the 5* hotel “The Landmark Nicosia” in Nicosia, Cyprus.

Information about fair value measurement of the category “Land and buildings - Hotel & Other Facilities” as of 31.12.2018 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Discount rate (%)	Capitalization rate (%)
Cyprus	Hotel	111,101	100% DCF	10.25% - 13.70%	7.50% - 9.00%

Company	Land and buildings (Administrative use)	Motor vehicles	Fixtures and equipment	Assets under construction & Advances	Right-of-use Asset	Total
Cost						
At January 1, 2018	**2,435**	**9**	**310**	**46**	**-**	**2,800**
Additions	-	-	1	-	-	**1**
Transfer to investment property	-	-	-	(13)	-	**(13)**
Other transfers	-	-	-	(33)	-	**(33)**
At December 31, 2018	**2,435**	**9**	**311**	**-**	**-**	**2,755**
Accumulated depreciation						
At January 1, 2018	**(272)**	**(9)**	**(303)**	**-**	**-**	**(584)**
Depreciation charge	(21)	-	(3)	-	-	**(24)**
At December 31, 2018	**(293)**	**(9)**	**(306)**	**-**	**-**	**(608)**
Net book value December 31, 2018	**2,142**	**-**	**5**	**-**	**-**	**2,147**
Cost						
Balance at January 1, 2019	**2,435**	**9**	**311**	**-**	**-**	**2,755**
Impact of IFRS 16	-	-	-	-	95	95
Balance at January 1, 2019 adjusted for impact of IFRS 16	**2,435**	**9**	**311**	**-**	**95**	**2.850**
Additions	-	-	13	-	-	**13**
Balance at June 30, 2019	**2,435**	**9**	**324**	**-**	**95**	**2,863**
Accumulated depreciation						
Balance at January 1, 2019	**(293)**	**(9)**	**(306)**	**-**	**-**	**(608)**
Depreciation charge	(11)	-	(1)	-	(25)	**(37)**
Balance at June 30, 2019	**(304)**	**(9)**	**(307)**	**-**	**(25)**	**(645)**
Net book value at June 30, 2019	**2,131**	**-**	**17**	**-**	**70**	**2,218**

The category “Land and buildings – Administrative Use” of the Group and the Company comprise the owner-occupied property of the Company located at 6, Karageorgi Servias Street, Athens, used for administration purposes.

During the six-month period ended June 30, 2019 an impairment loss of Group’s and Company’s property and equipment was recognised amounted to €63 and Nil for the Group and the Company respectively. (December 31, 2018: Nil for Group and Company). Impairment loss is included in the item “Other expenses” in the Income Statement as of June 30, 2019.

The borrowings of Group and Company are secured on land and buildings of the Company and the Group (Note 16).

All amounts expressed in € thousand, unless otherwise stated

NOTE 7: Goodwill, Software and other Intangible Assets

Group	Software	Other (Customer Contracts)	Goodwill	Total
Cost				
Balance at January 1, 2018	**428**	-	-	**428**
Balance at December 31, 2018	**428**	**-**	**-**	**428**
Accumulated amortisation				
Balance at January 1, 2018	**(298)**	**-**	**-**	**(298)**
Amortisation charge	(29)	-	-	(29)
Balance at December 31, 2018	**(327)**	**-**	**-**	**(327)**
Net book value at December 31, 2018	**101**	**-**	**-**	**101**
Cost				
Balance at January 1, 2019	**428**	**-**	**-**	**428**
Acquisition of subsidiary (Note 8)	33	13,200	1,741	14,974
Additions	104	-	-	104
Balance at June 30, 2019	**565**	**13,200**	**1,741**	**15,506**
Accumulated amortisation				
Balance at January 1, 2019	**(327)**	**-**	**-**	**(327)**
Amortisation charge	(7)	-	-	(19)
Balance at June 30, 2019	**(334)**	**-**	**-**	**(346)**
Net book value at June 30, 2019	**94**	**13,200**	**1,741**	**15,160**

Other intangible assets of €13,200 as of June 30, 2019 relate to management and service contracts directly related and relevant with the use, operation and exploitation of the holiday villas and apartments which are located in Aphrodite Hills Resort.

On April 18, 2019 the Group, through the indirect acquisition of the company "The Cyprus Tourism Development Public Company Limited" ("CTDC"), recognized a goodwill amounting to €1,741 (Note 8).

NOTE 8: Acquisition of Subsidiaries (business combinations and asset acquisitions)

a) Business combinations

The Company proceeded with the following acquisitions during the six-month period ended June 30, 2019 as part of its investment policy:

- On June 25, 2019 the Company concluded the acquisition of 100% of the management shares and 88.2% of the investment shares of CYREIT Variable Investment Company PLC ("CYREIT") based in Cyprus. CYREIT, which has been incorporated as an Alternative Investment Fund (AIF), owns, through its subsidiaries, 21 commercial properties (e.g., offices, retail, big boxes, hotel) with a total gross surface area of more than 120 thousand sq.m., in Cyprus (Nicosia, Limassol, Larnaca and Paphos). CYREIT is supervised by the Cyprus Securities and Exchange Commission and its investment shares are listed on the Cyprus Stock Exchange (in the Market of Non-Trading Investment Plans).

  The acquisition was accounted for as a business combination. Therefore all transferred assets and liabilities of CYREIT were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

All amounts expressed in € thousand, unless otherwise stated

The following table summarizes the provisional fair values of assets and liabilities of CYREIT as of the date of acquisition, which is June 25, 2019:

	25.06.2019
ASSETS	
Investment property	163,021
Cash and cash equivalents	10,582
Other assets	2,278
Total assets	**175,881**
LIABILITIES	
Deferred tax (Note 18)	(3,077)
Other liabilities	(1,269)
Total liabilities	**(4,346)**
Fair value of acquired interest in net assets	**171,535**
Fair value of acquired interest in net assets attributable to non-controlling interests	(20,241)
Negative Goodwill	(10,857)
Total purchase consideration	**140,437**

Source: Unaudited financial information

The consideration for the acquisition of CYREIT amounted to €140.437, out of which amount of €3,211 will be paid out gradually subject to conditions that have been agreed to between the parties and amount of €2,581 will be paid during September 2019. The consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) amounted to €10,857 was recognized directly in the Income Statement for six-month period ended 30 June 2019 in "Negative goodwill from acquisition of subsidiaries". The expenses for the acquisition of CYREIT up to 30 June 2019 amounted to €363, out of which an amount of €37 was recognized in "Directly property related expenses" in the Income Statement for the six-month period ended June 30, 2019 and an amount of €326 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

- On April 18, 2019 the company Vibrana Holdings Ltd., in which the Company owns 90% of its share capital (Note 9), concluded on the acquisition of 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Public Company Limited" ("CTDC"). The consideration for the acquisition of 97.93% of CTDC shares from Vibrana amounted to €55,524, through the public offer submitted on February 26, 2019 for the acquisition of at least 90% and up to 100% of the shares of CTDC. The consideration that corresponds to the indirect percentage of the Company (90% of the 97.93%) amounted to €49,972. CTDC is the owner of the 5* hotel "The Landmark Nicosia" in Nicosia, Cyprus. Vibrana, subsequent to April 18, 2019 and up to June 30, 2019, acquired an additional 0.2% of the shares of CTDC (for an additional consideration of €95), therefore as of June 30, 2019 Vibrana owns 98.1% of the shares of CTDC. It is noted that, subsequent to June 30, 2019, Vibrana on August 13, 2019 exercised its rights to acquire the 100% of the shares of CTDC.

  The acquisition was accounted for as a business combination. Therefore all transferred assets and liabilities of CTDC were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

  The following table summarizes the provisional fair values of assets and liabilities of CTDC as of the date of acquisition, which is April 18, 2019:

All amounts expressed in € thousand, unless otherwise stated

	18.04.2019
ASSETS	
Property and Equipment (Note 6)	63,600
Intangible Assets (Note 7)	33
Inventories	176
Cash and cash equivalents	1,780
Other assets	475
Total assets	**66,064**
LIABILITIES	
Borrowings	(1,476)
Deferred tax (Note 18)	(7,841)
Other liabilities	(2,022)
Total liabilities	**(11,339)**
Fair value of acquired interest in net assets	**54,725**
Fair value of acquired interest in net assets attributable to non-controlling interests	(6,494)
Goodwill (Note 7)	1,741
Total purchase consideration	**49,972**

Source: Unaudited financial information

The consideration for the acquisition of CTDC was set at €49.972. The consideration was higher than the fair value of the net assets acquired by €1,741 (goodwill). The expenses for the acquisition of CTDC up to 30 June 2019 amounted to €381, out of which an amount of €331 was recognized in "Directly property related expenses" in the Income Statement for the six-month period ended 30 June 2019 and an amount of €50 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

- On March 28, 2019, the Company proceeded with the acquisition of a majority stake (60% of the share capital) of the company Aphrodite Hills Resort Limited in Paphos, Cyprus (Note 5 and 6). The aforementioned acquisition was accounted for as a business combination. Therefore all transferred assets and liabilities of Aphrodite Hills Resort Limited were valued at fair value. Until the date of the approval of the Interim Financial Statements the fair values of assets and liabilities as of the date of acquisition are not final.

The following table summarizes the provisional fair values of assets and liabilities of Aphrodite Hills Resort Limited as of the date of acquisition, which is March 28, 2019:

	28.03.2019
ASSETS	
Investment property (Note 5)	3,700
Property and equipment (Note 6)	55,725
Intangible assets (Note 7)	13,200
Equity method investments	340
Inventories	36,877
Cash and cash equivalents	3,490
Other assets	7,901
Total assets	**121,233**
LIABILITIES	
Borrowings	(70,030)
Deferred tax (Note 18)	(7,041)
Other liabilities	(19,514)
Total liabilities	**(96,585)**
Fair value of acquired interest in net assets	**24,648**
Fair value of acquired interest in net assets attributable to non-controlling interests	(9,859)
Negative Goodwill	(2,498)
Total purchase consideration	**12,291**

Source: Unaudited financial information

All amounts expressed in € thousand, unless otherwise stated

Inventories include residences and land plot for the development of residences for their subsequent sale. The Company and its partners aim to continue to expand the resort as there is a significant residual building factor for the development of additional housing.

The consideration for the acquisition of Aphrodite Hills Resort Limited amounted to €12,291 (out of which an amount of €1,800 is payable by December 31, 2019), while the Company also paid to Aphrodite Hills Resort Limited an amount of €17,080 for repayment (in proportion to its participation) of the company's existing financing obligations (total investment: €29,371). The amount of €17,080 is included in the Statement of Financial Position of the Company as of June 30, 2019 in the item "Other long-term assets". The consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) amounted to €2,498 was recognized directly in the Income Statement for the period ended June 30, 2019 in "Negative goodwill from acquisition of subsidiaries". The expenses for the acquisition of Aphrodite Hills Resort Limited up to 30 June 2019 amounted to €170, out of which an amount of €167 was recognized in "Directly property related expenses" in the Income Statement for the six-month period ended 30 June 2019 and an amount of €3 had been recognized in "Directly property related expenses" in the Income Statement for the year ended December 31, 2018.

The acquired subsidiaries contributed, from the day of their acquisition until June 30, 2019, revenue of €13,625 and loss for the period of €2,857. If the above acquisition had occurred on January 1, 2019, with all other variables held constant, Group's revenue for the six-month period ended June 30, 2019 would have been €80,869 and Group's profit for the six-month period ended June 30, 2019 would have been €118,607.

b) Asset Acquisitions

- On March 28, 2019, the Company proceeded with the acquisition of 60% of the share capital of the company Aphrodite Springs Public Limited in Paphos, Cyprus (Note 5). The consideration for the acquisition of Aphrodite Springs Public Limited amounted to €2,400. The acquisition was accounted for as an assets acquisition.

  The assets and liabilities recognized in the Statement of Financial Position on the date of the acquisition were:

	28.03.2019
ASSETS	
Investment property (Note 5)	8,108
Cash and cash equivalents	83
Other assets	182
Total assets	**8,373**
LIABILITIES	
Other liabilities	(4,373)
Total liabilities	**(4,373)**
Fair value of acquired interest in net assets	**4,000**
Fair value of acquired interest in net assets attributable to non-controlling interests	(1,600)
Total purchase consideration	**2,400**

Source: Unaudited financial information

All amounts expressed in € thousand, unless otherwise stated

NOTE 9: Investment in Subsidiaries

Subsidiaries	Country of incorporation	Unaudited tax years	Group		Company	
			30.06.2019	31.12.2018	30.06.2019	31.12.2018
Nash S.r.L.	Italy	2013 – 2018	100.00%	100.00%	100.00%	100.00%
Picasso Fund	Italy	2013 – 2018	100.00%	100.00%	100.00%	100.00%
Egnatia Properties S.A.	Romania	2013 – 2018	99.96%	99.96%	99.96%	99.96%
Quadratix Ltd.	Cyprus	2016 – 2018	100.00%	100.00%	100.00%	100.00%
Karolou Touristiki S.A.	Greece	2013 – 2018	100.00%	100.00%	100.00%	100.00%
PNG Properties EAD	Bulgaria	2017 - 2018	100.00%	100.00%	100.00%	100.00%
Pangaea UK Finco Plc	United Kingdom	-	100.00%	100.00%	-	100.00%
Lasmane Properties Ltd.	Cyprus	2016 - 2018	100.00%	100.00%	100.00%	100.00%
Anaptixi Fragokklisia Real Estate S.A.	Greece	2018	100.00%	100.00%	100.00%	100.00%
Irina Ktimatiki S.A.	Greece	2017-2018	100.00%	100.00%	100.00%	100.00%
I&B Real Estate EAD	Bulgaria	2016 - 2018	100.00%	100.00%	100.00%	100.00%
Aphrodite Hills Resort Limited	Cyprus	2016-2018	60.00%	-	60.00%	-
Aphrodite Hotels Limited	Κύπρος	2016-2018	60.00%	-	-	-
Aphrodite Hills Property Management Limited	Κύπρος	2016-2018	60.00%	-	-	-
The Aphrodite Tennis and Spa Limited	Κύπρος	2016-2018	60.00%	-	-	-
Aphrodite Hills Services Limited	Κύπρος	2016-2018	60.00%	-	-	-
Aphrodite Springs Public Limited	Cyprus	2016-2018	60.00%	-	60.00%	-
Vibrana Holdings Ltd.	Cyprus	2018	90.00%	-	90.00%	-
The Cyprus Tourism Development Public Company Limited	Cyprus	2013 - 2018	88.29%	-	-	-
CYREIT Variable Investment Company Plc	Cyprus	2018	88.20%	-	88.20%	-
Letimo Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Elizano Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Artozaco Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Consoly Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Smooland Properties Ltd.	Cyprus	2013-2018	88.20%	-	-	-
Threefield Properties Ltd.	Cyprus	2013-2018	88.20%	-	-	-
Bascot Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Nuca Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Vanemar Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Alomnia Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Kuvena Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Azemo Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Ravenica Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Wiceco Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Lancast Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Rouena Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Allodica Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Vameron Properties Ltd.	Cyprus	2014-2018	88.20%	-	-	-
Orleania Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-
Primaco Properties Ltd.	Cyprus	2016-2018	88.20%	-	-	-
Arleta Properties Ltd.	Cyprus	2017-2018	88.20%	-	-	-

All amounts expressed in € thousand, unless otherwise stated

The subsidiaries are consolidated with the full consolidation method.

The financial years 2013 – 2014 of Karolou Touristiki S.A. have not been audited for tax purposes from the Greek tax authorities and consequently the tax obligations for these years are not considered as final. The years 2015, 2016 and 2017 have been audited by the elected under L. 4548/2018 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualification. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company. The financial year 2018 is being audited by the elected under L. 4548/2018 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013. Until the date of approval of the Interim Financial Statements, the tax audit by the statutory auditor for the year 2018 has not been completed.

The financial year 2018 for the companies Irina Ktimatiki S.A. and Anaptixi Fragokklisia Real Estate S.A. is being audited by the elected under L. 4548/2018 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013. Until the date of approval of the Interim Financial Statements, the tax audit by the statutory auditor for the year 2018 has not been completed.

Cost of Investment	**30.06.2019**	**31.12.2018**
Nash S.r.L.	69,428	69,428
Picasso Fund	80,752	80,752
Egnatia Properties S.A.	20	20
Quadratix Ltd.	10,802	10,802
Karolou Touristiki S.A.	4,007	4,007
PNG Properties EAD	26	26
Pangaea UK Finco Plc	-	57
Lasmane Properties Ltd.	11,410	11,410
Anaptixi Fragokklisia Real Estate S.A.	6,000	6,000
Irina Ktimatiki S.A.	11,174	3,574
I & B Real Estate EAD	40,152	40,152
Aphrodite Hills Resort Limited	12,291	-
Aphrodite Springs Public Limited	2,400	-
Vibrana Holdings Ltd.	51,615	-
CYREIT Variable Investment Company Plc	140,437	-
Total	**440,514**	**226,228**

On June 25, 2019 the Company concluded with the acquisition of 100% of the management shares and 88.2% of the investment shares of CYREIT Variable Investment Company PLC (“CYREIT”) based in Cyprus (Note 8).

On March 28, 2019 the Company proceeded with the acquisition of 60% of the share capital of the companies Aphrodite Hills Resort Limited και Aphrodite Springs Public Limited in Cyprus (Note 8).

On March 26, 2019 the Extraordinary General Meeting of of the shareholders of Irina Ktimatiki S.A. resolved on its share capital increase by the amount of €7,600 with the issuance of 760,000 new ordinary common shares with a par value of €10 each.

On February 22, 2019 the Company proceeded with the acquisition of 90% of share capital of the company Vibrana Holdings Ltd. in Cyprus. On April 18, 2019 the Board of Directors of Vibrana Holdings Ltd. resolved on its share capital increase by the amount of €57,350 with the issuance of 100 new ordinary common shares with a par value of €1 each, out of which an amount of €57,349.9 represents the share premium. In the context of the abovementioned share capital increase, the Company paid on the same day an amount of €51,615 (in proportion to its participation in Vibrana), which was financed by loans.

All amounts expressed in € thousand, unless otherwise stated

On January 8, 2019 the liquidation of the company Pangaea UK Finco Plc. was completed.

It is noted that the financial statements of the consolidated non-listed subsidiaries of the Group are available on the Company's website address (http://www.prodea.gr).

NOTE 10: Equity method investments and Investments in joint ventures

	Country of Incorporation	Unaudited tax years	Group 30.06.2019	Company 30.06.2019
AEP Chanion S.A.	Greece	2013-2018	40%	40%
Panterra S.A.	Greece	-	49%	49%
Aphrodite Hills Pantopoleion Ltd.	Cyprus	2016-2018	27%	-

On May 31, 2019 the Company acquired 40.0% of the shares of the company "AEP Chanion S.A." for a consideration of €3,472. The company owns two land plots in Chania of a total area of 11.4 thousnad sq.m. The aim of the Company and its partners is the development and exploitation of these land plots taking into account the prime area in which they are located.

On April 25, 2019, the company Panterra SA was established in Maroussi Attica. The share capital of the company amounts to €11,500 and divided to 1,150,000 common ordinary shares with a par value of €10 each. The Company owns 49% of the share capital of Panterra S.A. Panterra S.A. will acquire two adjacent commercial properties in Athens (one of which is located on Syggrou Avenue and Lagoumtzi Avenue with a total surface of c. 6.9 thousand sq.m. and the second is located on Evridamantos and Lagoumtzi Street with a total surface of c. 2 thousand sq.m), for a total consideration of € 10,000. On July 3, 2019 the company signed a notarial preliminary agreement for the acquisition of the aforementioned properties. The signing of the final agreement took place on September 10, 2019 (Note 30).

Aphrodite Hills Resort Limited, in which the Company owns 60% of its shares, owns the 45% of the company Aphrodite Hills Pantopoleion Ltd.. As of June 30, 2019 the Group's investment in Aphrodite Hills Pantopoleion Ltd. amounted to €359.

As of June 30, 2019, the Group's share of profit of associates and joint ventures amounted to €79:
- Loss of €9 from Panterra S.A. (joint venture).
- Profit of €29 from AEP Chanion S.A. (joint Venture).
- Profit of €59 from Aphrodite Hills Pantopoleion Ltd. (equity method investment).

As of June 30, 2019 the Company's and the Group's investment in Panterra S.A. amounted to €5,563 and €5,626 respectively, while the investment in AEP Chanion S.A. amounted to €3,472 and €3,501 respectively.

NOTE 11: Trade and Other Assets

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Trade receivables	13,612	6,839	4,912	3,775
Trade receivables from related parties (Note 29)	1	2	1	2
Receivables from Greek State	8,126	9,522	7,932	8,248
Prepaid expenses	4,530	763	2,911	709
Preliminary dividend paid	-	22,995	-	22,995
Other receivables	7,206	6,401	5,751	6,278
Other receivables from related parties (Note 29)	1,017	1,003	1,003	3,598
Total	**34,492**	**47,525**	**22,510**	**45,605**

The classification of the item "Trade and Other Assets" of the Group and the Company to financial and non-financial assets and the ECL allowance for financial assets as of June 30, 2019 and December 31, 2018 is presented below:

All amounts expressed in € thousand, unless otherwise stated

Group

Financial assets	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 30.06.2019	15,463	1,667	1,501	**18,631**
ECL allowance	(22)	(1)	(654)	**(677)**
Net carrying amount 30.06.2019	**15,440**	**1,666**	**847**	**17,953**
Non-financial assets 30.06.2019				16,539
Total Trade and other assets 30.06.2019				**34,492**

Company

Financial assets	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 30.06.2019	8,129	1,174	902	**10,205**
ECL allowance	(19)	(1)	(446)	**(466)**
Net carrying amount 30.06.2019	**8,110**	**1,173**	**456**	**9,739**
Non-financial assets 30.06.2019				12,771
Total Trade and other assets 30.06.2019				**22,510**

Group

Financial assets	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2018	11,033	477	697	**12,207**
ECL allowance	(20)	(1)	(406)	**(427)**
Net carrying amount 31.12.2018	**11,013**	**476**	**291**	**11,780**
Non-financial assets 31.12.2018				35,745
Total Trade and other assets 31.12.2018				**47,525**

Company

Financial assets	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2018	10,840	185	669	**11,694**
ECL allowance	(26)	(1)	(373)	**(400)**
Net carrying amount 31.12.2018	**10,814**	**184**	**296**	**11,294**
Non-financial assets 31.12.2018				34,311
Total Trade and other assets 31.12.2018				**45,605**

The Group’s and the Company’s trade receivables as at June 30, 2019 include an amount of € 229 and €152 respectively (December 31, 2018: €103 for the Group and the Company) relating to lease incentives under certain lease agreements. The accounting treatment of these incentives, according to the relevant accounting standards, provides for their partial amortization over the life of each lease.

Company’s receivables from Greek State of an amount of €7,932 (December 31, 2018: €8,248) mainly relate to capital accumulation tax paid by NBG Pangaea at April 14, 2010, September 16, 2014 and September 17, 2014. Upon payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount as a result of paragraph 1, article 31 of L.2778/1999, which states that "the shares issued by a REIC and the transfer of properties to a REIC are exempt of any tax, fee, stamp duty, levies, duties or any other charge in favour of the State, public entities and third parties in general". Regarding the payment of the aforementioned tax, because of the lack of response of the relevant authority after a three months period, the Company filed an appeal. The Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amounts is in essence certain. It is noted that according to the decision of the Council of State No. 90/2019, which was published on January 16, 2019, the application for appeal was accepted for the amount of €5,900.

All amounts expressed in € thousand, unless otherwise stated

The analysis of other receivables is as follows:

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Pledged deposits	3,122	3,009	3,011	3,009
Other	4,131	3,392	2,740	3,269
Total	**7,253**	**6,401**	**5,751**	**6,278**

Pledged deposits mainly relate to deposits pledged in accordance with the terms of the bond loan agreement dated August 11, 2014 as amended on August 20, 2014 (Note 16).

NOTE 12: Inventories

	Group	
	30.06.2019	**31.12.2018**
Residences for sale	12,079	-
Land and residences under development	23,889	-
Impairment of inventories	(2,889)	-
Consumables	910	-
Σύνολο	**33,989**	**-**

The Group's borrowings are secured on inventories (Note 16).

NOTE 13: Cash and Cash Equivalents

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Cash in hand	26	2	1	1
Sight and time deposits	66,104	46,874	31,854	33,215
Total	**66,130**	**46,876**	**31,855**	**33,216**

The fair value of the Group's cash and cash equivalents is estimated to approximate their carrying value.

As of June 30, 2019 sight and time deposits of the Group and the Company include pledged deposits amounted to €5,753 and €2,288, respectively (December 31, 2018: €3,432 and €537 respectively), in accordance with the provisions of the loan agreements.

NOTE 14: Share Capital & Share Premium

			Group	Company
	No. of shares	**Share Capital**	**Share Premium**	
Balance at June 30, 2019 and December 31, 2018	**255,494,534**	**766,484**	**15,890**	**15,970**

The total paid up share capital of the Company as of June 30, 2019 and December 31, 2018, amounted to €766,484 divided into 255,494,534 common shares with voting rights with a par value of €3.0 per share.

The Company does not hold own shares.

All amounts expressed in € thousand, unless otherwise stated

NOTE 15: Reserves

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Statutory reserve	22,272	17,995	21,846	17,716
Special reserve	323,987	323,987	323,987	323,987
Other reserves	444	194	45	45
Total	**346,703**	**342,176**	**345,878**	**341,748**

According to article 158 of L. 4548/2018, as in force, the Company is required to withhold from its net profit a percentage of 5% per year as statutory reserve until the total statutory reserve amounts to the 1/3 of the paid share capital. The statutory reserve cannot be distributed throughout the entire life of the Company.

Special reserve amounting to €323,987 relates to the decision of the Extraordinary General Meeting of the Company's Shareholders held on August 3, 2010 to record the difference between the fair value and the tax value of the contributed properties at September 30, 2009 by NBG, established upon the incorporation of the Company.

NOTE 16: Borrowings

All borrowings have variable interest rates. The Group is exposed to fluctuations in interest rates prevailing in the market which affect its financial position, its income statement and its cash flows. Cost of debt may increase or decrease as a result of such fluctuations.

It is noted that in accordance with the terms of loans, the Group has entered into interest rate caps for hedging the Group's exposure to variations in variable rate.

On June 26, 2019 the Company proceeded with the signing of a bond loan agreement for an amount of up to €300,000 with NBG and the European Bank for Reconstruction and Development ("EBRD").The bond loan has a five years maturity bearing interest of 3-month Euribor plus a margin of 3.2%. The purpose of the loan is a) the refinancing of existing borrowings amounting to €237,500 and b) the realization of investments and the overall development of the Company's operations amounting to €62,500. Subsequently to June 30, 2019, an amount of €237,500 was disbursed and used for the refinancing of existing short term borrowings (Note 30).

On May 6, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €200,000 with Alpha Bank S.A.. The bond loan has a seven years maturity bearing interest of 3-month Euribor plus a margin of 3.25%. Until the June 30, 2019, an amount of €90,000 was disbursed, out of which an amount of €50,000 was used for the refinancing of existing short term borrowings and the remaining amount of €40,000 was used for investments and the overall development of the Company's operations.

On April 18, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €32,000 with Bank of Cyprus Ltd.. The bond loan has a three years maturity bearing interest of 3-month Euribor plus a margin of 3.5%. The total amount of the loan was disbursed on the same day and was exclusively used for the share capital increase of the subsidiary Vibrana Holdings Ltd. (Note 9).

On April 12, 2019 the Company proceeded with the signing of a bond loan agreement for an amount up to €90,000 with Bank of Cyprus Ltd.. The bond loan has a ten years maturity bearing interest of 3-month Euribor plus a margin of 3.35%. The loan was used for the financing of part of the consideration for the acquisition of 100% of the management shares and 88.2% of the investment shares of CYREIT (Note 8).

On February 27, 2019 the Company proceeded with the signing of a loan agreement with Piraeus Bank S.A. for an amount of €20,000 bearing interest of 3-month Euribor plus a margin of 3.25%. The loan has five years maturity and its purpose is the financing of investments.

All amounts expressed in € thousand, unless otherwise stated

On December 13, 2018, the Company signed a bond loan agreement for an amount of up to €120,000 with Piraeus Bank S.A. with a five years duration. The bonds bear interest of 3-month Euribor plus a margin of 3.20%. On March 29, 2019 the total amount of the loan was disbursed, out of which an amount of €55,000 was used for the refinancing of existing short term liabilities and more specifically for the refinancing of the bridge loan with Piraeus Bank S.A. signed by the Company on November 2, 2018. From the total amount of €55,000 an amount of €10,000 was disbursed on March 2019, while the remaining amount of €45,000 had been disbursed during the year 2018.

It is noted that under the terms of the majority of the borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the six-month period ended June 30, 2019 and the year 2018 the Group has complied with this obligation.

In the context of a prudent financial management policy, the Company's Management seeks to manage its borrowing (short and long term) by utilizing a variety of funding sources in accordance with its business planning and strategic objectives. The Company assesses its financing needs and available funding sources in the international and domestic financial markets and explores any opportunities to raise additional capital through financing in these markets.

	Group		**Company**	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Long term				
Bond loans	376,784	55,862	376,784	55,862
Other borrowed funds	226,293	55,997	18,952	-
Long term borrowings	**603,077**	**111,859**	**395,736**	**55,862**
Short term				
Bond loans	248,457	242,248	248,457	242,248
Other borrowed funds	11,920	206,032	532	95,649
Short term borrowings	**260,377**	**448,280**	**248,989**	**337,897**
Total	**863,454**	**560,139**	**644,725**	**393,759**

As of June 30, 2019, short-term borrowings of the Group and the Company include an amount of €2,774 which relates to accrued interest expense on the bond loans (December 31, 2018: €2,196 for the Group and the Company) and an amount of €640 for the Group and €17 for the Company, which relates to accrued interest expense on other borrowed funds (December 31, 2018: €943 and €649, respectively).

The maturity of the Group's borrowings is as follows:

	Group		**Company**	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Up to 1 year	260,377	448,280	248,989	337,897
From 1 to 5 years	359,016	70,606	238,210	55,862
More than 5 years	244,061	41,253	157,526	-
Total	**863,454**	**560,139**	**644,725**	**393,759**

The contractual re-pricing dates are limited to a maximum period up to 6 months.

The Group is not exposed to foreign exchange risk in relation to the borrowings, as all borrowings are denominated in the functional currency, except for the loan of I&B Real Estate EAD located in Bulgaria, which is in foreign currency (BGN), the rate of which is fixed according to European Central Bank.

The securities over the Group's loans, including the collaterals on properties, are listed below:

- In accordance with the terms of the bond loan program dated August 11, 2014, as amended on August 20, 2014, for the issuance of the bonds totally amounting to €237,500, the Company registered mortgages on 77 properties in Greece (included the owneroccupied property located at 6, Karageorgi Servias str., Athens) in favour of Alpha Bank S.A. (bondholder agent) as collateral for all Company's obligations under the financing documents, each for an amount of €250,000. As of June 30, 2019 the fair value of the 77 properties amounted to €589,001.

- On one property of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €78,000. The outstanding balance of the bond loan as of June 30, 2019 amounted to €57,600 and the fair value of the property as of June 30, 2019 amounted to €126,199. In addition, all rights of the Company, arising from the lease with Cosmote, have been assigned in favour of the bondholders.

- On 35 properties of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. for an amount of €144,000. The outstanding balance of the bond loan as of June 30, 2019 amounted to €119,100 and the fair value of the properties as of December 31, 2018 amounted to €201,889. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On 3 properties of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. for an amount of €24,000. The outstanding balance of the loan as of June 30, 2019 amounted to €19,850 and the fair value of the properties as of 30 June 2019 amounted to €33,850. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- On 33 properties of the Company a prenotation of of mortgage was established in favour of Alpha Bank S.A. for an amount of €240,000. The outstanding balance of the loan as of June 30, 2019 amounted to €90,000 and the fair value of the properties as of 30 June 2019 amounted to €231,016. In addition, all rights of the Company, arising from the lease contracts of the above properties, have been assigned in favour of the lender.

- The entire share capital of Vibrana Holdings Ltd. is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the bond loan agreement of up to €32,000 signed on April 18, 2019. Moreover, the entire share capital of CTDC owned by the company Vibrana Holdings Ltd. is collateral in favour of Bank of Cyprus Ltd.

- The entire share capital of CYREIT is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the bond loan agreement of up to €90,000 signed on April 12, 2019.

- Four properties owned by the subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000. The outstanding balance of the loan as of June 30, 2019 amounted to €94,860 and the fair value of the properties amounted to €191,030. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- Nine properties owned by the subsidiary Picasso Fund are burdened with first class mortgage in favour of Intesa SanPaolo S.p.A. for an amount of €19,700. The outstanding balance of the loan as of June 30, 2019 amounted to €9,450 and the fair value of the properties amounted to €21,140. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- One property owned by the subsidiary Quadratix Ltd. is burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €16,500. The outstanding balance of the loan as of June 30, 2019 amounted to €13,938 and the fair value of the properties amounted to €26,376. In addition, the entire share capital of Quadratix Ltd. is collateral in favour of Bank of Cyprus Ltd, for all amounts due under the loan agreement, all rights of Quadratix Ltd. arising from the lease agreement with Sklavenitis Cyprus Limited have been assigned in favour of the lender and the assets of the subsidiary are burdened with floating charge in favour of Bank of Cyprus Ltd. It is noted that the Company has given corporate guarantee up to the amount of €5,000 for liabilities of Quadratix Ltd. under the abovementioned loan agreement.

All amounts expressed in € thousand, unless otherwise stated

- Two properties owned by the subsidiary Egnatia Properties S.A. are burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €6,405. The outstanding balance of the loan as of June 30, 2019 amounted to €6,335 and the fair value of the property as of June 30, 2019 amounted to €6,626. Finally, all rights of Egnatia Properties arising from the lease agreements for the abovementioned properties have been assigned in favour of the lender.

- On one property owned by the subsidiary Irina Ktimatiki S.A. a prenotation of mortgage was established in favour of Alpha Bank S.A. for an amount of €4,800. Moreover, the entire share capital of Irinna Ktimatiki S.A. is collateral in favour of Alpha Bank S.A, for all amounts due under the loan agreement. The outstanding balance of the loan as of June 30, 2019 amounted to €3,295 and the fair value of the property as of June 30, 2019 amounted to €15,100.

- One property owned by the subsidiary I&B Real Estate EAD is burdened with mortgage in favour of Eurobank Bulgaria AD for an amount of €38,374.Moreover, the entire share capital of I&B Real Estate EAD is collateral in favour of Eurobank Bulgaria AD for all amounts due under the loan agreement. The outstanding balance of the loan as of June 30, 2019 amounted to €37,868 and the fair value of the property as of June 30, 2019 amounted to €84,815. Finally, all rights of I&B Real Estate arising from the lease agreements have been assigned in favour of the lender.

- The property and equipment, the investment property and the inventories of the subsidiary Aphrodite Hills Resort Limited and the land plot of the company Aphrodite Springs Public Limited are burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €143,591. The outstanding balance of the loans as of June 30, 2019 amounted to €40,883 and the fair value of the properties as of June 30, 2019 amounted to €112,460. Moreover, the entire share capital of Aphrodite Hills Resort Limited, the share capital of its subsidiaries and the share capital of Aphrodite Springs Public Limited are collateral in favour of Bank of Cyprus Ltd. Finally, the assets of the subsidiary Aphrodite Hills Resort Limited are burdened with floating charge in favour of Bank of Cyprus Ltd.

- The properties of the subsidiary “The Cyprus Tourism Development Company Limited” are burdened with mortgage in favour of Bank of Cyprus Ltd. and Astrobank Ltd. for a total amount of €6,209. In addition, the assets of the subsidiary are burdened with floating charge in favour of Bank of Cyprus Ltd. and Astrobank Ltd. for a total amount of €11,334. The outstanding balance of the loan as of 30 June 2019 amounted to €1,374 and the fair value of the assets and properties amounted to €63,600.

NOTE 17: Trade and Other Payables

Trade and other payables is analyzed as below:

	Group		Company	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Trade payables	13,767	9,910	4,352	4,758
Amounts due to related parties (Note 29)	-	155	2	142
Taxes – Levies	12,177	7,128	8,840	4,620
Deferred revenues	11,593	5,243	3,043	2,976
Lease liabilities	58	-	51	-
Other payables and accrued expenses	16,045	1,020	8,781	395
Other payables and accrued expenses due to related parties (Note 29)	2,094	662	2,004	2,248
Total	**55,734**	**24,118**	**27,073**	**15,139**

Trade and other payables are short term and do not bare interest.

All amounts expressed in € thousand, unless otherwise stated

Deferred revenues relate to deferred income for the period following June 30, 2019 and December 31, 2018, respectively, according to the relevant lease agreements of the Group and the Company, as well as to received amounts of €6,116 related to the sale of properties of Aphrodite Hills Resort Limited which have not been delivered to the buyers up to June 30, 2019.

The increase of"Other payables and accrued expenses" of the Company as of June 30, 2019, in comparison to December 31, 2018, is mainly due to the Company's liability of €1,800 for the acquisition of the company Aphrodite Hills Resort Limited (Note 8) and the Company's liability of €5,792 for the acquisition of the company CYREIT (Note 8). In addition, the increase of "Other payables and accrued expenses" of the Group as of June 30, 2019, in comparison to December 31, 2018, mainly derives from the companies which acquired by the Group during the first semester of 2019 (Note 8) and relates to liabilities in the context of their operations.

The analysis of Taxes – Levies is as follows:

	Group		**Company**	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
Stamp duty on leases	3,797	2,520	3,797	2,520
Unified Property Tax (ENFIA)	3,883	1,021	3,809	1,015
Foreign real estate tax	2,683	2,523	-	-
Other	1,814	1,064	1,234	1,085
Total	**12,177**	**7,128**	**8,840**	**4,620**

NOTE 18: Deferred tax assets and liabilities

	Group	
Deferred tax liabilities	**30.06.2019**	**31.12.2018**
Investment property	11,708	4,586
Property and equipment	9,606	-
Inventories	2,934	-
Intangible Assets	1,650	-
Total	**25,898**	**4,586**

	Group	
Deferred tax income / (expense)	**30.06.2019**	**30.06.2018**
Tax Losses	19	23
Investment property	(3,766)	(95)
Property & equipment	(99)	-
Inventories	480	-
Total	**3,366**	**72**

Movement of deferred tax assets:

	Group
	Tax Losses
Balance January 1, 2018	**4**
Credited to the Income Statement	46
Offset with deferred tax liabilities	(50)
Balance December 31, 2018	**-**
Credited to the Income Statement	19
Offset with deferred tax liabilities	(19)
Balance June 30, 2019	**-**

All amounts expressed in € thousand, unless otherwise stated

Movement of deferred tax liabilities:

	Group		
	Investment Property	**Other**	**Total**
Balance January 1, 2018	**223**	**-**	**223**
Deferred tax liabilities recognised following business combinations	3,974	-	3,974
Charged to the Income Statement	439	-	439
Offset with deferred tax assets	(50)	-	(50)
Balance December 31, 2018	**4,586**	**-**	**4,586**
Deferred tax liabilities recognised following business combinations (Note 8)	3,376	14,583	17,959
Charge to the Income Statement	3,766	(381)	3,385
Charge to Other Comprehensive income	-	(13)	(13)
Offset with deferred tax assets	(19)	-	(19)
Balance June 30, 2019	**11,709**	**14,189**	**25,898**

The tax liability of the Company (and its subsidiaries in Greece) is calculated on the basis of its investments and cash and cash equivalents rather than on its profits, therefore no temporary differences arise and accordingly no deferred tax liabilities and / or assets are recognised. The same applies to the Company's subsidiary, Picasso Fund, in Italy, which is not subject to income tax.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A., Quadratix Ltd., Lasmane Properties, PNG Properties EAD, I&B Real Estate EAD, Aphrodite Hills Resort Limited, Aphrodite Springs Public Limited, Vibrana Holdings, CTDC and CYREIT are taxed based on their income (Note 25), therefore temporary differences may arise and accordingly deferred tax liabilities and / or assets may be recognised.

The Group have offset the deferred tax assets and deferred tax liabilities on an entity by entity basis based on the legally enforceable right to set off the recognized amounts i.e. offset current income tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

NOTE 19: Other long-term liabilities

The fluctuation of "Other long-term liabilities" of the Group as of June 30, 2019, in comparison to December 31, 2018, is mainly attributable to the recognition of a liability of €8,869 arising from a put option non-controlling interests to sell to the Company 36.22% of the shares of the companies Aphrodite Hills Resort Limited and Aphrodite Springs Public Limited. The Company also has the right to acquire the shares above (call option). The liability was recognized directly in equity of the Group in "Other Equity".

NOTE 20: Dividends per Share

On June 18, 2019 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €73,071 (i.e. 0.22 per share – amount in €) as dividend to its shareholders for the year 2018. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 18, 2018, the remaining dividend that was distributed amounted to €50,076 (i.e. €0.196 per share – amount in €). The amount of interim dividend is included in the line trade and other assets as of 31 December 2018.

On April 23, 2018 the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €56,209 (i.e. 0.22 per share – amount in €) as dividend to its shareholders for the year 2017. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 12, 2017, the remaining dividend that was distributed amounted to €33,214 (i.e. €0.13 per share – amount in €).

All amounts expressed in € thousand, unless otherwise stated

NOTE 21: Property taxes-levies

As of June 30, 2019, property taxes-levies amounted to €4,739 and €3,830 for the Group and the Company respectively (June 30, 2018: €4,609 and €3,824, respectively) and includes ENFIA of €3,882 and €3,749 for the Group and the Company, respectively (June 30, 2018: €3,764 and €3,749, respectively). The increase of ENFIA is due to the properties acquired by the Company during 2018, given that ENFIA is calculated for the properties owned by a legal entity as of January 1st of each year.

NOTE 22: Personnel expenses (incl. remuneration to the members of the Board of Directors and its committees)

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Salaries, wages and allowances	4,033	847	1,027	847
Social security costs	758	195	249	195
Profit distributed to personnel - BoD	1,774	-	1,774	-
Other expenses	479	75	160	75
Total	**7,461**	**1,400**	**3,616**	**1,399**

As of June 30, 2019, the number of employees of the Group and of the Company was 694 and 32, respectively (June 30, 2018: 27 employees for the Group and the Company). The Group's personnel, as of June 30, 2019, includes 527 employees and 135 employees from the companies Aphrodite Hills Resort and CTDC, respectively, acquired by the Group during the first semester of 2019. Consequently, the personnel expenses include relevant expenses of the aforementioned companies.

On June 18, 2019, the Annual General Meeting of the Company's Shareholders, approved the distribution of a total amount of €1,774 to the personnel and members of the BoD of the Company out of the profits of the year 2018.

NOTE 23: Other Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Third parties fees	2,297	590	551	268
Promoting and marketing expenses, etc	868	102	303	102
Taxes-levies	408	220	321	212
Other	3,044	207	207	204
Total	**6,617**	**1,119**	**1,382**	**786**

Other expenses of the Group as of June 30, 2019 include an amount of €4,670 resulted from the companies Aphrodite Hills Resort and CTDC, acquired by the Group during the first semester of 2019, and relates to expenses in the context of their operations.

All amounts expressed in € thousand, unless otherwise stated

NOTE 24: Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Interest Expense	12,983	9,435	9,715	7,606
Finance and Bank Charges (incl. amortization of discount)	1,574	1,287	1,200	962
Foreign Exchange Differences	96	6	-	3
Total	**14,583**	**10,728**	**10,915**	**8,571**

NOTE 25: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	30.06.2018	31.03.2019	30.06.2018
REICs' tax	6,736	5,786	6,642	5,769
Other taxes	158	26	-	-
Deferred tax (Note 18)	3,366	72	-	-
Total	**10,260**	**5,884**	**6,642**	**5,769**

As a REIC, in accordance with article 31, par. 3 of L.2778/1999, as in force, the Company is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents (as depicted on the Company's biannual investment schedule) at current prices at the tax rate of 10.0% of the European Central Bank reference rate plus 1.0% (the taxation formula is as follows: 10.0% * (ECB reference rate + 1.0%)). The above tax relieves the Company and its shareholders of any further tax liabilities. It is noted that in accordance with par. 2 of article 45 of L.4389/2016, a minimum tax threshold of 0.375% on its average investments plus cash was imposed for each semester (i.e. 0.75% annually). Karolou Touristiki S.A., Irinna Ktimatiki S.A. and Anaptixi Fragokklisia S.A. as the Company's subsidiaries in Greece, have the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L. in Italy, Egnatia Properties S.A. in Romania, Quadratix Ltd., Lasmane Properties, Aphrodite Hills Resort Limited, Aphrodite Springs Public Limited, CTDC, Vibrana Holdings and CYREIT in Cyprus, PNG Properties EAD and I&B Real Estate EAD in Bulgaria, are taxed based on their income, assuming a tax rate of 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the period ended June 30, 2019 and 2018, respectively.

The unaudited tax years for the subsidiaries of the Group and the Joint Ventures are shown in the notes 9 & 10 respectively.

NOTE 26: Revenue

	Group		Company	
	From 01.01. until		From 01.01. until	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Rental Income	65,998	60,704	54,206	52,844
Revenue from hotel operations	8,812	-	-	-
Revenue from other operations	2,641	-	-	-
Revenue from sale of residences	2,000	-	-	-
Total	**79,451**	**60,704**	**54,206**	**52,844**

Rental income is not subject to seasonality. Revenue from hotel and other related operations are subject to seasonality depending on the type of the hotel (city hotel or resort).

NOTE 27: Earnings per Share

Basic Earnings per share ratio is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
Period ended June 30,	**2019**	**2018**	**2019**	**2018**
Profit attributable to equity shareholders	108,593	64,749	76,118	40,460
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495	255,495	255,495
Earnings per share (expressed in € per share) - basic and diluted	**0.43**	**0.25**	**0.30**	**0.16**

The dilutive Earnings per share are the same as the basic Earnings per share for the six-month period ended June 30, 2019 and 2018, as there were no dilutive potential ordinary shares.

NOTE 28: Contingent Liabilities and Commitments

Group companies have not been audited yet for tax purposes for certain financial years and consequently their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits, however the amount cannot be determined. As at June 30, 2019 and December 31, 2018 the Group has not accounted for provisions for unaudited tax years. It is estimated that additional taxes and penalties that may be imposed will not have a material effect on the statement of financial position of the Group and the Company.

The tax authorities have not audited the books and records of the of the absorbed by the Company with same legal name NBG Pangaea REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected, under L. 4548/2018, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications. Especially for the year 2012, it is noted that within 2018 the tax audit was completed by the competent tax authorities with no findings and therefore no additional taxes were imposed.

The years 2013 – 2017 of the Company have been audited by the elected, under L. 4548/2018, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications. Until the date of approval of the Interim Financial Statements, the tax audit for the year 2018 has not been completed by the statutory auditor of the Company.

The tax authorities have not audited the books and records of KARELA S.A., which was absorbed by the Company, for the financial year 2013 and consequently the tax obligations for this year is not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the company. The financial years 2014 and 2015 have been audited by the elected, under L. 4548/2018, statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications.

Up until June 30, 2019, the tax authorities have not notified for any audit order for the Company and for KARELA S.A., which was absorbed by the Company, for the fiscal year 2010, 2011 and 2012. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, per company, reported uses pursuant to a) par. 1 of article 84 of l. 2238/1995 (unaudited income tax cases); b) par. 1 of article 57 of l. 2859/2000 (non-audited cases of VAT) and c) of par. 5 of article 9 of l. 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

All amounts expressed in € thousand, unless otherwise stated

It is noted that according to POL. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

As of June 30, 2019 Group's capital expenditure relating to improvements on investment property amounted to €16,847 (excluding VAT). Additionally Group's capital expenditure relating to the development of residential projects in Paphos, Cyprus amounted to €12,966 (excluding VAT) as of June 30, 2019. Finally, Group's capital expenditure relating to the development of land plot of Aphrodite Springs Public Limited amounted to €4,830 (excluding VAT) as of June 30, 2019.

There are no pending lawsuits against the Group nor other contingent liabilities resulting from commitments at June 30, 2019, which would affect the Group's financial position.

NOTE 29: Related Party Transactions

Up to May 23, 2019 the National Bank of Greece S.A. controlled the Company, based on an agreement signed between the shareholders. More specifically, according to the Shareholders' Agreement, NBG appointed the majority of the members of the Board of Directors and the Investment Committee and guarantees were provided to NBG for certain other contractual rights.

On May 23, 2019 Invel Real Estate B.V. directly acquired 76,156,116 shares with voting rights in the Company, i.e. it acquired on a solo basis a percentage of 29.81% of the total number of voting rights of the Company. On the same date, May 23, 2019, CL Hermes Opportunities L.P. directly acquired, 7,281,997 shares with voting rights in the Company, i.e. 2.85% of the total number of voting rights in the Company. The above-mentioned percentage of 32.66% of voting shares was transferred to Invel Real Estate B.V. and CL Hermes Opportunities L.P. by National Bank of Greece S.A. Following those two acquisitions, NBG does not own any shares or voting rights in the Company.

Consequently, from the above mentioned date (May 23, 2019) onwards, NBG no longer controls the Company by virtue of the Shareholders Agreement dated 30.12.2013 between NBG and Invel Real Estate (Netherlands) II B.V., and consequently the control rights over the Company that, according to the law and the Company's articles of association, are conferred to Invel Real Estate (Netherlands) II B.V., in its capacity as majority shareholder of the Company with a percentage of 63.39% fully exercised by the latter.

As a result of the above, the Company is controlled, according to the IFRSs, by Invel Real Estate (Netherlands) II B.V..

In accordance with the TR1 notification of Law 3556/2007 dated 23.05.2019 submitted to the Company, the company Castlelake Opportunities Partners LLC is the ultimate shareholder of the Company owning 98.15%. Castlelake Opportunities Partners LLC is not controlled by any natural or legal person.

There is no natural person that holds more than 10% of the Company's share capital.

The Company's shareholding structure as of 30.06.2019 is presented below:

	% participation
• Invel Real Estate (Netherlands) II B.V.:	63.39%
• Invel Real Estate BV	29.81%
• CL Hermes Opportunities L.P.	2.85%
• Anthos Properties S.A. (a subsidiary of Invel Real Estate (Netherlands) II B.V.)	2.10%
• Other shareholders:	1.85%

It should be noted that the above percentages arise in accordance with the disclosures received by the above persons under existing legislation.

All amounts expressed in € thousand, unless otherwise stated

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 transactions with related parties are presented below:

i. Balances arising from transactions with related parties

	Group		**Company**	
Trade receivables from related parties	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
Anthos Properties S.A.	-	1	-	1
Companies related to other shareholders	1	1	1	1
Total	**1**	**2**	**1**	**2**

	Group		**Company**	
Other receivables from related parties	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
Invel Real Estate (Netherlands) II B.V.	1,004	1,003	990	990
Panterra SA, a Joint Venture	12	-	12	-
Irina Ktimatiki SA, Company's Subsidiary	-	-	-	2,605
Pangaea UK Finco Plc, Company's subsidiary	-	-	-	2
PNG Properties EAD, Company's subsidiary	1		1	1
Total	**1,017**	**1,003**	**1,003**	**3,598**

	Group		**Company**	
Preliminary dividends	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
National Bank of Greece	-	7,509	-	7,509
Invel Real Estate (Netherlands) II B.V.	-	14,577	-	14,577
Anthos Properties S.A.	-	483	-	483
Total	**-**	**22,569**	**-**	**22,569**

	Group		**Company**	
Prepaid expenses	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
Hellenic National Insurance Company, company of NBG Group	-	428	-	403
Total	**-**	**428**	**-**	**403**

	Group		**Company**	
Cash and cash equivalents	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
National Bank of Greece	-	5,603	-	5,531
NBG Cyprus, company of NBG Group	-	1,056	-	-
Total	**-**	**6,659**	**-**	**5,531**

	Group		**Company**	
Other long-term assets	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
PNG Properties EAD, Company's subsidiary	-	-	10,371	10,179
Aphrodite Hills Resort Limited, Company's Subsidiary	-	-	17,456	-
Total	**-**	**-**	**27,827**	**10,179**

All amounts expressed in € thousand, unless otherwise stated

Trade payables to related parties	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
National Bank of Greece	-	80	-	80
Hellenic National Insurance Company, company of NBG Group	-	69	-	56
Ethniki Leasing, company of NBG Group	-	6	-	6
CTDC, Company's subsidiary	-	-	2	-
Total	**-**	**155**	**2**	**142**

Other Liabilities	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
National Bank of Greece	-	1	31	1
Hellenic National Insurance Company, company of NBG Group	-	1	-	-
Pangaea UK Finco, Company's subsidiary	-	-	-	57
Anaptixi Fragokklisia S.A., Company's subsidiary	-	-	-	1,530
Companies related to other shareholders	744	653	656	653
Aphrodite Hills Pantopoleion Ltd. (Equity method investment)	2	-	-	
Total	**746**	**655**	**656**	**2,241**

Borrowings	Group 30.06.2019	Group 31.12.2018	Company 30.06.2019	Company 31.12.2018
Companies related to other shareholders	1,101	-	-	-
Total	**1,101**	**-**	**-**	**-**

ii. Rental income

	Group From 01.01. to 30.06.2019	Group From 01.01. to 30.06.2018	Company From 01.01. to 30.06.2019	Company From 01.01. to 30.06.2018
National Bank of Greece S.A.[1]	26,352	33,582	26,352	33,582
Anaptixi Fragokklisia S.A., Company's subsidiary	-	-	1	-
Anthos Properties S.A.	1	1	1	1
Companies related to other shareholders	1	1	1	1
Total	**26,354**	**33,584**	**26,355**	**33,584**

iii. Depreciation of Right of Use

	Group From 01.01. to 30.06.2019	Group From 01.01. to 30.06.2018	Company From 01.01. to 30.06.2019	Company From 01.01. to 30.06.2018
Hellenic National Insurance Company, company of NBG Group[1]	20	-	20	-
Total	**20**	**-**	**20**	**-**

[1] National Bank of Greece and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

All amounts expressed in € thousand, unless otherwise stated

iv. Other direct property related expenses

	Group From 01.01. to		Company From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Hellenic National Insurance Company, company of NBG Group[1]	225	262	202	250
Companies related to other shareholders	656	731	656	731
Total	**881**	**993**	**858**	**981**

v. Personnel expenses

	Group From 01.01. to		Company From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Hellenic National Insurance Company, company of NBG Group[1]	15	17	15	17
Total	**15**	**17**	**15**	**17**

vi. Other income

	Group From 01.01. to		Company From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
Picasso Fund, Company's subsidiary	-	-	2,613	2,578
Total	**-**	**-**	**2,613**	**2,578**

vii. Other expenses

	Group From 01.01. to		Company From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
National Bank of Greece S.A. [1]	48	58	48	58
Ethniki Leasing, company of NBG Group[1]	-	25	-	25
CTDC, Company's subsiadiary	-	-	2	-
Companies related to other shareholders	175	-	-	-
Total	**223**	**83**	**50**	**83**

viii. Interest income

	Group From 01.01. to		Company From 01.01. to	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
National Bank of Greece S.A. [1]	2	12	1	12
PNG Properties EAD, Company's subsidiary	-	-	196	196
Aphrodite Hills Resort Limited, Company's Subsidiary	-	-	413	-
Total	**2**	**12**	**610**	**208**

[1] National Bank of Greece (NBG) and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

All amounts expressed in € thousand, unless otherwise stated

ix. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
National Bank of Greece S.A. [1]	10	5	9	5
Companies related to other shareholders	26	-	-	-
Total	**36**	**5**	**9**	**5**

x. Due to key management

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Payables to the members of the BoD and the Investment committee	108	-	108	-
Other liabilities to members of the BoD, its committees and Senior Management	1,500	7	1,500	7
Retirement benefit obligations	17	16	17	16
Total	**1,625**	**23**	**1,625**	**23**

xi. Key management compensation

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
BoD, its committees and Senior Management compensation	2,740	736	2,543	735
Total	**2,740**	**736**	**2,543**	**735**

xii. Commitment and contingent liabilities

In the context of the new loan agreement signed by the subsidiary Quadratix Ltd. with the Bank of Cyprus Ltd. on January 31, 2018 (Note 16), the Company has given a corporate guarantee up to the amount of €5,000 thousand for liabilities of Quadratix Ltd. under the abovementioned loan agreement. Management does not expect to incur any financial losses by the subsidiary's loan.

xiii. Dividends from Equity method investments

During June 2019, the company Aphrodite Hills Resort Limited received an amount of €40 as dividend from the company Aphrodite Hills Pantopoleion Ltd. in which participates with 45%.

NOTE 30: Events after the Date of the Interim Financial Statements

On September 11, 2019 the Extraordinary General Meeting of the Company's Shareholders resolved upon the amendment of the Company's corporate name to «Prodea Real Estate Investment Company Société Anonyme», with distinctive title «Prodea Investments». This amendment is subject to the registration of the decision approving the amendment to the articles of association of the Company by the competent authority of the Ministry of Development and Investments with the General Commercial Registry.

[1] National Bank of Greece (NBG) and its subsidiaries are considered as related parties until 22.05.2019, as the sale of the Company's shares held by NBG was concluded on 23.05.2019.

On September 11, 2019 the Extraordinary General Meeting of the Company's Shareholders resolved upon the granting of an authorization to the Company's Board of Directors so that the latter proceeds with a share capital increase through the issuance of new dematerialized common registered voting shares to be paid in cash under the terms that the Company's Board of Directors will determine in the future. Such authorization must be exercised by the Board of Directors within 10 months from the date of the General Meeting of the Company's Shareholders granting the authorization for the share capital increase to the Company's Board of Directors.

On September 10, 2019, Panterra SA concluded on the acquisition of two adjacent commercial properties for a total consideration of € 10,000. The plan provides for the demolition of the buildings and the construction of one or more modern buildings in accordance with the principles of sustainable development, with an estimated total area of over 24 thousand sq.m. (above-ground area of over 14 thousand sq.m. and underground auxiliary areas and parking spaces of 10 thousand sq.m.).

On July 10, 2019 the Company proceeded with the refinancing of a loan of €237,500 through the signing of a bond loan agreement for an amount up to €300,000 with NBG and EBRD (Note 16).

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