DOLPHINCI THIRTY NINE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2018

DOLPHINCI THIRTY NINE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2018

CONTENTS

DOLPHINCI THIRTY NINE LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Dolphin Capital Partners Ltd (resigned on 23/11/2018) DCP Directors Ltd (appointed on 23/11/2018) Stephanos Dionysios Vlastos (appointed on 22/10/2018) (resigned on 1/06/2019) NAP Directors Ltd (appointed on 23/11/2018) Panagiotis Aristeidis Varfis (appointed on 1/06/2019) Charalmpos Anastaselos (appointed on 1/06/2019)
Secretary	NAP Secretarial Ltd
Independent Auditors	KPMG Limited 14 Esperidon Street 1087 Nicosia Cyprus
Legal Advisors	N. Papageorgiou LLC
Banker	Bank of Cyprus Public Company Ltd
Registered Office	10 G. Kranidioti street Nice Day House, 6th floor P.C. 1065 Nicosia Cyprus

KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
P.O. Box 21121, 1502 Nicosia, Cyprus
T: +357 22 209000, F: +357 22 678200

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHINCI THIRTY NINE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the company DolphinCI Thirty Nine Limited (the "Company"), which are presented on pages 5 to 25 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company DolphinCI Thirty Nine Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap.113").

Basis for opinion

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHINCI THIRTY NINE LIMITED

Report on the audit of the financial statements *(continued)*

Responsibilities of the Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

DOLPHINCI THIRTY NINE LIMITED

Report on the audit of the financial statements *(continued)*

Auditors' responsibilities for the audit of the financial statements *(continued)*

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Haris A. Kakoullis, CPA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

19 December 2019

DOLPHINCI THIRTY NINE LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 €	2017 €
ASSETS			
Investment in subsidiary	11	1.273.609	1.660.000
Loans to subsidiary	14	149.083	146.087
Total non-current assets		1.422.692	1.806.087
Prepayments	12	231.500	231.500
Receivable from subsidiary	14	74.220	74.220
Total current assets		305.720	305.720
Total assets		1.728.412	2.111.807
EQUITY			
Share capital	13	5.000	5.000
Reserves		(458.735)	(61.356)
Total equity		(453.735)	(56.356)
LIABILITIES			
Loan from parent company	14	608.938	596.536
Total non-current liabilities		608.938	596.536
Bank overdrafts		109	292
Accruals		4.069	4.620
Payable to related companies	14	-	1.850
Payable to parent company	14	1.569.031	1.564.865
Total current liabilities		1.573.209	1.571.627
Total liabilities		2.182.147	2.168.163
Total equity and liabilities		1.728.412	2.111.807

The Company has initially applied IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

On 19 December 2019, the Board of Directors of DolphinCI Thirty Nine Limited approved and authorised these financial statements for issue.

.... Director

.... Director

The notes on pages 9 to 25 are an integral part of these financial statements.

DOLPHINCI THIRTY NINE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 €	2017 €
Interest income	14	2.995	2.958
Impairment charge for investment in subsidiary	11	(386.391)	-
Amount payable to related party written-off	14	2.200	-
Administrative expenses	8	(3.546)	(1.891)
Interest expense	14	(12.402)	(12.262)
Operating loss		(397.144)	(11.195)
Finance expenses	9	(235)	(423)
Loss before tax		(397.379)	(11.618)
Tax	10	-	-
Loss for the year		(397.379)	(11.618)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(397.379)	(11.618)

The Company has initially applied IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

DOLPHINCI THIRTY NINE LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2017	5.000	(49.738)	(44.738)
Loss for the year	-	(11.618)	(11.618)
Total comprehensive income for the year	-	(11.618)	(11.618)
Balance at 31 December 2017	5.000	(61.356)	(56.356)
Balance at 1 January 2018	5.000	(61.356)	(56.356)
Loss for the year	-	(397.379)	(397.379)
Total comprehensive income for the year	-	(397.379)	(397.379)
Balance at 31 December 2018	5.000	(458.735)	(453.735)

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate owners at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the owners.

DOLPHINCI THIRTY NINE LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 €	2017 €
Cash flows from operating activities		
Loss for the year	(397.379)	(11.618)
Adjustments for:		
Impairment charge for investment in subsidiary	386.391	-
Interest income	(2.995)	(2.958)
Interest expense	12.402	12.262
Amounts written off	2.200	-
Cash generated from/(used in) operations before working capital changes	619	(2.314)
(Decrease)/increase in accruals	(551)	945
(Decrease)/increase in payable to related companies	(4.051)	350
Increase in payables to parent company	4.166	-
Cash flows generated from/(used in) operations	183	(1.019)
Cash flows from investing activities		
Loans repayments received	-	1.000
Net cash generated from investing activities	-	1.000
Net increase/(decrease) in cash and cash equivalents	183	(19)
Cash and cash equivalents at beginning of the year	(292)	(273)
Cash and cash equivalents at end of the year	(109)	(292)
Cash and cash equivalents are defined by:		
Bank overdrafts	(109)	(292)
	(109)	(292)

The Company has initially applied IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 9 to 25 are an integral part of these financial statements.

1. Reporting entity

DolphinCI Thirty Nine Limited (the "Company") was incorporated in Cyprus on 23 November 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 10 G. Kranidioti street, Nice Day House, 6th floor, P.C. 1065 Nicosia, Cyprus.

The principal activities of the Company, during the year, was the acquisition and holding of investments in other entities and the extension of loans to related companies.

2. Basis of accounting

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10'Consolidated Financial Statements', has been used. The Company's parent DolphinCI Fourteen Limited, a Company incorporated in Cyprus produced consolidated financial statements available for public use that comply with IFRS as issued by the EU.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention.

3. Functional and presentation currency

The financial statements are presented in Euro (€), which is the functional currency of the Company.

4. Adoption of new and revised IFRSs and interpretations by the EU

During the current year the Company adopted all the changes to International IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company except for the adoption of IFRS 9 Financial Instruments (see Note 6).

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

DOLPHINCI THIRTY NINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

5. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

5.1 Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 10 "Income taxes" - to determine any provision for income taxes.
- Note 11 "Impairment of investments in subsidiaries" - determine the recoverability of investments in subsidiaries whenever indicators of impairment are present.

6. Changes in significant accounting policies

The Company has adopted the following new standards, amendments to a standard and new interpretations with a date of initial application of 1 January 2018. The nature and effects of the changes are explained below.

The Company has initially applied IFRS 9 note 6.1 at 1 January 2018. The nature and effects of the changes are explained below. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

6.1 IFRS 9 Financial Instruments:

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

There is no effect on the opening retained earnings on 1 January 2018 from the adoption of IFRS 9.

6.1.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL.

6. Changes in significant accounting policies *(continued)*

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 7.

6.1.2 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to:

- financial assets measured at amortised cost,
- debt investments at FVOCI,
- contract assets,
- lease receivables,
- loan commitments and financial guarantee contracts issued.

The new impairment model does not apply to investments in equity instruments.

Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Additional information about how the Company measures the allowance for impairment is described in note 7.

7. Significant accounting policies

The following accounting policies have been applied consistently for all the years presented in these financial statements, except if mentioned otherwise (see also note 6).

7.1 Subsidiary

Investment in subsidiary is stated at cost, which includes transaction costs, less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

7.2 Finance income

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

7.3 Finance costs

Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method. The effective interest rate is applied to the amortised cost of the liability.

7. Significant accounting policies *(continued)*

7.4 Tax

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

7.5 Financial instruments

7.5.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

7.5.2 Classification and subsequent measurement

7.5.2.1 Financial assets - policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

7. Significant accounting policies *(continued)*

7.5 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Financial assets - Business model assessment: Policy applicable from 1 January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets,
- how the performance of the portfolio is evaluated and reported to the Company's management,
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected, and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

7. Significant accounting policies *(continued)*

7.5 Financial instruments (continued)

Financial assets - Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

7.5.2.2 Financial assets - Classification: Policy applicable before 1 January 2018

The Company classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
  - held for trading;
  - derivative hedging instruments; or
  - designated as at FVTPL.

DOLPHINCI THIRTY NINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

7. Significant accounting policies *(continued)*

7.5 Financial instruments (continued)

7.5.2.3 Financial assets - Subsequent measurement and gains and losses: Policy applicable before 1 January 2018

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Held-to-maturity financial assets	Measured at amortised cost using the effective interest method.
Loans and receivables	Measured at amortised cost using the effective interest method.
Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognised in OCI and accumulated in the fair value reserve. When these assets were derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

Before 1 January 2018, the Company subsequently measured its financial instruments as follows:

(i) Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

(ii) Investments

The Company classifies its investments in equity and debt securities in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition.

- *Loans and receivables*

  Investments with fixed or determinable payments that are not quoted in an active market and are not classified as financial assets at fair value through profit or loss or as financial assets available-for-sale.

  Recognition and measurement:

  Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus directly attributable transaction costs for all financial assets not carried at fair value through profit or loss. For financial assets at fair value through profit or loss the directly attributable transaction costs are recognised in profit or loss as incurred.

  Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss.

7. Significant accounting policies *(continued)*

7.5 Financial instruments (continued)

(ii) Investments *(continued)*

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

(iii) Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and bank overdrafts.

7.5.2.4 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Company are measured as follows:

(i) Borrowings
Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

DOLPHINCI THIRTY NINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

7. **Significant accounting policies** *(continued)*

7.5 Financial instruments (continued)

7.5.3 Impairment:

Policy applicable from 1 January 2018

- *Financial instruments and contract assets*

The Company recognises loss allowances for ECLs on:
- financial assets measured at amortised cost,
- debt investments measured at FVOCI, and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for:
- debt securities that are determined to have low credit risk at the reporting date, and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

- *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

7. Significant accounting policies *(continued)*

7.6 Derecognition of financial assets and liabilities

Financial assets

The Company derecognises a financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) when:

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

Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

7.7 Share capital

Ordinary shares are classified as equity.

7.8 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

DOLPHINCI THIRTY NINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

8. Administrative expenses

	2018 €	2017 €
Independent auditors' remuneration	1.904	875
Accounting fees	666	666
Other expenses	976	350
	3.546	1.891

9. Net finance expenses

The effect of initially applying IFRS 9 in the Company's financial instruments is described in note 6.1.

	2018 €	2017 €
Interest expense	17	16
Bank charges	218	407
	235	423

10. Taxation

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	2018 €	2017 €
Accounting loss before tax	(397.379)	(11.618)
Tax calculated at the applicable tax rates	(49.672)	(1.452)
Tax effect of notional income on receivables from related company	33	33
Tax effect of expenses not deductible for tax purposes	49.566	1.255
Tax effect of allowances and income not subject to tax	(275)	-
Tax effect of loss for the year	348	164
Tax as per statement of profit or loss and other comprehensive income - charge	-	-

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the year, no tax liability arises on the Company. Tax losses may be carried forward for five years.

DOLPHINCI THIRTY NINE LIMITED

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For the year ended 31 December 2018

10. Taxation *(continued)*

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

11. Investment in subsidiary

	2018 €	2017 €
Balance at 1 January	1.660.000	1.660.000
Impairment charge for investment in subsidiary	(386.391)	-
Balance at 31 December	1.273.609	1.660.000

The details of the subsidiary is as follows:

Name	Country of incorporation	Principal activities	Holding %
Dolphin Capital Properties Five S.A.	Greece	Investments in properties	100

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

12. Prepayments

The effect of initially applying IFRS 9 in the Company's financial instruments is described in note 6.1. Due to the transition method chosen in applying IFRS 9, comparative information has not been restated to reflect the new requirements.

	2018 €	2017 €
Deposits and prepayments	231.500	231.500
	231.500	231.500

12. Prepayments *(continued)*

On 5 June 2013, the Company signed a preliminary agreement for the acquisition of 100% of the shares in the company Eksidikeumenou Skopou Sixty Nine S.A. from Mr. Charilaos Ikonomopoulos, Mrs. Kyriakoulla Hadjidemetriou and Chaos Holdings Limited, for the amount of €359.285.

In 2013, the Company paid in advance the amount of €231.500. As at 31 December 2018, the acquisition of shares did not take place.

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 15 to the financial statements.

13. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
Authorised				
Ordinary shares of €1 each	5.000	5.000	5.000	5.000
Issued and fully paid				
Balance at 1 January	5.000	5.000	5.000	5.000
Balance at 31 December	5.000	5.000	5.000	5.000

14. Related party transactions

The Company is controlled by DolphinCI Fourteen Limited, a company registered in Cyprus. The Company's ultimate parent is Grivalia Hospitality S.A., a company registered in Luxembourg.

The transactions and balances with related parties are as follows:

(i) Receivable from subsidiary

Name	Nature of transactions	2018 €	2017 €
Dolphin Capital Properties Five S.A.	Finance	74.220	74.220
		74.220	74.220

14. Related party transactions *(continued)*

(ii) Loans to subsidiary

	2018	2017
	€	€
Dolphin Capital Properties Five S.A.	149.083	146.087
	149.083	146.087

The Company granted two loans to the subsidiary company, Dolphin Capital Properties Five S.A, both bearing an annual interest at tweleve (12) month EURIBOR plus 2,70% and repayable in January 2019 and December 2020. Total interest income on the above loans for the year amounted to €2.995 (2017: €2.958).

(iii) Payable to parent company

Name	Nature of transactions	2018	2017
		€	€
DolphinCI Fourteen Limited	Finance	1.569.031	1.564.865
		1.569.031	1.564.865

(iv) Payables to related companies

Name	Nature of transactions	2018	2017
		€	€
Dolphin Capital Investors Limited	Finance	-	1.850
		-	1.850

During the year, Dolphin Capital Investors Limited, waived the payable amount from the Company, amounting to €2.200.

(v) Loans from parent company

	2018	2017
	€	€
DolphinCI Fourteen Limited	608.938	596.536
	608.938	596.536

DolphinCI Fourteen Limited provided a loan to the Company, which bears an annual rate of interest of twelve (12) month EURIBOR plus 2,35% and is repayable in December 2020. Total interest expense on the above loan for 2018 amounted to €12.402 (2017: 12.262).

15. Financial instruments - fair values and risk management

The effect of initially applying IFRS 9 in the Company's financial instruments is described in note 6.1. Due to the transition method chosen in applying IFRS 9, comparative information has not been restated to reflect the new requirements.

Financial risk factors
The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market price risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

(i) Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk except from the amounts and loans with related companies. As at 31 December 2018, cash balances are held with a financial institution with a Moody's credit rating of Caa1.

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

The following tables detail the Company's remaining contractual maturity for its financial liabilities.

31 December 2018	Carrying amounts €	Contractual cash flows €	Between 3-12 months €	Between 1-5 years €
Bank overdrafts	109	(109)	(109)	-
Payable to parent company	1.569.031	(1.569.031)	(1.569.031)	-
Loan from parent company	608.938	(633.401)	-	(633.401)
	2.178.078	(2.202.541)	(1.569.140)	(633.401)

15. Financial instruments - fair values and risk management *(continued)*

(ii) Liquidity risk (continued)

31 December 2017	Carrying amounts €	Contractual cash flows €	Between 3-12 months €	Between 1-5 years €
Bank overdrafts	292	(292)	(292)	-
Payables to parent company	1.564.865	(1.564.865)	(1.564.865)	-
Payable to related company	1.850	(1.850)	(1.850)	-
Loan from parent company	596.536	(633.231)	-	(633.231)
	2.163.543	(2.200.238)	(1.567.007)	(633.231)

(iii) Market price risk

Market price risk is the risk that the value of shares of the subsidiary will fluctuate as a result of changes in market prices. Since the purpoise of the subsidiary is the direct or indirect investments in land and other properties, the risk of decline in the value of shares is connected with the risks of this industry sector. The Company's management monitors any developments in property values on a continuous basis and acts accordingly.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk in regards to the loans granted to related parties and loans received from related parties. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2018 would have increased equity and profit or loss by €4.111 (2017: €4.111). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For decrease of 100 basis points there would be an equal and positive impact on the profit and other equity.

16. Fair values

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

DOLPHINCI THIRTY NINE LIMITED

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For the year ended 31 December 2018

17. Going concern basis

The Company incurred a loss of €397.379 during the year ended 31 December 2018 and, as of that date, the Company's current liabilities exceeded its current assets by €1.267.489. The Company is dependent upon the continuous financial support of its parent company, without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company, for at least a period of one year from the date of approval of the financial statements, to enable it to continue as a going concern and meet its obligations as they fall due.

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

19. Commitments

The Company had no capital or other commitments as at 31 December 2018.

20. Securities

As at 31 December 2017, the Company had in issue the following securities in favour of Colony Luxembourg S.a.r.l. in relation to a loan secured by its parent company, DolphinCI Fourteen Limited:

- Pledge of its 5.000 issued shares,
- Fixed and floating charges over its rights, titles and interests,
- Charge over its bank accounts and assignment of all its receivables.

During 2018, the aforementioned loan was repaid and the above securities were discharged.

21. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.