

GRIVALIA HOSPITALITY S.A.
Société Anonyme

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2017

63-65, rue de Merl L-2146 Luxembourg

Subscribed Capital: EUR 120,000,000

R.C.S. B.198.264

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Board of Directors' Report

The Board of Directors is pleased to submit to you the financial statements of Grivalia Hospitality S.A., (the "Company") as at December 31, 2017.

MEMBERS OF THE BOARD OF DIRECTORS

Georgios Chryssikos:	Chairman
Wade Sebastian Burton :	BoD Member
Ignace Charles Rotman:	BoD Member
Charalampos Anastaselos:	BoD Member
Alexandros Sarrigeorgiou:	BoD Member
Paul Anthony Taylor:	BoD Member
John Michael Page:	BoD Member

The directors are appointed for duration of 5 years ending at the Annual General Meeting in 2021.

GENERAL MANAGERS

Panagiotis Aristeidis Varfis
Natalia Strafti
Stefanos Vlastos

The General Managers are appointed for duration of 5 years ending at the Annual General Meeting of 2021.

ANNUAL ACCOUNTS

The total assets amounts to €117,956 as shown in the statement of financial position as at December 31, 2017 and the Company, as shown in the statement of comprehensive income, has made a loss of €1,084 during the year ended December 31, 2017.

SUBSCRIBED CAPITAL

The total authorised number of ordinary shares as at December 31, 2017, is 120,000,000 of shares and represented by 30,000,000 of Grivalia class shares (hereafter the "Grivalia Class Shares") and 90,000,000 Class B shares (hereafter the "Class B shares") with a nominal value of (amount in €) €1 per share. All shares are subscribed and fully paid up for a total amount of €120,000.

ACTIVITIES

The object of the Company is the acquisition, development and management of hospitality real estate in Greece and abroad.

SIGNIFICANT EVENTS DURING AND AFTER THE YEAR END

On January 17, 2017 the Company made its first investment regarding the 60% acquisition of "Pearl Island Project" in Panama, from "Dolphin Capital Investors Limited" (DCI). The acquisition price amounted to €27,000 in cash, out of which €2,000 have been placed in an escrow account for a period of 12 months following the transaction in order to cover any breach of warranties or undisclosed indebtedness.

Grivalia Hospitality S.A. acquired 60% all of the entities that are related with this project. The acquisition was completed on March 9, 2017.

Isla Pedro Gonzalez (Pearl Island) is one of the largest private islands, covering a surface area of 13,230 hectares in the Archipelagus Las Perlas, in Panama being of exceptional beauty. With more than 30 km seafront and 5 beautiful beaches, the island is set to become a tourist and environment friendly destination of unique quality in Central America with at least 3 luxury resorts and a large number of villas and residential units.

The total development could reach 500.000 sq.m, while almost all basic infrastructure projects are already constructed,

1. A large runway
2. A road network over 18km
3. Power generation unit, electricity towers and cable trays
4. Telecommunications tower
5. Artificial water collection tank
6. Water treatment unit
7. Waste collection and rehabilitation unit
8. Marina of 30 mooring berths

An agreement with the Marriott Group has been concluded concerning the development of a Ritz-Carlton Reserve, as well as villas, in one of the island's most beautiful seafront locations.

On February 17, 2017 the Extraordinary Shareholders Meeting decided to increase the issued share capital of the Company by €58.000 so as to bring it from an amount of €2.000 to €60.000 by the issue of 28.000 thousands new Grivalia class shares of a par value of one euro (€ 1) each for a subscription price of €28.000 and 30.000 thousands new class B shares of a par value of one euro (€ 1) each for a subscription price of €30.000.

On July 13, 2017 it was announced that the joint venture of Grivalia Hospitality S.A. with Macedonian Hotels S.A. was the highest bidder in the Tender announced by Eurobank Ergasias S.A. and related to the acquisition of "Olympos Naoussa" property in Thessaloniki. The offered amount was €5,460.

More specifically, Grivalia Hospitality SA and Macedonian Hotels SA, a successful hotel company with long presence in Northern Greece, commonly agreed on the creation of an investment vehicle, with a 65/35 participation respectively, with the purpose of acquiring the asset of "Olympos Naoussa" located on 5th Nikis Avenue in Thessaloniki, in order to further develop and transform it into a luxury boutique hotel. The development phase of the asset, will start right after the completion of the transaction, and is expected to contribute significantly on the local economy through the creation of new jobs, the enhancement of the touristic product and have a positive aesthetic effect on the coastal front of the city.

On December 01, 2017 the Company announced that the acquisition of the "Olympos Naoussa" asset in Thessaloniki by the joint venture of Grivalia Hospitality S.A. & Macedonian Hotels S.A. ("OLNA Hotel and Tourism S.A.") had been typically concluded.

On July 27, 2017 the Extraordinary Shareholders Meeting decided to increase the issued share capital of the Company by €60.000 so as to bring it from an amount of €60.000 to €120.000 by the issue of 60.000 thousands new class B shares of a par value of one euro (€ 1) each for a subscription price of €60.000. All shares were fully paid up, amounting to €120.000.

On February 20, 2017 the Company entered into the pre-agreement of the acquisition of 100% of Vagelizo Holdings Limited which holds 80% of Nafsika S.A. The upfront payment of €10,121 and loan of €12,325 were made to Vagelizo Holdings Limited.

FORESEEABLE DEVELOPMENT OF THE COMPANY

On March 12, 2018 the Company announced the completion of the acquisition of 100% of Vagelizo Holdings Limited.

Nafsika S.A. holds the long-term lease of the Asteria property in Glyfada, owned by Public Property Company S.A., until December 31, 2081. The renowned "Asteria" Hotel is planned to be fully renovated into an ultra-luxury urban resort run by an internationally acclaimed hotel operator. Food and Beverage and retail services will continue to be offered as part of the overall facilities.

On May 08, 2018 the Company announced the acquisition of "Meli Palace" hotel in Crete. More specifically, the Company acquired, through a 100% subsidiary, the shares of HELLENIC PALACE S.A., which holds the hotel located

on the beachfront of Malia, Crete. The luxury beachfront hotel comprises 158 rooms in circa 104,000 sqm of land and is leased to a prominent operator.

The pricing paid upon signing of the share-purchase agreement for the acquisition of the shares of HELLENIC PALACE S.A. net of all liabilities and other assets, is €9.000. There is also an additional deferred payment of €2.000 payable until 2022 in tranches, as well as an additional payment of €2.000 subject to the fulfilment of specific conditions.

On May 30, 2018 the Company has made a prepayment of €500 for a future investment.

There has been no other special events nor do we know of any event that is about to occur and which could influence considerably the financial situation and the reserves of the Company accumulated so far, other than that disclosed in the financial statements.

The management of the Company committed to its investment strategy and will proceed with additional investments during 2018 and will continuously analyse and evaluate the evolving economic conditions in seeking new investment opportunities to invest.

RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY

No research and development activities were carried-out during the year ended December 31, 2017.

ACQUISITION OF OWN SHARES

During the year ended December 31, 2017, the Company did not acquire any own shares.

REMUNERATION OF DIRECTORS

No remuneration was paid as at December 31, 2017.

BRANCHES OF THE COMPANY

As of December 5, 2016 the Company has set up one branch to carry out the operations of the Company in Athens. The address of its branch office is 11 Kifissias Avenue, 15124 Athens, Greece.

STATUTORY AUDITORS

The firm PwC Luxembourg Société Coopérative has indicated their willingness to remain as auditor of the Company.

DISTRIBUTION OF PROFITS

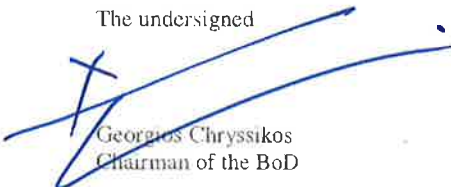
The Directors propose that the loss for the period is attributed as follows:

Retained earnings	(511)
Loss for the period	(1.084)
	<hr/>
Loss carried forward	(1.595)
	<hr/>

We kindly ask you to approve the annual financial statements as at December 31, 2017 and to give discharge to the Board of Directors. For an on behalf of the Board of Directors

Luxembourg, June 29, 2018

The undersigned


Georgios Chryssikos
Chairman of the BoD



Audit report

To the Shareholder of
Grivalia Hospitality S.A.

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Grivalia Hospitality S.A. (the "Company") as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flows statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Report of the Board of Directors but does not include the financial statements and our audit report thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit 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 audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism 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 audit 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 2 July 2018

A handwritten signature in black ink, appearing to be 'A. Chiesa'.

Alessio Chiesa

Annual Financial Statements
For the year ended December 31, 2017

Statement of financial position

	Note	31/12/2017	31/12/2016
ASSETS			
Non-current assets			
Property, plant and equipment		27	-
Investment in subsidiaries	7	32,593	-
Investment in joint ventures	8	3,944	-
Loan receivable	9	7,703	-
		44,267	-
Current assets			
Loan receivable	9	4,622	-
Prepayments	10	10,121	1,211
Trade and other receivables		11	-
Cash and cash equivalents	11	58,935	643
		73,689	1,854
TOTAL ASSETS		117,956	1,854
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share Capital	12	120,000	2,000
Retained earnings	12	(2,501)	(511)
Total shareholders' equity		117,499	1,489
Current liabilities			
Trade and other payables	13	451	359
Current income tax liabilities		6	6
Total liabilities		457	365
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		117,956	1,854

Statement of comprehensive income

		from 01/01/2017 to 31/12/2017	from 01/01/2016 to 31/12/2016
	Note	31/12/2017	31/12/2016
Employee benefit expense	14	(204)	-
Depreciation of assets		(1)	-
Administrative and other expenses	15	(1,039)	(254)
Operating loss		(1,244)	(254)
Finance income		185	3
Finance costs		(5)	(1)
Loss before tax		(1,064)	(252)
Taxes		(20)	(9)
Loss for the year		(1,084)	(261)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,084)	(261)
Loss attributable to the shareholders of the Company		(1,084)	(261)
Total comprehensive income attributable to the shareholders of the Company		(1,084)	(261)

Statement of changes in equity

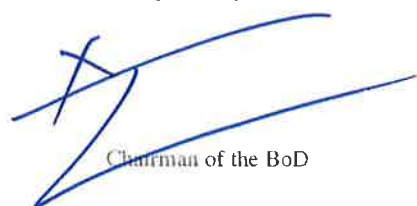
	Number of shares (thousands)	Share Capital	Retained earnings	Total Equity
Opening Balance January 01, 2016	2.000	2.000	(250)	1.750
Total comprehensive loss for the year	-	-	(261)	(261)
Balance December 31, 2016	2.000	2.000	(511)	1.489
Issuance of new shares	118.000	118.000	-	118.000
Share capital increase costs	-	-	(906)	(906)
Total comprehensive loss for the year	-	-	(1.084)	(1.084)
Balance December 31, 2017	120.000	120.000	(2.501)	117.499

Cash Flows Statement

	Note	Year ended 31/12/2017	Year ended 31/12/2016
Cash flows from operating activities			
Loss for the year before tax		(1.064)	(252)
Depreciation of property, plant and equipment		1	-
Finance costs		5	1
Finance income		(185)	(3)
Changes in working capital:			
Increase in prepayments		(8.911)	-
Increase in receivables		(11)	(1.211)
Decrease in payables		92	203
Cash used in operating activities		(10.073)	(1.262)
Interest paid		(5)	(1)
Taxes paid		(20)	(6)
Net cash used in operating activities		(25)	(7)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27)	-
Investment in subsidiary	7	(32.593)	-
Investment in Joint Venture	8	(3.944)	-
Loan receivable		(12.325)	-
Interest received		185	3
Net cash (used) in/ generated from investing activities		(48.704)	3
Cash flows from financing activities			
Proceeds from issuance of shares		117.094	-
Net cash generated from financing activities		117.094	-
Net increase/ (decrease) in cash and cash equivalents for the year		58.292	(1.266)
Cash and cash equivalents at the beginning of the year		643	1.909
Cash and cash equivalents at the end of the year		58.935	643

The Financial Statements the year ended December 31, 2017 were approved for issue by the Board of Directors on June 29, 2018 and are signed on its behalf by:

Georgios Chryssikos



Chairman of the BoD

Notes to Financial Statements

1 General information

Grivalia Hospitality S.A. (the "Company") was established in June 26, 2015 under the laws of Luxembourg as a société anonyme for a defined period of 15 years so as to expire on June 24, 2030. The Company may be dissolved prior to the end of its life by decision of its shareholders. Upon proposal of the Board of Directors and prior to the end of the life of the Company, the Shareholders may decide to extend the life of the Company for two consecutive additional periods of one year.

The object of the Company is the acquisition, development and management of hospitality real estate in Greece and abroad.

The Company is incorporated and domiciled in Luxembourg-City. The address of its registered office is 63-65, rue de Merl, L-2146 Luxembourg and is registered at the Luxembourg Commercial Register under number R.C.S. Luxembourg n B 198.264.

Since December 5, 2016 the Company has one branch. The address of its branch office is 11, Kifissias Avenue, 15124 Athens, Greece register in the General Commercial Registry in Greece under number 997009080.

These Financial Statements (hereafter the "Financial Statements") for the year ended December 31, 2017 have been approved for issue by the Board of Directors on June 29, 2018.

On the basis of Article 1711-4 set out by Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the year ended December 31, 2017. Therefore, in accordance with the legal provisions, these financial statements were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

2.1 Basis of preparation

Statement of compliance

The Financial Statements of the Company have been prepared by the Management in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Preparation of financial statements

The preparation of Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

The Financial Statements have been prepared on a going concern basis under the historical cost convention. The Financial Statements have been presented in Euro which is the Company's functional currency.

Changes in assumptions may have a significant impact on the Financial Statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 5.

Notes to Financial Statements

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning after 1 January 2017 and none of them are expected to have a significant effect on the Financial Statements.

Standards and Interpretations effective for subsequent periods

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The adoption of the standard is not expected to have material impact on the Company's Financial Statements.

IFRS 9 (Amendments) “Prepayment Features with Negative Compensation” (effective for annual periods beginning on or after 1 January 2019)

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 Company will evaluate the impact of the relevant amendments.

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018).

The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard. The Group has not currently finalised a detailed assessment in relation to the impact of this amendment. According to the preliminary estimates, the application of this amendment will not materially affect the financial position and the financial results of the Company.

Notes to Financial Statements

IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The adoption of the standard is not expected to have a material impact on the Company's Financial Statements.

IFRS 17 “Insurance contracts” (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 2 (Amendments) “Classification and measurement of Share-based Payment transactions” (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) “Transfers of Investment Property” (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IFRIC 22 “Foreign currency transactions and advance consideration” (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 “Uncertainty over income tax treatments” (effective for annual periods beginning on or after 1 January 2019)

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 not yet been endorsed by the EU.

Notes to Financial Statements

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRS. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments 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"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify 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.

2.3 Property, Plant and equipment

All property, plant and equipment is stated in the statement of financial position at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

Land	Nil
Buildings	50 years
Fixtures and equipment	4 – 9 years

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at least each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Notes to Financial Statements

2.4 Financial Assets

2.4.1 Classification

The Company's financial assets consist of loan receivable, trade and other receivables and in investment in subsidiaries and joint ventures. The Company does not hold other financial assets such as financial assets at fair value through profit or loss and investments held to maturity at the statement of financial position. Management determines the classification of its financial assets at initial recognition.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2.4.2 Recognition and measurement

When recognised as financial assets, loans and receivables financial assets are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.4.3 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that there is an impairment loss for receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.5 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Notes to Financial Statements

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the initial effective interest rate.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposits held with banks with original maturities of approximately three months or less.

2.7 Share capital and share premium

Ordinary shares and share premium are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax), from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends.

2.8 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured using the effective interest rate method.

2.9 Investments in subsidiaries and joint ventures

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

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to Financial Statements

2.11 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.12 Interest income

Interest income is recognised within 'finance income' in the statement of comprehensive income using the effective interest method.

2.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Annual General Shareholders Meeting.

2.14 Interest expense

Interest expenses is recognised within 'finance costs' in the statement of comprehensive income using the effective interest rate method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

Notes to Financial Statements

2.15 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3 Financial risk management

3.1 Financial risk factors

The Company might be exposed to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: cash and cash equivalents, prepayments, trade and other payables loan receivables, investment in subsidiaries and joint ventures. The accounting policy with respect to these financial instruments is described in Note 2.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As at December 31, 2017 due the limited financial instruments in the statement of financial position, there is no market risk to be disclosed.

i) Foreign exchange risk

As at December 31, 2017 the Company carries out its operations in Greece and Panama. However the Company is not directly exposed to foreign exchange risk as at December 31, 2017, as all Company's transactions are in EURO.

ii) Price risk

The Company is not exposed to price risk as at December 31, 2017, as the Company holds no equity or commodity securities and therefore has no exposure to price risk.

iii) Cash flow and fair value interest rate risk

The Company is not exposed to cash flow and fair value interest rate risk as at December 31, 2017, as the Company has no interest-bearing assets or liabilities. The Company's income, charges and operating cash flow are substantially independent of changes in market interest rates.

b) Credit risk

The Company has concentrations of credit risk with respect to cash balances and deposits held with banks. However, no significant losses are anticipated, as procedures are in place to ensure that cash transactions are restricted to financial institutions. Company's cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks.

Notes to Financial Statements

Below are the ratings of the banks where the Company invests its cash and cash equivalents according to Fitch:

Eurobank Ergasias S.A.: Rating C-

Eurobank Private Bank Luxembourg S.A.: Unrated

The company limits its investments in credit institutions to sight and short term deposits. The Company's maximum exposure to credit risk is the carrying value of those transactions.

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, availability of funding through an adequate amount of committed credit facilities and ability to close out market positions.

The Company's liquidity position is monitored on a regular basis by the management. A summary table is presented with maturity of financial assets and liabilities (the tables include undiscounted flows for interest and principal) below:

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Assets				
Prepayments	10.121		-	-
Loan receivable	4.622	7.703	-	-
Trade and other receivables	11	-	-	-
Cash and cash equivalents	58.935	-	-	-
	73.689	7.703	-	-
Financial Liabilities				
Trade and other payables	451	-	-	-
	451	-	-	-

3.2 Fair value estimation

The Company uses the following hierarchy for the determination and the disclosures of the fair value of the financial assets and liabilities per valuation techniques :

Level 1: Financial assets traded in active markets who's fair value is determined on the basis of quoted prices at the reporting date for identical assets or liabilities.

Level 2: Financial assets that are not traded in active markets, who's fair value is determined by using valuation techniques and assumptions based directly or indirectly on published market prices at the reporting date.

Level 3: Financial assets not traded in active markets, who's fair value is determined by the use of techniques not based on available market information.

Notes to Financial Statements

As at December 31, 2017 and December 31, 2016, Cash and cash equivalent are classified as level 1 while trade and other receivables and trade and other payables are classified as level 2.

As at December 31, 2017 and December 31, 2016, the carrying amount of trade and other receivables and trade and other payables approximates their fair value.

As at December 31, 2017, the carrying amount of investment in subsidiaries and investment in joint ventures amounts to their cost less impairment.

4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue its operation in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

5 Critical accounting estimates and assumptions

The Company didn't make any critical judgement for the year ended December 31, 2017 except for the one disclosed in Note 6.

Management assesses the recoverable value of the Company's investments in subsidiaries and joint ventures annually and compares it with the carrying value in the Company's accounted records in order to determine whether an impairment provision is required. There are no indications of impairment as at December 31, 2017.

6 Principal assumptions for income tax and prepayments

The Company is subject to income taxes in Luxembourg. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issued based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the current tax provisions.

Prepayments which are known to be uncollectible are written off by reducing the carrying amount directly. During the year ended December 31, 2017 and December 31, 2016 there are no prepayments known to be uncollectible. The prepayments are assessed to determine whether there is objective evidence that an impairment has been incurred but not yet been identified.

Notes to Financial Statements

7 Investment in subsidiaries

	Country of incorporation	Percentage of interest	31/12/2017	31/12/2016
Pearl Island Holdings Ltd	Cyprus	100%	32.593	-
			<u>32.593</u>	<u>-</u>

On March 9, 2017 the Company completed the acquisition of 100% of the shares of Pearl Island Holdings Ltd which holds 60% of the shares of the Panamanian companies relating to the "Pearl Island Project" in Panama, from "Dolphin Capital Investors Limited" (DCI). The acquisition price amounted to €27.000 in cash, out of which €2.000 have been placed in an escrow account for a period of 12 months following the transaction in order to cover any breach of warranties or undisclosed indebtedness. Furthermore acquisition related costs of €593 were incurred.

The Extraordinary Shareholder Meeting of Pearl Island Holdings Ltd on April 25, 2017, allowed to the Company to invest up to 1.000 shares each with a nominal value of (amount in €) €1 and each at a premium of up to €9.99 to the Company in consideration of any amounts of up to €10.000. Up to today €5.000 have been contributed by the Company.

8 Investments in joint ventures

	Country of incorporation	Percentage of interest	31/12/2017	31/12/2016
Olympos Naoussa Holdings Ltd	Cyprus	65%	3.944	-
			<u>3.944</u>	<u>-</u>

On July 13, 2017 the Company acquired 65% of the shares of Olympos Naoussa Holdings Ltd with the purpose of acquiring the asset of "Olympos Naoussa" located on 5th Nikis Avenue in Thessaloniki, in order to further develop and transform it into a luxury boutique hotel. On December 1, 2017 the Company completed the acquisition via the joint venture agreement with Macedonian Hotels S.A.. Olympos Naoussa Holdings Ltd holds 100% of the shares of OLNA Hotel and Tourism S.A..

Notes to Financial Statements

The summarised financial information for Olympos Naoussa Holdings Ltd. is presented below:

Summarised balance sheet

	31.12.2017
Current	
Assets	96
Liabilities	13
Total	83
Non-current	
Investment Property	6.170
Total	6.170
Net Assets	6.253

Summarised statement of comprehensive income

	31.12.2017
Fair value adjustment	207
Other expenses	(6)
Profit for the year	201
Total comprehensive income	201

The basis of the financial information above is the unaudited consolidated financial statements of Olympos Naoussa Holdings Ltd as at December 31, 2017.

9 Loan receivable

Loan receivable includes a loan of €12.326 granted to Vagelizo Holdings Limited. The loan is interest free and repayable in 12 equal monthly installments starting August 15, 2018.

Vagelizo Holdings Limited owns 80% shares of Nafsika S.A., which holds the long- term lease of the Asteria property until December 31, 2081.

10 Prepayments

	31/12/2017	31/12/2016
Prepayments	10.121	1.211
Prepayments	10.121	1.211

Prepayments includes the prepayment for the acquisition of Vagelizo Holdings Limited in implementation of the pre-agreement dated on February 20, 2017 and the amendment dated on July 31, 2017. The acquisition was completed on March 12, 2018 (please see note 18).

Notes to Financial Statements

Prepayments as at December 31, 2016, included the upfront payment of €1.000 made to Dolphin Capital Investors Limited for the acquisition of "Pearl Island Project" in Panama.

11 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	<u>31/12/2017</u>	<u>31/12/2016</u>
Cash at bank and short-term deposits	58.935	643
Cash and cash equivalents	58.935	643

12 Shareholders' Equity

	Number of shares (thousands)	Share Capital	Retained earnings	Total Equity
Opening Balance January 01, 2016	2.000	2.000	(250)	1.750
Total comprehensive loss for the year	-	-	(261)	(261)
Balance December 31, 2016	2.000	2.000	(511)	1.489
Issuance of new shares	118.000	118.000	-	118.000
Share capital increase costs	-	-	(906)	(906)
Total comprehensive loss for the year	-	-	(1.084)	(1.084)
Balance December 31, 2017	120.000	120.000	(2.501)	117.499

The total authorised number of ordinary shares as at December 31, 2017, is 120.000.000 of shares and represented by 30.000.000 of Grivalia class shares (hereafter the "Grivalia Class Shares") and 90.000.000 Class B shares (hereafter the "Class B shares") with a nominal value of (amount in €) €1 per share. All shares are subscribed and fully paid up for a total amount of €120.000.

13 Trade and other payables

The trade and other payables are composed as follows:

	<u>31/12/2017</u>	<u>31/12/2016</u>
Other payables and accruals	451	359
Trade and other payables	451	359

Other payables mainly include fees for legal, valuation and management services provided to the Company.

Below is the maturity of payables.

Notes to Financial Statements

	31/12/2017	31/12/2016
Trade and other payables		
Due within:		
- 0 to 3 months	451	359
- 4 to 6 months	-	-
- over 6 months	-	-
Trade and other payables	451	359

14 Employee benefit expense

	Year ended 31/12/2017	Year ended 31/12/2016
Salaries, wages and allowances	149	-
Social security costs	42	-
Other benefits	13	-
Employee benefit expense	204	-
Average number of staff employed during the year	5	-

15 Administrative and other expenses

	Year ended 31/12/2017	Year ended 31/12/2016
Professional fees	1,012	229
Expenses relating to promotion, advertising and publication	9	9
Other	17	16
Other expenses	1,039	254

Administrative and other expenses mainly include legal and travel expenses as well as management fees incurred by the company for the year ended December 31, 2017. Administrative and other expenses mainly include legal and travel expenses for the year ended December 31, 2016.

16 Related party transactions

The Company is jointly controlled by Grivalia Properties REIC (25%), Eurolife ERB Insurance Group (25%), and M&G Investment Management Limited (50%).

As at December 31, 2017 the Company has no balances with related parties.

All transactions with related parties are entered into in the normal course of business on an arm's length basis.

Notes to Financial Statements

17 Commitments and contingent liabilities

There are no commitments and contingent liabilities between the Company and related parties.

18 Events after the balance sheet date

On March 12, 2018 the Company announced the completion of the acquisition of 100% of Vagelizo Holdings Limited which holds 80% of Nafsika S.A.

Nafsika S.A. holds the long-term lease of the Asteria property in Glyfada, owned by Public Property Company S.A., until December 31, 2081. The renowned "Asteria" Hotel is planned to be fully renovated into an ultra-luxury urban resort run by an internationally acclaimed hotel operator. Food and Beverage and retail services will continue to be offered as part of the overall facilities.

On May 08, 2018 the Company announced the acquisition of "Meli Palace" hotel in Crete. More specifically, the Company acquired, through a 100% subsidiary, the shares of HELLENIC PALACE S.A., which holds the hotel located on the beachfront of Malia, Crete. The luxury beachfront hotel comprises 158 rooms in circa 104.000 sqm of land and is leased to a prominent operator.

The pricing paid upon signing of the share-purchase agreement for the acquisition of the shares of HELLENIC PALANCE S.A. net of all liabilities and other assets, is €9.000. There is also an additional deferred payment of €2.000 payable until 2022 in tranches, as well as an additional payment of €2.000 subject to the fulfilment of specific conditions.

On May 30, 2018 the Company has made a prepayment of €500 for a future investment.