GRIVALIA HOSPITALITY S.A.
Société Anonyme

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2018

36-38 Grand Rue, L-1660 Luxembourg
Subscribed Capital: EUR 180,000,000

R.C.S. B.198.264

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(All amounts expressed in €'000s unless otherwise stated)

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, 2018.

MEMBERS OF THE BOARD OF DIRECTORS

Georgios Chryssikos:	Chairman
Ignace Charles Rotman:	BoD Member
Alexandros Sarrigeorgiou:	BoD Member
Paul Anthony Taylor:	BoD Member
Jamie Lowry:	BoD Member
Allen Foley:	BoD Member
William Gilson:	BoD Member

The directors are appointed for duration of 5 years ending at the Annual General Meeting in 2020.

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 2020.

ANNUAL ACCOUNTS

The total assets amounts to €177.842 as shown in the statement of financial position as at December 31, 2018 and the Company, as shown in the statement of comprehensive income, has made a loss of €663 during the year ended December 31, 2018.

SUBSCRIBED CAPITAL

The total authorised number of ordinary shares as at December 31, 2018, is 180.000.000 of shares and represented by 45.000.000 of Grivalia class shares (hereafter the "Grivalia Class Shares") and 135.000.000 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 €180.000.

On July 25, 2018, the extraordinary general meeting of the shareholders of the Company decided the increase of the issued share capital of the Company by an amount of €60.000 so as to bring it from €120.000 to €180.000 by the 45.000.000 new class B shares and 15.000,000 new Grivalia class shares each with a nominal value of one euro (€ 1.00) for a subscription price of €60.000.

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 March 12, 2018 the Company announced the completion of the acquisition of 100% of Vagelizo Holdings Limited, the parent company 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 its 100% owned subsidiary, the shares of HELLENIC PALACE S.A., which owns 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 price paid upon signing of the share-purchase agreement to acquire 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 15, 2019, an amount of €500 was paid as part of the deferred payments.

On August 01, 2018, the Company, in cooperation with Dolphin Capital Partners ('Dolphin'), agreed to acquire 100% shares of Amanzoe from the listed company in London Exchange, Dolphin Capital Investors ('DCI') to own 85% and 15% by the Company and Dolphin on the same the same terms, respectively. The net consideration paid to DCI amounted to (amount in €) €5.800. Moreover, the Company and Dolphin undertook all existing loan obligations of Amanzoe standing at (amount in €) €76.500. Based on an agreement between the parties, Dolphin pursues the successful management of Amanzoe placing emphasis on the development and sale of new villas and on the introduction of new concepts that will create the appropriate conditions for the extension of its useful life cycle operation. Amanzoe constitutes the first composite development of hotel complex and luxury villas designed and implemented by Dolphin Capital group in Porto Heli. Since the beginning of its operation in 2012, Amanzoe has been recognised internationally as a top tourist destination and it is currently considered the most luxury resort in Europe. Amanzoe extends for a surface of approximately 1.000.000 sqm and includes an implemented and planned construction of approximately 69.000 sqm.

On November 26, 2018, the merger through absorption of Grivalia Properties REIC by Eurobank Ergasias S.A. was announced. The merger was completed on May 17, 2019 making Eurobank Ergasias S.A. the owner of the Grivalia shares of the Company.

FORESEEABLE DEVELOPMENT OF THE COMPANY

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 2019 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, 2018.

ACQUISITION OF OWN SHARES

During the year ended December 31, 2018, the Company did not acquire any own shares.

REMUNERATION OF DIRECTORS

No remuneration was paid as at December 31, 2018.

BRANCHES OF THE COMPANY

From 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

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 year is attributed as follows:

Retained earnings	(2.501)
Loss for the year	(663)
Loss carried forward	(3.164)

We kindly ask you to approve the annual financial statements as at December 31, 2018 and to give discharge to the Board of Directors. For an on behalf of the Board of Directors

Luxembourg, July 31, 2019

The undersigned

Georgios Chryssikos
Chairman of the BoD

pwc

Audit report

To the Shareholders 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 2018, 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 2018;
- 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 the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF 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 annual report 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.

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, 31 July 2019

Alessio Chiesa

Annual Financial Statements
For the year ended December 31, 2018

(All amounts expressed in €'000s unless otherwise stated)

Statement of financial position

	Note	31/12/2018	31/12/2017
ASSETS			
Non-current assets			
Property, plant and equipment		49	27
Investment in subsidiaries	7	110.294	32.593
Investment in joint ventures	8	4.594	3.944
Loan receivable	9	46.386	7.703
		161.323	**44.267**
Current assets			
Loan receivable	9	12.325	4.622
Prepayments	10	37	10.121
Trade and other receivables		78	11
Cash and cash equivalents	11	4.079	58.935
		16.519	**73.689**
TOTAL ASSETS		**177.842**	**117.956**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share Capital	12	180.000	120.000
Retained earnings	12	(3.164)	(2.501)
Total shareholders' equity		**176.836**	**117.499**
Current liabilities			
Trade and other payables	13	364	451
Tax liabilities		642	6
Total liabilities		**1.006**	**457**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**177.842**	**117.956**

The notes on pages 14 to 29 form an integral part of these Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

Statement of comprehensive income

	Note	from 01/01/2018 to 31/12/2018	from 01/01/2017 to 31/12/2017
Employee benefit expense	14	(617)	(204)
Depreciation of assets		(10)	(1)
Administrative and other expenses	15	(1.361)	(1.039)
Operating loss		**(1.988)**	**(1.244)**
Finance income		1.799	185
Finance costs		(11)	(5)
Loss before tax		**(200)**	**(1.064)**
Taxes		(463)	(20)
Loss for the year		**(663)**	**(1.084)**
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(663)	(1.084)
Loss attributable to the shareholders of the Company		**(663)**	**(1.084)**
Total comprehensive income attributable to the shareholders of the Company		**(663)**	**(1.084)**

The notes on pages 14 to 29 form an integral part of these Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

Statement of changes in equity

	Number of shares (thousands)	Share Capital	Retained earnings	Total Equity
Opening Balance January 01, 2017	**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**
Opening Balance January 01, 2018	**120.000**	**120.000**	**(2.501)**	**117.499**
Issuance of new shares	60.000	60.000	-	60.000
Total comprehensive loss for the year	-	-	(663)	(663)
Balance December 31, 2018	**180.000**	**180.000**	**(3.164)**	**176.836**

The notes on pages 14 to 29 form an integral part of these Financial Statements for the year ended December 31, 2018.

(All amounts expressed in €'000s unless otherwise stated)

Cash Flows Statement

	Note	Year ended 31/12/2018	Year ended 31/12/2017
Cash flows from operating activities			
Loss for the year before tax		**(663)**	**(1.064)**
Depreciation of property, plant and equipment		10	1
Finance costs		11	5
Finace income		(1.799)	(185)
Changes in working capital:			
Decrease/ (increase) in prepayments	10	10.084	(8.911)
Increase in receivables		(63)	(11)
Increase in payables		549	92
Cash generated from/ (used in) operating activities		**8.129**	**(10.073)**
Interest paid		(11)	(5)
Taxes paid		(8)	(20)
Net cash generated from/ (used in) operating activities		**8.110**	**(10.098)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(22)	(27)
Investment in subsidiaries	7	(77.701)	(32.593)
Investment in Joint Venture	8	(650)	(3.944)
Loan receivable	9	(45.255)	(12.325)
Interest received		662	185
Net cash (used in) investing activities		**(122.966)**	**(48.704)**
Cash flows from financing activities			
Proceeds from issuance of shares	12	60.000	117.094
Net cash generated from financing activities		**60.000**	**117.094**
Net (decrease)/increase in cash and cash equivalents for the year		**(54.856)**	**58.292**
Cash and cash equivalents at the beginning of the year		58.935	643
Cash and cash equivalents at the end of the year		**4.079**	**58.935**

The Financial Statements the year ended December 31, 2018 were approved for issue by the Board of Directors on July 31, 2019 and are signed on its behalf by:

Georgios Chryssikos

Chairman of the BoD

The notes on pages 14 to 29 form an integral part of these Financial Statements for the year ended December 31, 2018.

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. 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, 2018 have been approved for issue by the Board of Directors on July 31, 2019.

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, 2018. Therefore, in accordance with the legal provisions, the 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 the 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.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

2.2 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. The adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts" with customers has changed the accounting policies of the Company. The Company has elected the simplified approach for the adoption of the standards without restating the comparative information, which is accounted for based on previous accounting policies of the Company. The impact of adoption was immaterial.

(i) IFRS 9 "Financial instruments"

The main impact of the adoption of IFRS 9 was the revision of the impairment methodology for each class of assets based on the new impairment requirements. From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses, which are subject to the new model of expected credit losses of IFRS 9: trade and other receivables, receivables from related parties and cash and cash equivalents. The revised requirements of IFRS 7 "Financial Instruments: Disclosures" have been applied only for the current period. Based on the assessment performed by Management on 1 January 2018, the impact of the adoption of IFRS 9 was immaterial. Furthermore, the adoption of IFRS 9 resulted in changes on the classification and accounting treatment of financial assets and liabilities in the statement of financial position. The following table shows the classification categories based on IAS 39 and IFRS 9:

Financial assets	IAS 39 classification	IAS 39 accounting treatment	IFRS 9 classification and accounting treatment
Trade receivables	Loans and receivables	Amortised cost	Financial assets at amortised cost
Other receivables	Loans and receivables	Amortised cost	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost	Financial assets at amortised cost

(ii) IFRS 15 "Revenue from Contracts with Customers"

The management proceeded in a detailed analysis of the Company's revenue streams and contract terms for sales. Based on the assessment performed by Management on 1st January 2018, the impact of implementation of IFRS 15 was not significant. Also, the adoption of IFRS 15 did not result in changes in the presentation of the Financial Statements.

New and revised IFRSs not adopted by the Company

At the date of approval of the Financial Statements a number of new standards and amendments to standards and interpretations are effective for accounting periods beginning after 1 January 2018, and have not been applied in preparing the Financial Statements. These are not expected to have a significant impact for the Company.

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.

Notes to Financial Statements

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.

2.4 Financial Assets

Financial assets – Classification

From 1 January 2018, the Company classifies its financial assets in those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Notes to Financial Statements

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

Financial assets – impairment – credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

The Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 5, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 3, Credit risk section.

Additionally the Company has decided to use the credit risk assessment exemption for investment grade financial assets. Refer to Note 3, Credit risk section for a description on how the Company determines the credit risk of financial assets.

Financial assets – Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Notes to Financial Statements

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset, change in the currency denomination.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

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.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 3 Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

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.

Notes to Financial Statements

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 recognises its investments in subsidiaries and joint ventures in the 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.

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.

Notes to Financial Statements

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). 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.

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.

2.16 Carried interest

In accordance with the existing Shareholders agreement ("SHA"), the holder of Grivalia Class Shares (currently Eurobank Ergasias S.A.) is entitled to a preferential dividend of 10% over specific distributions (the "Promote Fee"). The Promote Fee may be triggered under the following conditions:

1) From profits realized following a full or partial sale/disinvestment of a real estate asset of the Company either directly or indirectly through the sale of shares or an initial public offering or a public sale of shares on a regulated stock exchange (the "Exit"); or

2) From valuation gains on a real estate asset held directly or indirectly by the Company for three consecutive years following its acquisition or even earlier in case the valuation gains are triggered by an initial public offering or public sale of shares (the "Valuation Gain Event").

The Promote Fee shall be payable:

1) On an Exit by way of a distribution in cash as soon as practicable following the receipt of the proceeds from the Exit and

2) On a Valuation Gain Event, provided that the relevant real estate asset is operational. In case the asset is not yet operational, payment of the Promote Fee shall be deferred until the asset becomes operational. For any distribution or return of capital to be made to the Shareholders pursuant to the terms of the shareholders Agreement, the Board of Directors of the Company:

Notes to Financial Statements

(a) Shall prepare an inventory showing the distributable reserves, the origin of the proceeds and detailing the (i) operating profit and (ii) Exit proceeds and (iii) the Valuation Gains; and

(b) shall resolve upon and submit the distribution of operating profit and/or Exit Proceeds and/or the Promote Fee, if applicable, in the form of a dividend, interim dividend or return of capital, to the shareholders, as the case may be depending on which collective body is competent to make the relevant distribution or return of capital, in an amount equal to the distribution proposal.

If, in the reasonable opinion of the Board of Directors having first secured the unanimous consent of the Investment Committee, the Company could become Insolvent after making the payment of the distributions set forth here above, the distribution shall be resolved upon but the payment thereof shall be deferred until an actual payment can be made without the Company becoming Insolvent as a result thereof.

Any distribution, payment or return of capital of operating profits or Exit proceeds in compliance with the above shall be allocated as follows depending on the nature of the proceeds distributed but subject to the following order:

(a) any unpaid deferred Promote Fee shall be paid out of either (i) Exit proceeds or (ii) operating profit, as applicable;

(b) then, any unpaid Promote Fee(s) (other than a deferred Promote Fee) shall be paid out of either (i) Exit proceeds or (ii) operating profits, as applicable;

(c) then, at the same time:

(i) Exit proceeds, after payment of any unpaid vested Promote Fee(s) and any deferred Promote Fee (without double counting), as the case may be, shall be distributed pari passu among all the shareholders; and

(ii) operating profits, after payment of any unpaid vested Promote Fee(s) and any deferred Promote Fee (without double counting), as the case may be, shall be distributed among the shareholders pro rata to their shareholding.

As at December 31, 2018 the conditions to entitle the owner of Grivalia shares to the promote fee are not met.

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, 2018 due the limited financial instruments in the statement of financial position, there is no market risk to be disclosed.

i) Foreign exchange risk

From 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, 2018, as all Company's transactions are in EURO.

Notes to Financial Statements

ii) Price risk

The Company is not exposed to price risk as at December 31, 2018, 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's main interest rate risk arises from its long-term interest bearing loan granted to its subsidiary Dolphinci Fourteen Ltd (please refer to note 9). To minimise risk the Company has granted the loan at a fixed interest rate until its expiration. The Company has no other exposure to interest rate risk as at December 31, 2018 as the Company has no other 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 significant concentration of credit risk with respect to to cash balances and deposits held with banks and loan receivables. However, no significant losses are anticipated, as loan receivables are from subsidiaries of the Company and cash transactions are restricted to financial institutions. Company's cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks.

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

National Bank of Greece: CCC+

Eurobank Ergasias S.A.: Rating CCC

Eurobank Private Bank Luxemburg 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.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

For the year ended December 31, 2018:

	Up to 1 year	1 to 2 years	2 to 5 years	over 5 years
Financial Assets				
Prepayments	37	-	-	-
Loan receivable	12.325	46.386	-	-
Trade and other receivables	78	-	-	-
Cash and cash equivalents	4.079	-	-	-
	16.519	**46.386**	-	-
Financial Liabilities				
Trade and other payables	364	-	-	-
	364	-	-	-

For the year ended December 31, 2017:

	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.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

As at December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, the carrying amount of trade and other receivables and trade and other payables approximates their fair value.

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 did not make any critical judgement for the year ended December 31, 2018 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, 2018.

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, 2018 and December 31, 2017 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.

7 Investment in subsidiaries

	Country of incorporation	Percentage of interest	31/12/2018	31/12/2017
Pearl Island Holdings Ltd	Cyprus	100%	32.593	32.593
Vagelizo Holdings Ltd	Cyprus	100%	35.166	-
Grivalia Hospitality Holdings One Ltd	Cyprus	100%	33.343	-
Dolphinci Fourteen Ltd	Cyprus	85%	9.192	-
			110.294	**32.593**

Pearl Island Holdings Ltd

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. Furthermore acquisition related costs of €593 were incurred.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

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.

Vagelizo Holdings Ltd

On March 12, 2018 the Company announced the completion of the acquisition of 100% of the shares of Vagelizo Holdings Limited, the parent company 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 acquisition price amounted to €13.151 in cash. Furthermore acquisition related costs of €190 were incurred.

On March 12, 2018 the extraordinary meeting of the shareholders of the Company approved the share capital increase of €6.000 to Vagelizo Holdings Limited in order to cover the immediate funding needs of its subsidiary Nafsika S.A.,

On December 20, 2018 the Company contributed an amount of €16.000 to Vagelizo Holdings Ltd. to cover its subsidiary's operating and project relating costs.

Grivalia Hospitality Holdings One Ltd

On May 08, 2018 the Company announced the acquisition of "Meli Palace" hotel in Crete. More specifically, the Company acquired, through the 100% subsidiary Grivalia Hospitality Holdings One Ltd., the shares of HELLENIC PALACE S.A., which holds the hotel located on the beachfront of Malia, Crete. 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, was €9.250. Furthermore acquisition related costs of €93 were incurred.
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 15, 2019, an amount of €500 was paid as part of the abovementioned deferred payment.

On December 20, 2018 the Company contributed an amount of €24.000 to Grivalia Hospitality Holdings One Ltd. to finance future investment opportunities.

Dolphinci Fourteen Ltd

On August 01, 2018, the Company, in cooperation with Dolphin Capital Partners ('Dolphin'), agreed to acquire 100% shares of Dolphinci Fourteen Ltd from the listed company in London Exchange, Dolphin Capital Investors ('DCI'). The Company and Dolphin owns Dolphinci Fourteen Ltd 85% and 15% on the same terms, respectively. The net consideration paid to DCI by the Company amounted to €5.800. Furthermore acquisition related costs of €217 were incurred.

On August 01, 2018, the Company, as part of the transaction, acquired the secured loan that Dolphinci Fourteen Ltd had from Colony Capital Luxembourg S.a.r.l. for an amount of €49.300. The outstanding balance of the aforementioned loan at the date of the assignment was €45.255 at 6% maturing in 2020.

8 Investments in joint ventures

	Country of incorporation	Percentage of interest	31/12/2018	31/12/2017
Olympos Naoussa Holdings Ltd	Cyprus	65%	4.594	3.944
			4.594	**3.944**

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

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 OL.NA Hotel and Tourism S.A..

On March 26, 2018 the Board of Directors of Olympos Naoussa Holdings Ltd decided unanimously the new partial payment of € 1,000 for the initial issued and subscribed share capital of €9.500. On March 26, 2018, the Company proceeded with the payment of its share namely an amount of €650 in cash.

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

Summarised Balance Sheet	31.12.2018	31.12.2017
Current		
Assets	514	96
Liabilities	(108)	(13)
Total	**406**	**83**
Non-current		
Assets	6.550	6.170
Liabilities	(32)	-
Total	**6.518**	**6.170**
Net Assets	**6.924**	**6.253**
Summarised statement of comprehensive income	**31.12.2018**	**31.12.2017**
Fair value adjustment	127	207
Other expenses	(256)	(6)
Profit/ (loss) for the year	(129)	201
Total comprehensive profit/ (loss)	**(129)**	**201**

The basis of the financial information above is the consolidated financial statements of Olympos Naoussa Holdings Ltd as at December 31, 2018.

9 Loan receivable

Loan receivable includes two loans granted to the Company's subsidiaries Vagelizo Holdings Limited and Dolphinic Fourteen Ltd.

The loan granted to Vagelizo Holdings Limited amounts to €12.325. The loan is interest free and repayable in 12 equal monthly installments starting August 15, 2019 as amended on July 21, 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.

The loan granted to Dolphinci Fourteen Limited amounts to €45.255. The loan is at 6% interest rate and is payable on July 31, 2020. As at January 01, 2019 the relevant loan agreement was amended by changing the interest rate from 6% to 8%. All other terms remained the same.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

10 Prepayments

	31/12/2018	31/12/2017
Prepayments	37	10.121
Prepayments	**37**	**10.121**

Prepayments as at December 31, 2017 included 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 and such prepayments were classified to investments in subsidiaries (note 7).

11 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	31/12/2018	31/12/2017
Cash in hand	-	-
Cash at bank and short-term deposits	4.079	58.935
Cash and cash equivalents	**4.079**	**58.935**

12 Shareholders' Equity

	Number of shares (thousands)	Share Capital	Retained earnings	Total Equity
Opening Balance January 01, 2017	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**
Opening Balance January 01, 2018	**120.000**	**120.000**	**(2.501)**	**117.499**
Issuance of new shares	60.000	60.000	-	60.000
Total comprehensive loss for the year	-	-	(663)	(663)
Balance December 31, 2018	**180.000**	**180.000**	**(3.164)**	**176.836**

The total authorised number of ordinary shares as at December 31, 2018, is 180.000.000 of shares and represented by 45.000.000 of Grivalia class shares (hereafter the "Grivalia Class Shares") and 135.000.000 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 €180.000.

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.

On July 25, 2018, the extraordinary general meeting of the shareholders of the Company decided the increase of the issued share capital of the Company by an amount of €60.000 so as to bring it from €120.000 to €180.000 by the 45.000.000 new class B shares and 15.000,000 new Grivalia class shares each with a nominal value of one euro (€ 1.00) for a subscription price of €60.000.

(All amounts expressed in €'000s unless otherwise stated)

Notes to Financial Statements

13 Trade and other payables

The trade and other payables are composed as follows:

	31/12/2018	31/12/2017
Other payables and accruals	364	451
Trade and other payables	**364**	**451**

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

Below is the maturity of payables.

	31/12/2018	31/12/2017
Trade and other payables		
Due within:		
-0 to 3 months	364	451
- 4 to 6 months	-	-
- over 6 months	-	-
Trade and other payables	**364**	**451**

14 Employee benefit expense

	Year ended 31/12/2018	Year ended 31/12/2017
Salaries, wages and allowances	374	149
Social security costs	95	42
Other benefits	148	13
Employee benefit expense	**617**	**204**
Average number of staff employed during the year	8	5

15 Administrative and other expenses

	Year ended 31/12/2018	Year ended 31/12/2017
Professional fees	1.061	1.013
Expenses relating to promotion, advertising and publication	21	9
Rent	48	-
Travel expesnes	78	-
Other	153	17
Other expenses	**1.361**	**1.039**

Professional fees and other expenses mainly include legal, accounting, audit and management fees incurred by the Company for the year ended December 31, 2018.

Notes to Financial Statements

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

As at December 31, 2018 the Company has no balances with related parties.

17 Commitments and contingent liabilities

There are no commitments and contingent liabilities.

18 Subsequent events

On November 26, 2018, the merger through absorption of Grivalia Properties REIC by Eurobank Ergasias S.A. was announced. The merger was completed on May 17, 2019 making Eurobank Ergasias S.A. the owner of the Grivalia shares of the Company.