SINGLE PURPOSE VEHICLE TWO LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2017

SINGLE PURPOSE VEHICLE TWO LIMITED

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For the year ended 31 December 2017

C O N T E N T S

SINGLE PURPOSE VEHICLE TWO LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	NAP Directors Ltd Dolphin Capital Partners Ltd
Secretary	NAP Secretarial Ltd
Independent auditors	KPMG Limited 14 Esperidon Street 1087 Nicosia Cyprus
Legal advisors	N. Papageorgiou LLC
Banker	Bank of Cyprus Public Company Ltd
Registered office	10 G. Kranidioti Street Nice Day House, 6th floor P.C. 1065 Nicosia Cyprus

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

SINGLE PURPOSE VEHICLE TWO LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Single Purpose Vehicle Two Limited (the "Company") which are presented on pages 5 to 16 and comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

Basis for opinion

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

Responsibilities of the Board of Directors for the financial statements

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves true and fair view.

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

Other matter

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

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

KPMG Limited
Certified Public Accountants and Registered Auditors

14 Esperidon Street
1087 Nicosia
Cyprus

11 April 2018

SINGLE PURPOSE VEHICLE TWO LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	2017 €	2016 €
Interest income	10	18.599	19.539
Administrative expenses	4	(3.218)	(4.394)
Operating profit		15.381	15.145
Finance income		173	-
Finance expenses		(520)	(485)
Net finance expenses	5	(347)	(485)
Profit before taxation		15.034	14.660
Taxation	6	(2.038)	(1.949)
Profit for the year		12.996	12.711
Other comprehensive income		-	-
Total comprehensive income for the year		12.996	12.711

The notes on pages 9 to 16 are an integral part of these financial statements.

SINGLE PURPOSE VEHICLE TWO LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 €	2016 €
ASSETS			
Investment in subsidiary	7	3.609.000	3.609.000
Loan to subsidiary	10	768.518	756.919
Total non-current assets		4.377.518	4.365.919
Receivable from subsidiary	10	22.440	22.440
Tax refundable	9	-	766
Cash and cash equivalents		3.164	620
Total current assets		25.604	23.826
Total assets		4.403.122	4.389.745
EQUITY			
Share capital	8	5.000	5.000
Reserves		4.388.129	4.375.133
Total equity		4.393.129	4.380.133
LIABILITIES			
Payable to parent company	10	500	500
Payable to related company	10	2.466	2.116
Accruals		6.652	6.996
Tax liability	9	375	-
Total current liabilities		9.993	9.612
Total equity and liabilities		4.403.122	4.389.745

On 11 April 2018, the Board of Directors of Single Purpose Vehicle Two Limited authorised these financial statements for issue.

DOLPHIN CAPITAL PARTNERS LTD

....
Director

NAP DIRECTORS LTD

....
Director

The notes on pages 9 to 16 are an integral part of these financial statements.

SINGLE PURPOSE VEHICLE TWO LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital €	Capital reserve €	Retained earnings €	Total €
Balance at 1 January 2016	5.000	4.253.277	109.145	4.367.422
Profit for the year	-	-	12.711	12.711
Total comprehensive income for the year	-	-	12.711	12.711
Balance at 31 December 2016	5.000	4.253.277	121.856	4.380.133
Balance at 1 January 2017	5.000	4.253.277	121.856	4.380.133
Profit for the year	-	-	12.996	12.996
Total comprehensive income for the year	-	-	12.996	12.996
Balance at 31 December 2017	5.000	4.253.277	134.852	4.393.129

Capital reserve represents irrevocable capital contributions from the shareholders for future increases of the share capital. Capital reserve is not distributable.

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

SINGLE PURPOSE VEHICLE TWO LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017 €	2016 €
Cash flows from operating activities		
Profit for the year	12.996	12.711
Adjustments for:		
Interest income	(18.772)	(19.539)
Taxation	2.038	1.949
Cash flows used in operations before working capital changes	(3.738)	(4.879)
(Decrease)/increase in accruals	(344)	4.059
Increase in payable to related company	350	257
Cash flows used in operations	(3.732)	(563)
Taxation paid	(897)	(4.176)
Net cash flows used in operating activities	(4.629)	(4.739)
Cash flows from investing activities		
Loans repayments received	7.000	4.999
Interest received	173	-
Net cash flows from investing activities	7.173	4.999
Net increase in cash and cash equivalents	2.544	260
Cash and cash equivalents at the beginning of the year	620	360
Cash and cash equivalents at the end of the year	3.164	620

Cash and cash equivalents are defined by:

Cash at bank	3.164	620

The notes on pages 9 to 16 are an integral part of these financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITY

Single Purpose Vehicle Two Limited (the "Company") was incorporated in Cyprus on 4 November 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 10 G. Kranidioti Street, Nice Day House, 6th floor, P.C. 1065 Nicosia, Cyprus. The Company's principal activity, during the year, was the acquisition and holding of investments in other entities and the extension of loans to related companies.

2. BASIS OF PREPARATION

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

The Company, at the end of its financial year, has subsidiary undertakings and it is required by article 142 (1)(b) of the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements and submit them before the Company at a General Meeting. However, no consolidated financial statements have been prepared, since the Company is itself a subsidiary and its ultimate parent produces consolidated financial statements that comply with IFRS, and according to the provisions in IFRS 10, the Company is exempt from this obligation.

(b) Basis of measurement
The financial statements have been prepared under the historical cost convention.

(c) Adoption of new and revised Standards and Interpretations
During the current year, the Company adopted all changes to IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the financial statements of the Company.

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

(d) Use of estimates and judgements
The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements and in stating the financial position of the Company.

Subsidiary company
Investment in subsidiary company is stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

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

Finance expenses
Interest expense and other borrowing costs are recognised to profit or loss using the effective interest method.

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

SINGLE PURPOSE VEHICLE TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) 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 through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Share capital
Ordinary shares are classified as equity.

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

4. ADMINISTRATIVE EXPENSES

	2017	2016
	€	€
Auditors' remuneration	2.202	3.392
Accounting fees	666	666
Other expenses	350	336
	3.218	4.394

SINGLE PURPOSE VEHICLE TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

5. FINANCE INCOME AND EXPENSES

	2017 €	2016 €
Interest on taxation	173	-
Finance income	173	-
Bank charges	(520)	(485)
Finance expenses	(520)	(485)
Net finance expenses	(347)	(485)

6. TAXATION

	2017 €	2016 €
Corporation tax	1.986	1.949
Defence contribution	52	-
Charge for the year	2.038	1.949

Reconciliation of taxation based on taxable income and taxation based on accounting profits:

	2017 €	2016 €
Accounting profit before taxation	15.034	14.660
Tax calculated at the applicable tax rates	1.879	1.833
Tax effect of expenses not deductible for tax purposes	44	32
Tax effect of allowances and income not subject to taxation	(21)	-
Tax effect of notional income on receivables from related company	84	84
Special contribution to the defence fund current year	52	-
Taxation as per statement of profit or loss and other comprehensive income - charge	2.038	1.949

The corporation tax rate is 12,5%.

Under certain conditions, interest income may be subject to defence contribution at the rate of 30%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%. Tax losses may be carried forward for five years until their final write off.

SINGLE PURPOSE VEHICLE TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

7. INVESTMENT IN SUBSIDIARY

	2017	2016
	€	€
Balance at 1 January	3.609.000	3.609.000
Balance at 31 December	3.609.000	3.609.000

The details of the subsidiary are as follows:

Name	Country of incorporation	Principal activities	Holding %
Eidikou Skopou 21 S.A.	Greece	Investments in properties	100

8. SHARE CAPITAL

	2017 Number of shares	2017 €	2016 Number of shares	2016 €
Authorised				
Ordinary shares of €1 each	5.000	5.000	5.000	5.000
Issued and fully paid				
Ordinary shares of €1 each	5.000	5.000	5.000	5.000

9. TAX (LIABILITY)/REFUNDABLE

	2017	2016
	€	€
Corporation tax	(375)	766
	(375)	766

10. RELATED PARTY TRANSACTIONS

The Company is controlled by DolphinCI Fourteen Limited, a company registered in Cyprus. The Company's ultimate parent is Dolphin Capital Investors Limited, a company registered in the British Virgin Islands and listed in the AIM Market of the London Stock Exchange.

The transactions and balances with related parties are as follows:

(i) Receivable from subsidiary

		2017	2016
		€	€
Name	Nature of transactions		
Eidikou Skopou 21 S.A.	Finance	22.440	22.440
		22.440	22.440

(ii) Loan to subsidiary

	2017	2016
	€	€
Eidikou Skopou 21 S.A.	768.518	756.919
	768.518	756.919

The Company granted a loan to the subsidiary company, Eidikou Skopou 21 S.A, bearing an annual interest at twelve (12) month EURIBOR plus 2,70% and being repayable in January 2019.

Total interest income for the year amounted to €18.599 (2016: €19.539).

(iii) Payable to parent company

		2017	2016
		€	€
Name	Nature of transactions		
DolphinCI Fourteen Limited	Finance	500	500
		500	500

(iv) Payable to related company

		2017	2016
		€	€
Name	Nature of transactions		
Dolphin Capital Investors Limited	Finance	2.466	2.116
		2.466	2.116

SINGLE PURPOSE VEHICLE TWO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market price risk
- Interest rate risk

The risk management policy applied by the Company for the risks described is set out below:

(i) Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk, except from the amounts and loans with related companies. As at 31 December 2017, cash balances are held with a financial institution with a Moody's credit rating of Caa1.

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

The following are the contractual maturities of financial liabilities, including estimated interest payments:

31 December 2017	Carrying amounts €	Contractual cash flows €	Within one year €
		-	-
Payable to related company	2.466	(2.466)	(2.466)
Payable to parent company	500	(500)	(500)
	2.966	(2.966)	(2.966)

31 December 2016	Carrying amounts €	Contractual cash flows €	Within one year €
Payable to related company	2.616	(2.616)	(2.616)
Payable to related company	500	(500)	(500)
	3.116	(3.116)	(3.116)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(iii) Market price risk

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

(iv) Interest rate risk

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

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2017 would have increased equity and profit or loss by €6.849 (2016: €6.919). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

12. FAIR VALUES

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

13. CONTINGENT LIABILITIES

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

14. COMMITMENTS

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

15. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which affect the financial statements as at 31 December 2017.