GRIVALIA HOSPITALITY S.A.
Société Anonyme

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2016

63-65, rue de Merl L-2146 Luxembourg

Subscribed Capital: EUR 2,000,000

R.C.S. B.198.264

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

Report of the Board of the Directors to the Shareholders at the Ordinary Shareholders' Meeting for the year 2016

The Board of Directors is pleased to submit to you the financial statements of Grivalia Hospitality S.A., (the "Company") as at December 31, 2016.

MEMBERS OF THE BOARD OF DIRECTORS

Georgios Chryssikos:	Chairman
Wade Sebastian Burton :	BoD Member
Ignace Charles Rotman:	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 €1.854 as shown in the statement of financial position as at December 31, 2016 and the Company, as shown in the statement of comprehensive income, has made a loss of €261 during the year ended December 31, 2016.

SUBSCRIBED CAPITAL

The total authorised number of ordinary shares as at December 31, 2016, is 2.000.000 of Grivalia class shares (hereafter the "Grivalia Class Shares") with a nominal value of (amount in €) €1 per share. All shares are subscribed and fully paid up for a total amount of €2.000.

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

There has not been significant activity during 2016.

On January 17, 2017, the Company concluded its first investment, namely the acquisition of 60% of the "Pearl Island Project" in Panama from "Dolphin Capital Investors Limited" (DCI). The acquisition price amounts to €27.000 in cash, out of which €1.000 has already been paid to DCI in the form of a deposit, with a further €24.000 to be paid upon the completion of the sale, while the remaining €2.000 will be placed on hold in an escrow account for a period totalling 12 months in order to cover any potential breach of warranties or undisclosed indebtedness. Grivalia Hospitality S.A. will acquire all of the corporate entities that are related with the project currently owned by DCI and its subsidiaries. The acquisition's completion is conditional upon a series of actions that must be implemented by the seller which are expected to be finalised by March 31, 2017.

Isla Pedro Gonzalez (Pearl Island) located in the Las Perlas Archipelago, is one of the largest islands in Panama, covering a surface area of 13.230 hectares. . With over 30 km of coastline and 5 exquisite beaches, the island is destined to become one of the most high-end, exclusive ecologically friendly destinations in Central America offering at least 3 luxurious resorts along with a large number of branded villas and residential units.

The total development could reach 500.000 sqm, while almost all of the main infrastructure projects are in place, which include:

1. A large airport strip
2. In excess of 18km of roads
3. A power plant, electricity towers and cable trays
4. A telecommunications tower
5. A man-made water storage lagoon
6. A grey water reclamation unit
7. A waste collection and remediation unit
8. A 30 berth marina

An agreement with the Marriott Group is already in place concerning the development of a Ritz-Carlton Reserve, as well as branded villas, in one of the islands most unique seafront locations. The total development for this resort will amount to approximately €66,5m (of which 50% financing has already been secured).

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 new Grivalia class shares of a par value of one euro (€ 1) each for a subscription price of €28.000 and 30.000 new class B shares of a par value of one euro (€ 1) each for a subscription price of €30.000. All shares were fully paid up, amounting to €60.000.

On February 20, 2017, the Company has signed a pre-agreement for a second 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.

FORESEEABLE DEVELOPMENT OF THE COMPANY

The management of the Company committed to its investment strategy and will proceed with additional investments during 2017 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, 2016.

ACQUISITION OF OWN SHARES

During the year ended December 31, 2016, the Company did not acquire any own shares.

BRANCHES OF THE COMPANY

As of December 5, 2016 the Company has set up one branch which has not carried out any activity as of December 31, 2016. 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:

Loss for the period	(261)
Retained earnings	(250)
Loss carried forward	(511)

We kindly ask you to approve the annual financial statements as at December 31, 2016 and to give discharge to the Board of Directors. For an on behalf of the Board of Directors

Luxembourg, March 15, 2017

The undersigned

Georgios Chryssikos
Chairman of the BoD

pwc

Audit report

To the Shareholder of
Grivalia Hospitality S.A.

Report on the financial statements

We have audited the accompanying financial statements of Grivalia Hospitality S.A., which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and cash flows statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Grivalia Hospitality S.A. as of 31 December 2016, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included 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.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 this fact. We have nothing to report in this regard.

Other matters

The Report of the Board of Directors is consistent with the financial statements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 March 2017

Alessio Chiesa

Annual Financial Statements
For the year ended December 31, 2016

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

Statement of financial position

	Note	31/12/2016	31/12/2015
<u>ASSETS</u>			
Current assets			
Prepayments	6	1.211	-
Cash and cash equivalents	7	643	1.909
		1.854	**1.909**
TOTAL ASSETS		**1.854**	**1.909**
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
Shareholers' equity			
Share capital	8	2.000	2.000
Retained earnings	8	(511)	(250)
Total shareholders' equity		**1.489**	**1.750**
Current liabilities			
Trade and other payables	9	359	156
Current income tax liabilities		6	3
Total liabilities		**365**	**159**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1.854**	**1.909**

The notes on pages 13 to 22 form an integral part of these Financial Statements for the year ended December 31, 2016.

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

Statement of comprehensive income

	Note	from 01/01/2016 to 31/12/2016	from 26/06/2015 to 31/12/2015
Administrative and other expenses	10	(254)	(245)
Other income		-	-
Operating loss		**(254)**	**(245)**
Finance income		3	-
Financial costs		(1)	(2)
Loss before income tax		**(252)**	**(247)**
Income tax	11	(9)	(3)
Loss for the year /period		**(261)**	**(250)**
Other comprehensive income for the year / period, net of tax		-	-
Total comprehensive loss for the year / period		(261)	(250)
Loss attributable to owners of the parent		(261)	(250)
Total comprehensive income attributable to owners of the parent		(261)	(250)

(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 June 26, 2015	-	-	-	-
Issuance of New Shares	1,000	1,000	-	1,000
Total comprehensive income for the period			(250)	(250)
Share capital increase	99,000	99,000	-	99,000
Share capital decrease	(98,000)	(98,000)	-	(98,000)
Balance December 31, 2015	**2,000**	**2,000**	**(250)**	**1,750**
Total comprehensive income for the year	-	-	(261)	(261)
Balance December 31, 2016	**2,000**	**2,000**	**(511)**	**1,489**

The notes on pages 13 to 22 form an integral part of these Financial Statements for the year ended December 31, 2016.

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

Cash Flows Statement

	Note	Year ended 31/12/2016	26/6-31/12/2015
Cash flows from operating activities			
Loss for the year/period before tax		**(252)**	**(247)**
Finance costs		1	2
Finace income		(3)	-
Changes in working capital:			
Decrease / (increase) in prepayments		(1.211)	-
Increase / (decrease) in payables	9	203	156
Cash generated from/ (used) in operating activities		(1.262)	(89)
Interest paid		(1)	(2)
Taxes paid		(6)	-
Net cash generated from operating activities		**(1.269)**	**(91)**
Cash flows from financing activities			
Proceeds from Share Capital Issuance	8	-	1.000
Proceeds from Share Capital Increase	8	-	99.000
Reduction from Share Capital Decrease	8	-	(98.000)
Interest received		3	-
Net cash from financing activities		**3**	**2.000**
Net (decrease)/increase in cash and cash equivalents for the period/ year		**(1.266)**	**1.909**
Cash and cash equivalents at the beginning of the period/ year		1.909	-
Cash and cash equivalents at the end of the period/ year		**643**	**1.909**

The Financial Statements the year ended December 31, 2016 were approved for issue by the Board of Directors on March 15, 2017 and are signed on its behalf by:

Georgios Chryssikos

Chairman of the BoD

The notes on pages 13 to 22 form an integral part of these Financial Statements for the year ended December 31, 2016.

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, 2016 have been approved for issue by the Board of Directors on March 15, 2017.

The ultimate parent company is Grivalia Properties REIC, incorporated and domiciled in Maroussi, Greece. The address of its registered office is 117 Kifisias Avenue & Ag. Konstantinou, Maroussi, Greece (General Comm.Registry 000239101000) and is listed in the Athens Stock Exchange.

The Company is included in the consolidated financial statements prepared by its ultimate parent company which are available at its registered address.

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

The policies set out below have been consistently applied to the years 2016 and 2015, except as described below. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Amendments to standards and new interpretations adopted by the Company

The following amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from January 1,2016:

IAS 1, Amendment - Disclosure initiative

The amendment clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Annual Improvements to IFRSs 2012-2014 Cycle

The amendments introduce key changes to four IFRSs (IFRS 5, IFRS 7, IAS 19, IAS 34) following the publication of the results of the IASB's 2012-14 cycle of the annual improvements project.

New standards and amendments to standards not yet adopted by the Company

A number of new standards and amendments to existing standards are effective after 2016, as they have not yet been endorsed by the European Union or have not been early applied by the Company. Those that may be relevant to the Company are set out below:

IAS 7, Amendment - Disclosure Initiative (effective January 1, 2017, not yet endorsed by EU)

The amendment requires disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The disclosure requirements also apply to changes in financial assets, such as assets that hedge liabilities arising from financing activities, if cash flows from those financial assets were or future cash flows will be, included in cash flows from financing activities.

IAS 12, Amendment - Recognition of Deferred Tax Assets for Unrealized Losses (effective January 1, 2017, not yet endorsed by EU)

The amendment clarifies that (a) unrealized losses on debt instruments measured at fair value in the financial statements and at cost for tax purposes may give rise to a deductible temporary difference irrespective of whether the entity expects to recover the carrying amount of the debt instrument by sale or use (b) estimates for future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences (c) the estimate of probable future taxable profits may include the recovery of an asset for more than its carrying amount, if there is sufficient evidence that it is probable that this will be realized by the entity, and (d) a deferred tax asset is assessed in combination with all of the other deferred tax assets where the tax law does not restrict the sources of taxable profits against which the entity may make deductions on the reversal of that deductible temporary differences may be reversed. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets of the same type.

The adoption of the amendment is not expected to impact the Company's financial statements.

Notes to Financial Statements

IFRS 9, Financial Instruments (effective January 1, 2018)

- IFRS 9 deals with financial instruments and includes revised guidance and new requirements regarding the classification and measurement, impairment and hedge accounting. The standard applies one classification approach for all types of financial assets, according to which their classification and measurement is based on the entity's business model for managing them and their contractual cash flow characteristics. IFRS 9 introduces an expected credit loss model that will replace the existing incurred loss model. The standard also introduces changes to hedge accounting that aim to align more closely hedge accounting with risk management activities.

The Company is currently assessing the impact of the new requirements, but it does not expect any significant quantitative impact on its financial statements upon transition to IFRS 9. The Company plans to adopt IFRS 9 on the required effective date.

- IFRS 15 'Revenue from Contracts with Customers', specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. This standard becomes effective for annual reporting periods beginning on or after January 1, 2017. The standard has not yet been adopted by the European Union. The Company will assess IFRS 15's full impact upon endorsement of the standard by the European Union.

- Clarifications to IFRS 15, 'Revenue from Contracts with Customers (effective January 1, 2018). The amendment addresses matters regarding the identification of performance obligations, principal against agent considerations and licensing. The amendment also provides some transition relief for modified and completed contracts. The Company will assess IFRS 15's full impact upon endorsement of the standard by the European Union.

- IFRS 16, 'Leases" addresses the recognition, measurement, presentation and disclosure of leases (effective January 1, 2019). The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company will assess IFRS 16's full impact upon endorsement of the standard by the European Union.

- Amendments to IAS 16, 'Property, Plant and Equipment' and IAS 38, 'Intangible Assets'. The amendment clarifies that a depreciation method that is based on revenue generated by an activity that includes the use of an asset is not appropriate. The amendment also introduces a rebuttable presumption that a revenue-based amortisation method for intangible assets is also inappropriate, with only limited circumstances when the presumption can be overcome.

Annual Improvements to IFRSs 2014-2016 Cycle (effective January 1, 2017 and January 1, 2018, not yet endorsed by EU)

The amendments introduce key changes to two IFRS following the publication of the results of the IASB's 2014-16 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

Clarifying in IFRS 12 'Disclosure of Interests in Other Entities' that the disclosure requirements in IFRS 12 apply to an entity's interest in a subsidiary, a joint venture or an associate classified as held for sale except for the requirement for summarized financial information. The amendment applies for annual periods beginning on or after January 1, 2017.

Clarifying in IAS 28 'Investments in Associates and Joint Ventures' that venture capital organizations, mutual funds, unit trusts and similar entities are allowed to elect measuring their investments in associates or joint ventures at fair value through profit or loss and this election should be made separately for each associate or joint venture at initial recognition. The amendment applies for annual periods beginning on or after January 1, 2018.

Notes to Financial Statements

IFRIC 22, Foreign Currency Transactions and Advance Consideration (effective January 1, 2018, not yet endorsed by EU)

IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions that involve an advance payment or receipt. The interpretation clarifies that in this case, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration i.e. when the entity initially recognized the non-monetary asset (prepayment asset) or non-monetary liability (deferred income liability) arising from the advance consideration. If there are multiple payments or receipts in advance, the entity must determine a date of transaction for each payment or receipt.

The adoption of the interpretation is not expected to impact the Company's financial statements.

2.3 Financial Assets

Financial assets 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. The Company's financial assets comprise 'cash and cash equivalents' in the balance sheet (Notes 2.4).

2.4 Cash and cash equivalents

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

2.5 Share capital

Ordinary shares 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.

2.6 Prepayments

They are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

2.7 Trade and other payables

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

2.8 Current and deferred tax

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 country where the Company operates and generates 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.

Notes to Financial Statements

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.

2.9 Interest income

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

2.10 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.

2.11 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.

2.12 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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 and trade and other payables. 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, 2016 due the limited financial instruments in the statement of financial position, there is no market risk to be disclosed.

i) Foreign exchange risk

The Company is not exposed to foreign exchange risk as at December 31, 2016, 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, 2016, 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, 2016, 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.

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 Luxemburg S.A.: Unrated

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) on Note 9.

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.

As at December 31, 2016 and December 31, 2015, Cash and cash equivalent are classified as level 1 and trade and other payables are classified as level 3.

As at December 31, 2016 and December 31, 2015, the carrying amount of trade and other payables approximates their fair value.

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

Notes to Financial Statements

3.3 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.

4 Critical accounting estimates and assumptions

The Company didn't make any critical judgement for the period ended December 31, 2016 except for the one disclosed in Note 5.

5 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. The prepayments are assessed to determine whether there is objective evidence that an impairment has been incurred but not yet been identified.

6 Prepayments

	31/12/2016	31/12/2015
Prepayments	1.211	-
Prepayments	**1.211**	**-**

Prepayments include the upfront payment of €1.000 made to Dolphin Capital Investors Limited for the acquisition of "Pearl Island Project" in Panama. The acquisition price amounts to €27.000 in cash, out of which €1.000 has already been paid to DCI in the form of a deposit, with a further €24.000 to be paid upon the completion of the sale, while the remaining €2.000 will be placed on hold in an escrow account for a period totalling 12 months in order to cover any potential breach of warranties or undisclosed indebtedness.

The prepayments as at December 31, 2016, also include costs relating to another investment project.

7 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	31/12/2016	31/12/2015
Cash at bank and short-term deposits	643	1.909
Cash and cash equivalents	**643**	**1.909**

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

Notes to Financial Statements

8 Shareholders' Equity

	Number of shares (thousands)	Share Capital	Retained earnings	Total Equity
Opening Balance June 26, 2015	-	-	-	-
Issuance of New Shares	1,000	1,000	-	1,000
Total comprehensive income for the period			(250)	(250)
Share capital increase	99,000	99,000	-	99,000
Share capital decrease	(98,000)	(98,000)	-	(98,000)
Balance December 31, 2015	**2,000**	**2,000**	**(250)**	**1,750**
Total comprehensive income for the year	-	-	(261)	(261)
Balance December 31, 2016	**2,000**	**2,000**	**(511)**	**1,489**

The total authorised number of ordinary shares as at December, 31, 2016, is 2.000.000 of Grivalia Class Shares with a nominal value of (amount in €) €1 per share. All shares are subscribed and fully paid up for a total amount of €2.000.

9 Trade and other payables

The trade and other payables are composed as follows:

	31/12/2016	31/12/2015
Other payables and accruals	359	156
Trade and other payables	**359**	**156**

Other payables mainly include due diligence fees for Pearl Island Project and other investments as well as fees for legal services provided to the Company.

Below is the maturity of payables.

	31/12/2016	31/12/2015
Trade and other payables		
Due within due date	359	153
Past due:		
- 4 to 6 months	-	3
- over 6 months	-	-
Trade and other payables	359	156

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

Notes to Financial Statements

10 Administrative and other expenses

	From 01/01/2016 to 31/12/2016	From 26/06/2015 to 31/12/2015
Professional fees	229	139
Expenses relating to promotion, advertising and publicatio:	9	-
Other	16	106
Other expenses	**254**	**245**

11 Income tax

	From 01/01/2016 to 31/12/2016	From 26/06/2015 to 31/12/2015
Current taxes	9	3
Taxes	**9**	**3**

12 Related party transactions

The Company is fully controlled by Grivalia Properties REIC (incorporated in Athens and listed on the Athens Stock Exchange, Greece) with 100% participation.

The main shareholders of the Grivalia Properties REIC are Eurobank Ergasias S.A. (holding 20,00% of the share capital) and Fairfax Financial Holdings Limited (holding 41,50% of the share capital)

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

As at December 31, 2016 & 2015 the Company has the following balances with related parties:

a) Period-end balances arising from transactions with related parties

	31/12/2016	31/12/2015
Cash and cash equivalents		
Parent (Bank Eurobank Ergasias S.A.)	31	1.420
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	612	489
	643	**1.909**

b) Commitments and contingent liabilities

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

Notes to Financial Statements

13 Events after the balance sheet date

On January 17, 2017, the Company concluded its first investment, namely the acquisition of 60% of the "Pearl Island Project" in Panama from "Dolphin Capital Investors Limited" (DCI). The acquisition price amounts to €27.000 in cash, out of which €1.000 has already been paid to DCI in the form of a deposit, with a further €24.000 to be paid upon the completion of the sale, while the remaining €2.000 will be placed on hold in an escrow account for a period totalling 12 months in order to cover any potential breach of warranties or undisclosed indebtedness. Grivalia Hospitality S.A. will acquire all of the corporate entities that are related with the project currently owned by DCI and its subsidiaries. The acquisition's completion is conditional upon a series of actions that must be implemented by the seller which are expected to be finalised by March 31, 2017.

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 new Grivalia class shares of a par value of one euro (€ 1) each for a subscription price of €28.000 and 30.000 new class B shares of a par value of one euro (€ 1) each for a subscription price of €30.000. All shares were fully paid up amounting to €60.000.

On February 20, 2017, the Company has signed a pre-agreement for a second investment.