ZAKIONO ENTERPRISES LIMITED

ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

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FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Vassilios Hadjivassiliou Marios Alexandrou
Company Secretary:	Marios Alexandrou
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors 24 Spyrou Kyprianou Avenue 1075 Nicosia Cyprus
Registered office:	20 Spyrou Kyprianou Avenue CHAPO CENTRAL, 1st Floor 1075 Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd UBS Switzerland AG
Registration number:	HE312919

MANAGEMENT REPORT

The Board of Directors of Zakiono Enterprises Limited (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2018.

Principal activities and nature of operations of the Company
The principal activities of the Company, continue to comprise the holding of investments and the provision of financing activities.

Review of current position, future developments and performance of the Company's business
The results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses. Despite the loss this year the Company's development to date and the financial position as reflected in the financial statements are satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

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 and that such changes will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. 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.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

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.

Results
The Company's results for the year are set out on page 7. The net loss for the year attributable to the shareholder of the Company amounted to €12.814.465 (2017: Net profit of €58.248.761). On 31 December 2018 the total assets of the Company were €202.389.468 (2017: €233.956.112) and the net assets of the Company were €64.298.781 (2017: €77.113.246).

Dividends
The Board of Directors does not recommend the payment of a dividend (2017: €nil).

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2018.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors
The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Marios Alexandrou
Director

Nicosia, 29 March 2019

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Independent Auditor's Report

To the Members of Zakiono Enterprises Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zakiono Enterprises Limited (the "Company"), which are presented in pages 7 to 28 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company 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 and the requirements of the Cyprus 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, 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.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Deloitte.

Independent Auditor's Report (continued)

To the Members of Zakiono Enterprises Limited

Auditor's 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 auditor's 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Laws of 2017 to 2018, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Deloitte.

Independent Auditor's Report (continued)

To the Members of Zakiono Enterprises Limited

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 Laws of 2017 to 2018 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.

Athos Chrysanthou
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 29 March 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	**2018** €	2017 €
Income	8	**11.849.988**	5.001.434
Net (loss)/profit from investing activities	9	**(22.108.421)**	57.664.421
Administration expenses		**(80.960)**	(506.201)
Operating (loss)/profit	10	**(10.339.393)**	62.159.654
Net finance costs	12	**(2.475.072)**	(3.910.893)
(Loss)/profit before tax		**(12.814.465)**	58.248.761
Tax	13	**-**	-
(Loss)/profit for the year		**(12.814.465)**	58.248.761
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(12.814.465)**	58.248.761

The notes on pages 11 to 28 form an integral part of these financial statements.

ZAKIONO ENTERPRISES LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018 €	2017 €
ASSETS			
Current assets			
Derivative financial instruments	14	**8.352.000**	11.942.684
Financial assets at fair value through profit or loss	15	**194.030.927**	221.993.664
Refundable taxes	20	**2.312**	2.312
Cash and cash equivalents	16	**4.229**	17.452
		202.389.468	233.956.112
TOTAL ASSETS		**202.389.468**	233.956.112
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**1.000**	1.000
Retained earnings		**64.297.781**	77.112.246
Total equity		**64.298.781**	77.113.246
Non-current liabilities			
Borrowings	18	**82.852.592**	-
		82.852.592	-
Current liabilities			
Payables	19	**46.973**	99.557
Borrowings	18	**55.191.122**	156.743.309
		55.238.095	156.842.866
Total liabilities		**138.090.687**	156.842.866
TOTAL EQUITY AND LIABILITIES		**202.389.468**	233.956.112

On 29 March 2019 the Board of Directors of Zakiono Enterprises Limited authorised these financial statements for issue.

Vassilios Hadjivassiliou
Director

Marios Alexandrou
Director

The notes on pages 11 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2017	**1.000**	**18.863.485**	**18.864.485**
Comprehensive income			
Net profit for the year	-	58.248.761	58.248.761
Balance at 31 December 2017/ 1 January 2018	**1.000**	**77.112.246**	**77.113.246**
Comprehensive loss			
Net loss for the year	-	(12.814.465)	(12.814.465)
Balance at 31 December 2018	**1.000**	**64.297.781**	**64.298.781**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

ZAKIONO ENTERPRISES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(12.814.465)**	58.248.761
Adjustments for:			
Profit from the sale of financial assets at fair value through profit or loss	15	**(470.000)**	-
Change in fair value of derivative financial instruments	14	**3.590.684**	(5.692.684)
Fair value losses/(gains) on financial assets at fair value through profit or loss	15	**18.987.737**	(51.971.737)
Dividend income	8	**(11.849.988)**	(5.001.434)
Interest expense	12	**2.230.556**	3.071.493
		(325.476)	(1.345.601)
Changes in working capital:			
Decrease/(increase) in financial assets at fair value through profit or loss		**9.445.000**	(16.568.831)
Increase in derivative financial instruments		**-**	(6.250.000)
(Decrease)/increase in payables		**(52.585)**	81.719
Cash generated from/(used in) operations		**9.066.939**	(24.082.713)
Dividends received		**11.849.988**	5.001.434
Net cash generated from/(used in) operating activities		**20.916.927**	(19.081.279)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings	18	**(19.500.000)**	(72.247.720)
Proceeds from borrowings	18	**815.533**	78.792.955
Interest paid	18	**(2.247.361)**	(2.865.243)
Net cash (used in)/generated from financing activities		**(20.931.828)**	3.679.992
Net decrease in cash and cash equivalents		**(14.901)**	(15.401.287)
Cash and cash equivalents at beginning of the year		**17.452**	15.418.739
Cash and cash equivalents at end of the year	16	**2.551**	17.452

The notes on pages 11 to 28 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

Zakiono Enterprises Limited (the "Company") was incorporated in Cyprus on 4 October 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 20 Spyrou Kyprianou Avenue, CHAPO CENTRAL, 1st Floor, 1075 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, continue to comprise the holding of investments and the provision of financing activities.

2. Basis of preparation

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

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company.

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18, and any impact of adoption has been recognised in the opening retained earnings.

(i) IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets.

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, 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. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading they are required to be classified at fair value through profit or loss.

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables as well as for calculating impairment on contract assets and lease receivables; which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 "Financial Instruments", the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedge ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

The Company's new accounting policies following adoption of IFRS 9 at 1 January 2018 are set out in note 4.

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 January 2018 as an adjustment to the opening retained earnings (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 "Financial Instruments: Disclosures" have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

On 1 January 2018, management has assessed which business models apply to the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI test). In addition separate assessment for equity instruments held by the Company was performed, in respect of whether they are held for trading or not. As a result of both assessments Management has classified its debt and equity instruments into the appropriate IFRS 9 categories.

As a result of the adoption of IFRS 9 the Company revised its impairment methodology for each class of assets subject to the new impairment requirements. From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its cash and cash equivalents. The impairment methodology applied depends on whether there has been a significant increase in credit risk and whether the debt instruments qualify as low credit risk and whether the debt investments qualify as low credit risk.

The Company has the following types of assets that are subject to IFRS 9's new expected credit loss model: cash and cash equivalents. The Company has adopted the general expected credit loss model for cash and cash equivalent.

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

The following table reconciles the carrying amounts of financial instruments, from their previous measurement categories in accordance with IAS 39 into their new measurement categories upon transition to IFRS 9 on 1 January 2018:

	Measurement category			**Effect of IFRS 9**				
	IAS 39	**IFRS 9**	Carrying value per IAS 39 (closing balance at 31 December 2017) €	Re-measurement ECL €	Re-measurement Other €	Reclassification Mandatory €	Reclassification Voluntary €	Carrying value per IFRS 9 (opening balance at 1 January 2018) €
Investments in equity securities								
Listed equity securities	FVTPL	FVTPL (mandatorily)	221.993.664	-	-	-	-	221.993.664
Derivative financial instruments	FVTPL	FVTPL (mandatorily)	11.942.684	-	-	-	-	11.942.684
Other financial assets								
Cash and cash equivalents	L&R	AC	17.452	-	-	-	-	17.452
Total financial assets			233.953.800	-	-	-	-	233.953.800
Financial liabilities								
Borrowings	AC	AC	(156.743.309)	-	-	-	-	(156.743.309)
Payables	AC	AC	(99.557)	-	-	-	-	(99.557)
Total financial liabilities			(156.842.866)	-	-	-	-	(156.842.866)

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

- *Investments in equity securities previously classified as financial assets at FVTPL:*

Equity securities - held for trading are required to be held as FVTPL under IFRS 9. As a result there was no impact on the amounts recognised in relation to the investments in equity securities held for trading that were previously classified as financial assets at FVTPL from the adoption of IFRS 9. Under IAS 39 equity securities designated as at fair value through profit or loss at inception were those that were managed and their performance was evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets was provided internally on a fair value basis to the Company's key management personnel. Under IFRS 9 investments in equity instruments are always measured at fair value, so as a result there was no impact from the adoption of IFRS 9 and other equity securities other than those held for trading were classified as financial assets at FVTPL.

- *Borrowings:*

Under IFRS 9 all gains or losses resulting from the modifications of borrowings that did not result in derecognition should be recognised in profit or loss. Previously under IAS 39 the Company has amortised modification impact via adjusting the effective interest rate. The Company has assessed the above impact on the borrowings balances existing on the date of adoption of IFRS 9 and has adjusted the borrowings balance as at 1 January 2018.

- *Other financial instruments:*

For all other financial assets Management assessed that the Company's business model for managing the assets is "hold to collect" and these assets meet SPPI tests. As a result all other financial assets were classified as financial assets at amortised cost and reclassified from the category "loans and receivables" under IAS 39, which was "retired". Previously under IAS 39 these financial assets were also measured at amortised cost. Thus there were no impact of adoption of IFRS 9 as of 1 January 2018.

At 31 December 2017, all of the Company's financial liabilities were carried at amortised cost. Starting from 1 January 2018 the Company's financial liabilities continued to be classified at amortised cost.

The assessment of the impact of adoption of IFRS 9 on the Company's accounting policies required management to make certain critical judgments in the process of applying the principles of the new standard. The judgments that had the most significant effect on Management's conclusion are disclosed in note 7.

There is no effect at 1 January 2018 on the prior period's closing provision for impairment measured in accordance with incurred loss model under IAS 39 to the new credit loss allowance measured in accordance with expected loss model under IFRS 9.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

4. Significant accounting policies (continued)

Revenue

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at the year end and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Current tax liabilities and assets 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.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value through profit or loss, and
- 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.

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

<u>Equity instruments</u>

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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

4. Significant accounting policies (continued)

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.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see above).

Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derivatives financial instruments

Derivatives are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognised in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

4. Significant accounting policies (continued)

Comparatives

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

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union 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.

6. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 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 and that such changes will affect the Company's income or the value of its holdings of financial instruments.

Sensitivity analysis
An increase in equity prices by 5% at 31 December 2018 would have increased profit or loss by €10.119.146 (2017 €11.976.989). A decrease of 5% would have decreased profit or loss by an equal amount (2017 €12.118.490).

6.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. 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.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2018	2017
	€	€
Variable rate instruments		
Financial liabilities	**(55.000.000)**	(55.000.000)
	(55.000.000)	(55.000.000)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2018 would have increased/(decreased) equity and profit or loss by the amounts shown below. 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.

		Profit or loss
	2018	2017
	€	€
Variable rate instruments	**(550.000)**	(550.000)

6. Financial risk management (continued)

6.3 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.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018	2017
	€	€
Cash at bank	4.229	17.452
	4.229	17.452

6.3.1 Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2018	2017
	€	€
Cash at bank based on credit ratings by Moody's		
B3	4.229	14.938
AA2	-	2.514
	4.229	17.452

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

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2018	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	55.189.444	55.360.556	55.360.556	-	-	-	-
Bank overdrafts	1.678	1.678	1.678	-	-	-	-
Other creditors	12.771	12.771	12.771	-	-	-	-
Loan from shareholder	82.852.592	82.852.592	-	-	82.852.592	-	-
	138.056.485	**138.227.597**	**55.375.005**	-	**82.852.592**	-	-

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

31 December 2017	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	55.206.250	57.041.111	360.555	56.680.556	-	-	-
Other creditors	61.819	61.819	61.819	-	-	-	-
Loan from shareholder	101.537.059	101.537.059	101.537.059	-	-	-	-
	156.805.128	158.639.989	101.959.433	56.680.556	-	-	-

6.5 Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

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

The fair value of financial instruments traded in active markets, such as publicly traded trading is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

Fair value measurements recognised in statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. Financial risk management (continued)

Fair value estimation (continued)

31 December 2018	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Listed securities	194.030.927	-	-	194.030.927
Derivative financial instruments	-	-	8.352.000	8.352.000
Total	**194.030.927**	**-**	**8.352.000**	**202.382.927**

31 December 2017	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Listed securities	221.993.664	-	-	221.993.664
Derivative financial instruments	-	-	11.942.684	11.942.684
Total	221.993.664	-	11.942.684	233.936.348

Financial Assets	Fair Value as at 31 December 2018 €	Fair Value as at 31 December 2017 €	Fair value hierarchy €	Valuation technique and key inputs €
Listed securities	194.030.927	221.993.664	Level 1	Prices quoted in an active market
Derivative financial instruments	8.352.000	11.942.684	Level 3	Valuation technique that includes observable and significant unobservable inputs

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgment 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.

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Income

	2018	2017
	€	€
Dividend income (Note 21.1)	**11.849.988**	5.001.434
	11.849.988	5.001.434

9. Net (loss)/profit from investing activities

	2018	2017
	€	€
Profit from sale of financial assets at fair value through profit or loss (Note 15)	**470.000**	-
Fair value gains on financial assets at fair value through profit or loss (Note 15)	**-**	51.971.737
Fair value losses on financial assets at fair value through profit or loss (Note 15)	**(18.987.737)**	-
Change in fair value of derivative financial instruments (Note 14)	**(3.590.684)**	5.692.684
	(22.108.421)	57.664.421

10. Operating (loss)/profit

	2018	2017
	€	€
Operating (loss)/profit is stated after charging the following items:		
Staff costs (Note 11)	**25.824**	25.824

11. Staff costs

	2018	2017
	€	€
Salaries (Note 21.1)	**24.000**	24.000
Social insurance and other contributions	**1.824**	1.824
	25.824	25.824

12. Finance costs

	2018	2017
	€	€
Net foreign exchange losses	**15**	4.680
Interest expense (Note 18)	**2.230.556**	3.071.493
Sundry finance expenses	**244.501**	834.720
Finance costs	**2.475.072**	3.910.893

13. Tax

The total charge for the year can be reconciled to the accounting results as follows:

	2018	2017
	€	€
(Loss)/profit before tax	**(12.814.465)**	58.248.761
Tax calculated at the applicable tax rates	**(1.601.808)**	7.281.095
Tax effect of expenses not deductible for tax purposes	**3.134.727**	544.059
Tax effect of allowances and income not subject to tax	**(1.539.999)**	(7.833.232)
Tax effect of tax loss for the year	**7.080**	8.078
Tax charge	**-**	-

The Company is subject to corporation tax on taxable profits at the rate of 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%.

14. Derivative financial instruments

The change in fair value of derivative financial instruments consists of:

Financial assets	2018	2017
	€	€
Balance at 1 January	**11.942.684**	-
Additions	**-**	8.537.525
Disposals	**-**	(2.287.525)
Change in fair value (Note 9)	**(3.590.684)**	5.692.684
Balance at 31 December	**8.352.000**	11.942.684

On 13 December 2017, the Company entered into a sale and purchase agreement with a related party for the purchase of 3.745.030 warrants for a consideration of €8.537.525 (Note 21.1). The warrants entitle the Company to subscribe for ordinary shares in GREIL at an exercise price of €5 per share if the market price of an ordinary share, on a weighted average basis over 60 consecutive days, exceeds a specific target price. The warrants mature in July 2023. The warrants are exercisable in three tranches as follows:

- 915.010 warrants vested at €7,50.
- 1.415.010 warrants vested at €10.
- 1.415.010 warrants vested at €12,50.

On 21 December 2017, the Company exercised the warrants of the first tranche with a cost of €2.287.525 and acquired from the London Stock Exchange 915.010 shares in GREIL for €5 per share for a total consideration of €4.575.050 (Note 15).

During the year, the Company did not exercise any warrants of the second and third tranches.

As at 31 December 2018 the warrants were valued at €8.352.000 and fair value losses of €3.590.684 were recognised in the statement of profit and loss (Note 9).

The warrants are valued at market value at the close of business on 31 December by using the Black-Scholes Continuous pricing model. They are classified as current assets because there is possibility to be exercised within twelve months from the reporting date.

In the cash flow statement, derivative financial instruments are presented within the section of operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of derivative financial instruments are recorded in operating income.

14. Derivative financial instruments (continued)

The exposure of the Company to market risk in relation to financial assets is reported in note 6 of the financial statements.

15. Financial assets at fair value through profit or loss

	2018	2017
	€	€
Financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9		
Shares in Globalworth Real Estates Investment Limited ("GREIL")	**194.030.927**	221.993.664
Derivative financial intruments (Note 14)	**8.352.000**	11.942.684
	202.382.927	233.936.348

	2018	2017
	€	€
Balance at 1 January	**221.993.664**	153.453.096
Additions	**-**	16.568.831
Disposals	**(8.975.000)**	-
Change in fair value (Note 9)	**(18.987.737)**	51.971.737
Balance at 31 December	**194.030.927**	221.993.664

On 27 January 2016, the Company acquired 7.563.383 shares in Globalworth Real Estates Investment Limited ("GREIL"), a company listed on the Alternative Investment Market of the London Stock Exchange for a total consideration of €43.678.537. On the same date, the Company entered into a securities account pledge agreement with UBS Limited whereby the Company pledged all securities, rights, interests, receivables and other benefits attached to the Company's security account held with UBS Switzerland A.G as a security to the secured loan facility with UBS Limited referred to in Note 18. On 1 December 2017, UBS Limited released and discharged this pledge.

On 30 November 2017, the Company entered into a share pledge and account control agreement with J.P. Morgan Securities PLC whereby the Company pledged its present and future shares in GREIL, the dividends and the related rights credited to the custodian securities account with UBS Switzerland A.G. as a security to the secured loan facility with J.P. Morgan Securities PLC referred to, in Note 18.

On 13 December 2017, the Company acquired from the London Stock Exchange 272.632 shares in GREIL for €8,85 per share and 300.000 shares for €9 per share, for a total consideration of €5.112.794.

On 19 December 2017, the Company entered into a share sale and purchase agreement with a related party for the purchase of 513.236 shares in GREIL for a consideration of €4.593.462 (Note 21.1).

On 21 December 2017, the Company exercised the warrants of the first tranche with a cost of €2.287.525 and acquired from the London Stock Exchange 915.010 shares in GREIL for €5 per share for a total consideration of €4.575.050 (Note 14).

On 24 January 2018, the Company disposed to the London Stock Exchange 1.000.000 shares in GREIL at a value of €8,98 per share, for a total consideration of €9.445.000 (€9,445 per share). A profit from sale of €470.000 was recognised in the statement of profit or loss (Note 9).

During the year, the Company received dividend income of €11.849.988 (Notes 8 & 21.1)

As at 31 December 2018 the shares in GREIL were valued at €194.030.927 (2017: €221.993.664) and fair value losses of €18.987.737 (2017 gains of: €51.971.737) were recognised in the statement of profit or loss (Note 9).

15. Financial assets at fair value through profit or loss (continued)

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial asset at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section of operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

The exposure of the Company to market risk in relation to financial assets is reported in note 6 of the financial statements.

16. Cash and cash equivalents

Cash balances are analysed as follows:

	2018	2017
	€	€
Cash at bank	4.229	17.452
	4.229	17.452

On 27 January 2016, the Company entered into an account pledge agreement with UBS Limited whereby the Company pledged all credit balances attached to the Company's bank account held with UBS Switzerland A.G. as a security to the secured loan facility with UBS Limited referred to in Note 18. On 1 December 2017, UBS Limited released and discharged the above charge.

On 30 November 2017, the Company entered into a share pledge and account control agreement with J.P. Morgan Securities PLC whereby the Company pledged all credit balances attached to the Company's bank account held with UBS Switzerland A.G. as a security to the secured loan facility with J.P. Morgan Securities PLC referred to in Note 18.

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2018	2017
	€	€
Bank balances	4.229	17.452
Bank overdrafts (Note 18)	(1.678)	-
	2.551	17.452

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

17. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
Authorised				
Ordinary shares of €1 each	5.000	5.000	5.000	5.000
		€		€
Issued and fully paid				
Balance at 1 January	1.000	1.000	1.000	1.000
Balance at 31 December	1.000	1.000	1.000	1.000

18. Borrowings

	2018	2017
	€	€
Current borrowings		
Bank overdrafts (Note 16)	**1.678**	-
Bank loans	**55.189.444**	55.206.250
Loans from shareholders (Note 21.2)	**-**	101.537.059
	55.191.122	156.743.309
Non-current borrowings		
Loans from shareholders (Note 21.2)	**82.852.592**	-
Total	**138.043.714**	156.743.309

Maturity of non-current borrowings:

	2018	2017
	€	€
Between two and five years	**82.852.592**	-

On 27 January 2016, the Company entered into an agreement to assign to the Company's shareholder loans amounting to €87.567.000. On 27 September 2016, all these loans together with other payables assigned to the shareholder were consolidated into one loan, bearing no interest and repayable on 30 December 2018. On 24 October 2016 the total loan facility was increased to €89.690.824 and on 1st November 2016 the total loan facility was increased to €106.000.000.

On 12 December 2016, the above loan agreement was terminated and the Company entered into a new loan agreement with its shareholder for a total amount of €104.991.824. The loan bears no interest, is unsecured and was repayable by 28 February 2018. On 1 August 2017, the loan facility was increased to €106.000.000 and on 13 December 2017 it was further increased to €130.000.000.

On 28 February 2018, the Company entered to an amendment agreement to extend the loan repayment date to 31 December 2018. On 4 October 2018, the Company entered into another amendment agreement to further extend the loan repayment date to 31 December 2020. During the year, the Company received €815.533 (2017: €23.792.955) additional funds from the shareholder and made repayments of €19.500.000 (2017: €27.247.720).

On 27 January 2016, the Company entered into a loan facility agreement with UBS Limited for €45.000.000 and pledge agreements whereby the Company pledged all securities, rights, interest, receivables and other benefits attached to the Company's security account held with UBS Switzerland A.G. and all credit balances attached to the Company's bank account held with UBS Switzerland A.G. as securities to the secured loan facility with the UBS Limited. On the same date, the Company entered into a security assignment agreement and a subordination deed as further security to the loan. In addition, 100% of the Company's shares were pledged in favour of UBS Limited. The loan principal of €45.000.000 along with the accrued interest of €2.865.243 were fully settled on 1 December 2017 and all the securities were released.

On 30 November 2017, the Company entered into a new loan facility agreement with J.P. Morgan Securities PLC for €55.000.000 and a share pledge and account control agreement whereby the Company pledged its present and future shares in GREIL, dividends and the related rights credited to the custodian securities account with UBS Switzerland A.G. and all credit balances attached to the Company's bank account held with UBS Switzerland A.G. The loan bears interest of Euribor (if the rate is positive, otherwise zero) plus 5% per annum and it was repayable by 30 November 2018 with the option to extend for additional 12 months. On 28 November 2018, the loan repayment date was extended to 28 February 2019. As per the terms of the loan agreement, the interest rate was reduced to Euribor plus 4% per annum as of 12 December 2017. During the year, the Company recognised interest expense of €2.230.556 (2017: €206.250) and total interest of €2.247.361(2017: €Nil) was settled.

19. Payables

	2018	2017
	€	€
Accruals	**34.202**	37.738
Other creditors	**12.771**	61.819
	46.973	99.557

The fair values of payables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to liquidity risk in relation to other payables is presented in note 6 to the financial statements.

20. Refundable taxes

	2018	2017
	€	€
Corporation tax	**(2.312)**	(2.312)
	(2.312)	(2.312)

21. Related party transactions

The Company is owned by a foreign individual who owns 100% of the Company's shares.

The following transactions were carried out with related parties:

21.1 Transactions with related parties

	2018	2017
	€	€
Directors' remuneration (Note 11)	**24.000**	24.000
Related companies (purchases of GREIL shares - Note 15)	**-**	4.593.462
Related companies (purchases of warrants for GREIL shares - Note 14)	**-**	8.537.525
Dividend income from GREIL (Note 15)	**11.849.988**	5.001.434
	11.873.988	18.156.421

21.2 Loans from shareholder (Note 18)

	2018	2017
	€	€
Foreign individual	**82.852.592**	101.537.059
	82.852.592	101.537.059

22. Contingent liabilities

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

23. Commitments

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

24. Events after the reporting period

In January 2019, the board of directors of GREIL approved the payment of an interim dividend in respect of the six month period ending 31 December 2018 of €0,27 per share. The Company received dividend income of €6.408.361.

24. Events after the reporting period (continued)

On 28 February 2019, the Company entered into an amendment and restated agreement with J.P. Morgan Securities Plc to increase the loan facility to €60.000.000 and to extend the loan repayment date to 5 March 2021.

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

Independent auditor's report on pages 4 to 6