LAMPSA HELLENIC HOTELS S.A.

SIX-MONTH FINANCIAL REPORT

for the period

from January 1 to June 30 2019

In compliance with Article 5. Law 3556/2007

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A. Representations of the Members of the Board of Directors

(under Article 5, par. 2, Law 3556/2007)

The below statements are made by the following members of the Board of Directors of the Company "LAMPSA HELLENIC HOTELS S.A.":

1. George Galanakis, father's name Emmanuil, President of the Board of Directors,
2. Anastasios Homenidis, father's name Georgios, Chief Executive Officer,
3. Filippos Spyropoulos, father's name Konstantinos, Non-executive Member of the Board of Directors

A) The attached six-month separate and consolidated financial statements of "LAMPSA HELLENIC HOTELS S.A." (hereinafter "the Company" or "Lampsa S.A.") for the period from 1 January 2019 to 30 June 2019, prepared according to the effective accounting standards, present truly and fairly the assets and liabilities of the issuer as well as the companies included in the consolidation as aggregate, according to par. 3 - 5 of article 5 of L. 3556/2007 and the authorizing decisions of the BoD of the Hellenic Capital Market Commission.

B) The attached six-month Board of Directors report presents in a true and fair way the information required according to par. 6 of article 5 of L. 3556/2007 and the authorizing decisions of the BoD of the Hellenic Capital Market Commission.

Athens, 27 September 2019

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	MEMBER OF THE BOARD OF DIRECTORS
GEORGE GALANAKIS	ANASTASIOS HOMENIDIS	FILIPPOS SPYROPOULOS
I.D. No Ξ 282324	I.D. No AI 506406	I.D. No AK 121283

All the amounts are expressed in thousands of Euro unless stated otherwise

B. Independent Auditor's Report

To the Board of Directs of "LAMPSA HELLENIC HOTELS S.A."

<u>Report on Review of Interim Financial Information</u>

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company "LAMPSA HELLENIC HOTELS S.A." as at 30 June 2019 and the related separate and consolidated condensed income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information, which forms an integral part of the six-month financial report under Law 3556/2007.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards incorporated in the Greek legislation and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw your attention to Note 2.17 to the interim condensed financial statements, which describes the existence of third parties pending court cases regarding a subsidiary Company, claiming compensations totaling EUR 1.1 million. The final outcome of the court case cannot be estimated at present, and, therefore, no relative provision has been made in the financial statements regarding these court cases. Our conclusion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Based on our review, we did not identify any material misstatement or error in the representations of the members of the Board of Directors and the information included in the six-month Board of Directors Management Report, as required under article 5 and 5a of Law 3556/2007, in respect of condensed separate and consolidated financial information.

Athens, 27 September 2019

The Chartered Accountant

Thanasis Xynas

SOEL Reg. No. 34081

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An instinct for growth™
Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Six-Month Report of the Board of Directors of the Company «LAMPSA HELLENIC HOTELS S.A.» on the corporate and consolidated Financial Statements for the period from January 1st to June 30th ,2019

Dear Shareholders,

The current Six-month Report of the Board of Directors (hereinafter **"the Report"**) pertains to the first six-month period of the current year 2019 (1/1-30/6/2019) and has been prepared in compliance with the relevant provisions of Law 3556/2007 (Article 5, paragraph 6) (Government Gazette 91A/30.04.2007) as well as the publicized resolution of the BoD of the Hellenic Capital Market Commission (Decision 1/434/03.07.2007, Article 3 and Decision 7/448/11.10.2007, Article 4).

The current report accompanies the six-month financial statements (1/1– 30/6/2019) and is included together with the full text of the statements of the BoD members in the financial report for the first six months of 2019.

The current report presents an in brief but effective way all the necessary significant information, based on the above legislative framework and records, in a true and fair manner, all the relevant information, required by legislation, in order to provide significant and reliable information about the operations, performed within the aforementioned period, by the company "LAMPSA HELLENIC HOTELS S.A." (hereinafter "the Company" or "Lampsa S.A.") as well as the Group. As at 30/6/2019, the Group incorporates the following companies:

Company	Functional	Domicile	Equivalent participation %	Treasury Shares*	Consolidation Method	Part/ing Interest
LAMPSA HELLENIC HOTELS S.A.	€	GREECE	Parent			
KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A.	€	GREECE	100,00%		Full	Direct
LUELLA ENTERPRISES LTD	€	CYPRUS	100,00%		Full	Direct
BEOGRADSKO MESOVITO PREDUZECE	€	SERBIA	94,60%	5,4%	Full	Indirect
EXCELSIOR BELGRADE SOCIATE OWNED	€	SERBIA	80,33%	17,23%	Full	Direct
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%		Full	Indirect

UNIT 1 Financial developments and data on the course of the period from 1/1/2019 to 30/6/2019

1.1 Financial Information

In the first six-month of 2019, the Greek tourism sector presented stabilizing and slightly decreasing trend after six years of continuous upward trend. The increase in arrivals at Greek airports was not capitalized on hotel sizes, possibly due to the spread on AIRBNB-type platforms.

Stabilization in room occupancy ration can also be observed in the Serbian hotel market, after the increase of the last two years, since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc.). However, an increase in revenue has not been recorded owing to extensive competition from a high number of new hotels in the Belgrade area.

The hotel market of Rhodes presents signs of recession, with a decrease of flights in Diagoras airport by 3% compared to the respective period last year. In the first six-month period, hotels in the island record a decrease in occupancy and average price of room of approximately 3%-5%.

Room occupancy ratio of the luxury hotel industry in Athens decreased by 4,5% compared to the relative six-month period of 2018, adjusting the ratio to 69,3% versus 72,5% in 2018. The average room price at the hotels increased by 2,9% versus 2018, standing at € 168,31 as compared to € 164,56 in 2018.

Six-month Financial Report for the period from January 1 to June 30, 2019 All the amounts are expressed in thousands of Euro unless stated otherwise

Therefore, room occupancy ratio of the luxury hotel industry in Athens decreased by 1,7% (€117,29 versus €119,37 of 2018) and respectively the total room revenue decreased by 0,1%.

"Grande Bretagne" hotel recorded a 0,85% sales increase versus the relative period in 2018, while «King George» hotel recorded 3,27% sales decrease. "Sheraton Rhodes" hotel recorded a sales increase of 6,49% compared to the corresponding year period of 2018. Regarding the Group Hotels in Serbia, they recorded a marginal increase in sales, in particular, "Hyatt Regency Belgrade" - recorded a marginal sales increase by 0,46%, whereas "Mercure Excelsior" recorded an impressive decrease by 10,78% due to the excellent performance in the corresponding last year with the hosting of a sporting event that was not repeated this season.

Regarding EBITDA, due to the incorporation of Sheraton Hotel there is a marginal decrease in the Group from € 9.12 million in the comparative period to € 8.67 million in the current period, and respectively in the Company from € 7.28 million in the comparative period to € 7 million in the current period.

In particular, for the Group's Hotels, the figures were as follows:

Results as at 30.06.2019					
	Grande Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	215,76	194,29	59,07	63,96	36,59
Hotel occupancy rate	67,55%	64,38%	59,90%	66,45%	60,85%
Average hotel room price	318,87	301,79	98,60	96,25	60,13
Results as at 30.06.2018					
	Grande Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	215,74	193,11	60,88	71,17	43,56
Hotel occupancy rate	71,79%	77,36%	60,88%	69,51%	59,93%
Average hotel room price	300,50	249,62	101,01	102,38	72,68

1.2 Significant events within the period from 01/01 to 30/06/2018

On February 26, 2019, the Company signed a ten (10) years Joint Venture Bond Loan Secured Coverage Agreement with "ALPHA BANK SA", "EUROBANK ERGASIAS SA" and "NATIONAL BANK OF GREECE SA" amounting to € 80 m. The loan will be used to refinance existing Company borrowing, to finance part of the renovation costs of the King's Palace hotel and to finance investments in the company's hotel units. The terms of this loan are highly favorable in terms of return and reflect the confidence that the healthy business sizes create.

On June 5, 2019 the company "Kriezotou Touristiki Single Member SA" was established, with exclusive shareholder, holding 100% of the share capital, the company " Lampsa Greek Hotels S.A.". The objective of this company was the operation of the under construction hotel "MGallery", owned by AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE ("ATPPEATE"), under the existing lease agreement of the aforementioned hotel. The reconstruction is estimated to be completed in April 2020, when it is expected to start operating.

In addition, on 16 July 2019, the Annual Regular General Meeting of the Company " LAMPSA HELLENIC HOTELS S.A. took place, with the participation of shareholders, legally representing 15.817.959 common nominal shares out of a total (21.364.000) Company's common nominal shares, i.e. approximately 74,04%, who decided unanimously on the following items on the agenda:

(1) regarding the first item, the shareholders approved the annual financial statements of LAMPSA S.A. (Separate and Consolidated) as well as the Annual Financial Report of the Board of Directors for the financial year 2018 (01.01.2018 - 31.12.2018), following the disclosure of the Independent Auditors' Report on the Annual Financial Statements of 31 December 2018 (separate and consolidated), including distribution of dividend of € 0.20 per share for 2018, with dividend claiming right date expiring on

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29/07/2019. Dividend beneficiaries the company shareholders registered in the records of the Dematerialized Securities System (D.S.S) on 30/07/2019. Dividends will be paid 05/08/2019. Furthermore, the General Meeting authorized the Board of Directors to take the necessary steps to implement this decision.

(2) regarding the second issue, the Company's overall management was approved, in accordance with Article 108 of Law 4548/2018, as effective, and discharged the Company's Certified Auditors of any liability for compensation for the management of corporate affairs for the year 01.01.2018 to 31.12.2018.

(3) regarding the third issue, the shareholders elected GRANT THORNTON S.A., which will appoint from its members the Statutory and Substitute Auditors for the audit of annual and interim financial statements of the Company for FY from 1.1.2019 to 31.12.2019.

(4) regarding the fourth issue, the President of the General Meeting informed shareholders that, following the last decision of the Regular General Meeting, no amount was pre-approved or paid for FY of 2018 to the members of the Board of Directors while the amount of Euro 18,000 (total cost/gross) was pre-approved to the executive member of the Board of Directors, Mr. Anastasios Homenidis for FY 2019.

(5) regarding the fifth issue, the shareholders decided to adjust the company's Articles of Association in accordance with Article 183 of Law 4548/2018 as well as to codify the Company's Articles of Association.

(6) regarding the sixth issue, the shareholders approved the proposed Company's Remuneration Policy in accordance with Articles 110 and 111 of L. 4548/2018.

(7) regarding the seventh issue, the Chairman of the Audit Committee informed the shareholders on the activities of the Audit Committee for the fiscal year 2018 according to their responsibilities, such as the actions implemented in the context of sound operations of their responsibilities regarding i) monitoring the procedure and informing the Board of Directors of the outcome of the statutory audit and recommending the appointment of external auditors for the new fiscal year, ii) their contribution to the integrity of the financial reporting, iii) the assessment of systems and internal audit department, etc.

8) regarding the eighth issue, following Company's BoD recommendation, the General Meeting approved payment of remuneration to the members of the Audit Committee for their services in the year 2018, as follows:

- amount of €7.930 to the Chairman of the Audit Committee Athanasios Bournazos,
- amount of €7.770 to the member of the Audit committee Konstantinos Vasileiadis,
- no payment to the member of the Audit committee Filippos Spyropoulos.

(9) regarding the ninth issue, the President of the General Meeting informed the shareholders regarding the preparation of the Audit Committee's Regulation and the updating of the Company's Internal Regulation and the Corporate Governance Code.

(10) regarding the tenth item, the shareholders discussed various announcements, information on the Company's progress and the challenges faced by it in the Tourism sector.

1.3 The Group and the Company Development, Performance and Financial Position

During the first six month period of 2019, the changes in the Group & Company financial sizes were as follows:

Turnover in the first six-month period of 2019 at consolidated level stood at € 32,9 million versus € 29,8 million in the same period in 2018, presenting an increase of 10,54%. The turnover of the parent company (Hotels "Grande Bretagne, "King George" and «Sheraton») stood at € 27,2 million versus € 23,89 million in the comparative 2018 period, increased by 13,91%.

Consolidated **gross profit** amounted to € 10,4 million from € 12,02 million in 2018, due to Sheraton hotel incorporation, while gross profit margin changed from 40,34% in 2018 to 31,63% in 2019. Gross profit of the parent company stood at € 9 million compared to profit of € 10,24 million in 2018. The gross profit margin of the Company amounted to 33,10% in 2019 versus profit of 42,87% in the respective last year period.

Groups operating earnings **(EBITDA)** stood at profit € 8.67 million versus profit of € 9,12 million in 2018, decreased by 4,87%. Respectively, the parent company operating earnings stood at profit of € 7 million versus profit of € 7,29 million in 2018, decreased by 3,5%. Moreover, EBITDA margin stood at 26,35% versus 30,61% in 2018 for the Group and at 25,83% versus 30,51% for the Company respectively.

Earning before tax of the Group recorded profit of € 2,78 million versus profit of € 4,23 million for the comparative 2018 period. Earnings before tax of the parent company recorded profit of € 2,30 million versus profits of € 3,47 million for the comparative 2018 period.

Income Tax of the Company and the Group includes calculation of deferred tax. Tax expenses for the Group and the Company stood at € 0.8 million versus tax expenses of € 1,1 million and € 1 million for the Group and the Company for the comparative period.

Net earnings after tax and before non-controlling interests for the Group recorded profit of € 1,9 million, versus profit of € 3,1 million for the comparative period of 2018. The parent company recorded profit of € 1,5 million versus profit of € 2,45 million for the comparative period of 2018.

The balances of the accounts **Trade and Other Receivables and Other Current Assets** of the Group and the Company as at 30/06/2019 are presented increased by 151% and 160% respectively versus the balances recorded as at 31/12/2018, due to the nature of the Company and the Group operations, affected by seasonality of sales, contributing to generating bigger open balances within the interim reporting period, while this change is higher compared to 30/06/2018 because the Sheraton Hotel has also been incorporated in the current period It is expected that during the following months, given the capitalization of the aforementioned receivables, the trade balances will be significantly decreased, thus reaching the normal levels. Likewise, the balances of the accounts **Other Liabilities** of the Group and the Company are increased by 14% and 17% respectively as at 30/06/2019 versus 31/12/2018 due to accrued expenses expected to be settled in the following months.

As at 30/06/2019, the Group had negative working capital, as current liabilities exceed current assets by € 4,7 million (parent company € 10,6 million). A significant part of current liabilities (19%% regarding the Group and the parent company) pertains to short-term debt and contractual liabilities of € 3,7 million which does not constitute cash outflow but future liability of rendering services to customers. During the current period, a Common Bond Loan of € 80 million was signed, of which € 69 million has been disbursed as of 30/06/2019, repaying short-term borrowings of the previous period.

Furthermore, the Group's and the Company's Working Capital needs are expected to be covered by the operating inflows expected to be achieved within the following periods, as seasonality is presented in the Group's activity where the occupancy in the spring months is almost double that of the corresponding winter period.

1.4 Prospects – operations development – Main Risks and Uncertainties for the Second Six-month Period of 2019

In the first six-month of 2019, the Greek tourism sector presented stabilizing and slightly decreasing trend after six years of continuous upward trend. The increase in arrivals at Greek airports was not capitalized on hotel sizes, possibly due to the spread on AIRBNB-type platforms. The Lampsa hotels having as a comparative advantage the luxury hotel units, the location and the history (e.g. "Great Britain") lead the group to increase its sizes in all areas of activity, improving at the same time its financial performance.

Stabilization in room occupancy ration can also be observed in the Serbian hotel market, after the increase of the last two years, since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc). However, an increase in revenue has not been recorded owing to extensive competition from a high number of new hotels in the Belgrade area.

Furthermore, joint operation of the hotels "Grande Bretagne" and "King George" provides economies of scale both at management level and staff level.

The improvement of the profitability of the company is expected, due modification of the management agreement of the hotels "Grande Bretagne" and "King George" with Marriott Group, through which the management fees for the three years 2017-2019 will significantly decrease.

Regarding "Sheraton Rhodes" hotel' fiscal year is expected to close with a revenue decrease of approximately 5% compared to 2018.

As far as the hotels in Serbia are concerned, especially Excelsior Hotel, undertaking of management by Accor Group under the trade title Mercure, with which the group hopes in the long term to increase its sizes. A marginal increase in the income for the hotel "Hyatt Regency Belgrade" is expected as a consequence of the intense competition due to operation of many new hotels in the city of Belgrade.

Currency Risk

The Group operates internationally and carries out trade and loan transaction in foreign currency. Therefore, it is exposed to foreign currency translation differences (another major country of the Group's operations, apart from Greece, is Serbia). he Parent Company exposure to currency risk arises mainly from the bond loan issue in US Dollars.

Credit Risk

More than 80% of the Group sales are held through credit cards and credit sales are mainly made to customers with an estimated credit history.

Liquidity Risk

As at 30/06/2019, the Group had negative working capital, as current liabilities exceed current assets by € 4,7 million (parent company € 10,6 million). A significant part of current liabilities (19% regarding the

Group the parent company) relates to debt accounts, as well as contractual obligations of €3.7 million, which do not constitute cash outflows but future customer service liability. During the current period, a common bond loan was signed amounting to €80 million of which until 30/06/2019 the €69 million have been disbursed with which the short-term loan liabilities of the previous period were repaid.

Furthermore, the Group's and the Company's Working Capital needs are expected to be covered by the operating inflows expected to be achieved within the following periods, as seasonality is presented in the Group's activity where the occupancy in the spring months is almost double that of the corresponding winter period.

Two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED" representing 30.93% of the share capital of each (total of 61.86%), although it is estimated that it will not be necessary, are committed to cover working capital subsequent needs for at least the next twelve months from the date of approval of the interim financial statements of 30/06/2019.

It is noted that the financial statements of the companies included in the consolidation have been prepared based on the principle of the going concern.

Risk of Changes of Fair Value due to Changes in Interest Rates

The Group's policy is to minimize its exposure to the risk of changes of fair value due to changes in interest rates as far as long-term financing is concerned. On June 30, 2019, the Company and the Group are exposed to the risk of changes in market interest regarding their bank borrowings, which, however, is estimated as low.

1.5 Post Reporting Period Balance Sheet Events

On July 26, 2019, "Kriezotou Touristiki Single Member SA (Issuer) and "Lampsa Greek Hotels SA" (Bondholder Lender) signed a Common Bond Loan of € 16 million with a maturity of 10 years, with the sole purpose of financing the reconstruction of the hotel "MGallery", owned by the AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE ("ATPPEATE"), under the existing lease agreement of the aforementioned hotel.

1.6 Related Parties Transactions

This section includes the most significant transactions between the Company and its related parties as defined in International Accounting Standard 24 and in particular:

(a) Transactions between the Company and any related party made during the first six months of 2019, which have materially affected the financial position or performance of the Company during the aforementioned period,

(b) any changes in the transactions between the Company and any related party described in the last annual report that could have a material effect on the financial position or performance of the Company during the first six-month period of 2019.

It is noted that reference to those transactions includes the following elements:

(a) the amount of such transactions for the first six-month period of 2019

(b) the outstanding balance at the end of the period (30/6/2019)

(c) the nature of the related party relationship with the issuer and

(d) any information on transactions that are necessary for understanding the financial position of the Company, but only if such transactions are material and have not been conducted under normal market conditions.

Specifically, transactions and balances with related legal entities and natural persons, as defined by the International Accounting Standard 24 on 30/6/2019 and 30/6/2018 or 31/12/2018 respectively, are as follows:

Amounts in thousands €	THE GROUP		THE COMPANY	
Sales of goods – services	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Parents /jointly controlled entities	1	74	1	74
Other associates	41	41	41	41
Total	**42**	**115**	**42**	**115**
Acquisition of services	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Subsidiaries/jointly controlled entities	0	6	0	6
Other Associates	35	413	35	413
Total	**35**	**419**	**35**	**419**
Balance of Receivables	**01/01 - 30/06/2019**	**01.01-31.12.2018**	**01/01 - 30/06/2019**	**01.01-31.12.2018**
Subsidiaries/jointly controlled entities	0	0	0	0
Other associates	0	2	0	2
Total	**0**	**2**	**0**	**2**
Balance of Payables	**01/01 - 30/06/2019**	**01.01-31.12.2018**	**01/01 - 30/06/2019**	**01.01-31.12.2018**
Subsidiaries/jointly controlled entities	0	0	0	0
Other associates	2.130	2.118	2.130	2.118
Total	**2.130**	**2.118**	**2.130**	**2.118**

Among the subsidiaries of the Group exist receivables/liabilities from the total value of loans € 2,1 million and other income / expense interest of € 27 k. Moreover, there are receivables/liabilities amounting to € 0,35 k for a forthcoming capital decrease of subsidiary. The aforementioned transactions were eliminated on consolidation.

Outstanding balances at year end are unsecured and settlement is made in cash. No guarantees have been provided or received regarding the above receivables.

It is noted that there are no special agreements between the Parent Company and its subsidiaries and potential transactions are carried out between them under the effective market conditions, within the framework and the particularities of each market.

Regarding the period ended as at June 30, 2019, the Company has made no provisions for doubtful debts relating to amounts owed by related parties.

The remuneration of key executives and BoD members was as follows:

Amounts in thousands €	Group		Company	
	01.01-30.06.2019	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Salaries-Fees	598	423	399	200
Social Insurance Cost	99	66	73	37
Bonus	19	22	-	-
Total	151	170	151	170
Salaries-Fees	**867**	**681**	**624**	**406**

No loans have been granted to BoD members and chief executives of the Group and their families.

Athens, 27 September 2019

The President of the Board of Directors

George Galanakis

Interim Condensed Financial Statements for the period from 1 January to 30 June 2019

It is hereby certified that the accompanying Financial Statements for the period from 1/1/2019 to 30/06/2019 were approved by the Board of Directors of **«LAMPSA HELLENIC HOTELS S.A.»** on September 27, 2019 and are available on the website www.lampsa.gr, where they will remain at the disposal of the investing public for at least 10 years as starting from their preparation and publication date.

Athens, 27 September 2019

The President of the Board of Directors

George Galanakis
I.D. No Ξ 282324

1. Interim Financial Statements for the period from January 1 to June 30, 2019

1.1. Statement of Financial Position

		GROUP		COMPANY	
Amounts in thousands €	**Note**	**30.06.2019**	**31.12.2018**	**30.06.2019**	**31.12.2018**
ASSETS					
Non-Current Assets					
Property, plant and equipment	2.6	215.556	195.422	149.783	148.303
Intangible Assets		264	268	113	103
Goodwill		3.476	3.476	-	-
Investments in Subsidiaries	2.7	-	-	22.172	22.122
Other Long-term Assets		87	300	87	136
Deferred Tax Assets	2.9	4.508	4.321	8.046	7.921
Total		**223.891**	**203.787**	**180.200**	**178.585**
Current Assets					
Inventory		1.873	1.693	1.528	1.367
Trade and other receivables		5.365	2.135	4.978	1.915
Other Receivables		5.766	5.798	3.120	4.073
Cash and cash equivalents		12.438	8.310	9.330	4.206
Total		**25.441**	**17.936**	**18.956**	**11.561**
Total Assets		**249.332**	**221.723**	**199.156**	**190.146**
EQUITY AND LIABILITIES					
Equity	2.8				
Share Capital		23.928	23.928	23.928	23.928
Share Premium		38.641	38.641	38.641	38.641
Staturory Reserves		1.629	1.629	1.629	1.629
Other Reserves		83	83	(11.534)	(11.534)
Treasury Shares		(3.631)	(3.631)	-	
Retained Earnings		40.693	38.758	22.186	20.690
Equity attributable to owners of the parent		**101.343**	**99.408**	**74.851**	**73.354**
Non-controlling interest		69	71		
Total Equity		**101.412**	**99.478**	**74.851**	**73.354**
Long-term Liabilities					
Employee termination benefits liabilities		3.360	3.253	3.302	3.196
Long-term Debt	2.10	88.351	22.265	88.351	21.632
Long-term lease obligations	2.11	19.394	-	74	-
Deferred Tax Obligations	2.9	2.699	2.764	-	-
Other Long-term Liabilities		2.211	1.697	2.184	1.688
Other Provisions	2.14	1.734	1.734	831	831
Total		**117.749**	**31.714**	**94.742**	**27.346**
Short-term Liabilities					
Suppliers and other liabilities		4.833	4.273	4.609	4.170
Income tax payable		1.852	1.970	1.852	1.968
Short-Term Debt	2.10	5.700	51.898	5.700	51.700
Short-term portion of bond and bank loans	2.10	3.732	22.121	3.732	21.921
Short-term lease obligations	2.11	71	-	63	-
Other Liabilities		10.252	8.980	9.876	8.397
Short-term Contractual Obligations		3.732	1.289	3.732	1.289
Total		**30.171**	**90.531**	**29.564**	**89.445**
Total Liabilities		**147.920**	**122.244**	**124.306**	**116.791**
Total Equity and Liabilities		**249.332**	**221.723**	**199.156**	**190.146**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

1.2. Statement of Comprehensive Income

		GROUP		COMPANY	
Amounts in thousands €	**Note**	**01.01-30.06.2019**	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Sales	**2.12**	**32.940**	**29.800**	**27.212**	**23.890**
Cost of Sales		(22.523)	(17.779)	(18.206)	(13.649)
Gross Profit	**2.12**	**10.418**	**12.021**	**9.006**	**10.242**
Distribution Expenses		(2.204)	(2.774)	(1.865)	(2.454)
Administrative Expenses		(4.278)	(3.916)	(3.561)	(3.095)
Other income		594	590	382	344
Other expenses		(189)	(97)	(98)	(15)
Operating Profit		**4.341**	**5.824**	**3.865**	**5.021**
Financial expenses		(1.617)	(1.510)	(1.531)	(1.446)
Financial Income		94	35	2	0
Other financial results		(37)	(116)	(35)	(107)
Profit / (Loss) before Tax	**2.12**	**2.782**	**4.232**	**2.301**	**3.468**
Income Tax		(848)	(1.126)	(805)	(1.022)
Net Profit / (Loss) for the period		**1.934**	**3.106**	**1.496**	**2.446**
Other comprehensive income reclassified to the State of service in subsequent periods		-	-	-	-
Other comprehensive income not reclassified to the state of service in subsequent periods		-	-	-	-
Total Comprehensive Income for the Period		**1.934**	**3.106**	**1.496**	**2.446**
Profit for the period allocated to:					
Owners of the parent		1.936	3.106	1.496	2.446
Non controlling Interests		(1)	-		
		1.934	**3.106**	**1.496**	**2.446**
Total Comprehensive Income for the Period allocated to:					
Owners of the parent		1.934	3.106	1.496	2.446
Non controlling Interests		-	-	-	-
		1.934	**3.106**	**1.496**	**2.446**
Profit / (Loss) per Share attributable to the equity holders of the parent.					
Earnings After Taxes per Share - Basic (in €)	**2.13**	**0,0906**	**0,1454**	**0,0700**	**0,1145**

		GROUP		COMPANY	
		01.01-30.06.2019	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
EBIT	2.12	4.341	5.824	3.865	5.021
EBITDA	2.12	8.678	9.122	7.030	7.289

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

1.3. Statement of Changes in Equity

THE GROUP								
Amounts in thousands €	**Equity allocated to owners of the parent**							
	Share Capital	**Share Premium**	**Other Reserves**	**Treasury Shares**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
Balances as at 1 January 2018	**23.928**	**38.641**	**1.570**	**-**	**26.757**	**90.896**	**2.843**	**93.739**
Changes in Equity for the period						-		-
Purchase of Treasury shares				(3.631)		(3.631)		(3.631)
Change from percentage change to subsidiary					2.771	2.771	(2.771)	-
Transactions with Owners	**-**	**-**	**-**	**(3.631)**	**2.771**	**(860)**	**(2.771)**	**(3.631)**
Transfer between Reserves	-	-			3.106	3.106	-	3.106
Total Comprehensive Income for the period			378		(4.651)	(4.273)	-	(4.273)
Equity balance as at 30 June 2018	**23.928**	**38.641**	**1.949**	**(3.631)**	**27.983**	**88.869**	**72**	**88.941**
Balances as at 1 January 2019	**23.928**	**38.641**	**1.712**	**(3.631)**	**38.758**	**99.408**	**71**	**99.478**
Total Comprehensive Income for the period	-	-			1.936	1.936	(1)	1.934
Equity balance as at 30 June 2019	**23.928**	**38.641**	**1.712**	**(3.631)**	**40.693**	**101.343**	**69**	**101.412**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

THE COMPANY					
Amounts in thousands €	**Share Capital**	**Share Premium**	**Other Reserves**	**Retained earnings**	**Total**
Balances as at 1 January 2018	**23.928**	**38.641**	**1.557**	**14.641**	**78.767**
Changes in Equity for the period					
Distribution of 2016 profit	-	-	378	(4.651)	(4.273)
Total Comprehensive Income for the period	-	-	-	2.446	2.446
Equity balance as at 30 June 2018	**23.928**	**38.641**	**1.935**	**12.436**	**76.940**
Balances as at 1 January 2019	**23.928**	**38.641**	**(9.905)**	**20.690**	**73.354**
Changes in Equity for the period					
Total Comprehensive Income for the period	-	-	-	1.496	1.496
Equity balance as at 30 June 2019	**23.928**	**38.641**	**(9.905)**	**22.186**	**74.851**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

1.4. Statement of Cash Flows for the period (indirect method)

	GROUP		COMPANY	
Amounts in thousands €	**01/01-30/6/2019**	**01/01-30/6/2018**	**01/01-30/6/2019**	**01/01-30/6/2018**
Operating activities				
Profit / (Loss) before tax	**2.782**	**4.232**	**2.301**	**3.468**
Plus / less adjustments for:				
Depreciation	4.404	3.299	3.232	2.267
Depreciation for grants	(67)	-	(67)	-
Provisions/ Revenues from unused provisions of previous years	288	98	275	98
Profit / (Loss) from asset sale & impairment	10	-	-	-
Foreign exchange differences	16	119	14	110
Interest income	(66)	(35)	(2)	0
Interest expenses	1.568	1.513	1.531	1.468
Operating profit prior to changes in working capital	8.935	9.226	7.285	7.412
Plus/ less adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease / (increase) in inventories	(180)	(68)	(161)	(41)
Decrease / (increase) in receivables	(3.344)	(1.114)	(2.148)	(814)
(Decrease) / increase in short term liabilities (except for banks)	4.037	798	3.880	834
Less:				
Interest expense and related expenses paid	(1.701)	(1.087)	(1.665)	(1.032)
Taxes paid	(147)	(153)	-	-
Total inflows / (outflows) from operating activities (a)	**7.600**	**7.602**	**7.191**	**6.359**
Investing Activities				
Acquisition of tangible and intangible assets	(4.999)	(1.432)	(4.554)	(1.246)
Interest collectable	66	44	2	0
Total inflows / (outflows) from investing activities (b)	(4.933)	(1.388)	(4.552)	(1.246)
Financing activities				
Proceeds from issued/withdrawn loans	72.276	-	72.276	-
Sales/(purchases) of Treasury shares	-	(3.631)	-	-
Dividends paid to shareholders of the parent	-	-	-	-
Payments of loans	(70.780)	(1.657)	(69.761)	(1.572)
Repayment of Finance Lease liabilities	(35)	-	(31)	-
Dividends paid	-	-	-	-
Total inflows / (outflows) from financing activities (c)	**1.461**	**(5.288)**	**2.484**	**(1.572)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**4.128**	**926**	**5.124**	**3.542**
Cash and Cash equivalents at beginning of the period				
Cash and cash equivalents at end of period	8.310	13.084	4.206	6.176
Effect of exchange differences	-	-	-	-
Cash and cash equivalents at end of period	**12.438**	**14.009**	**9.330**	**9.718**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

2. Notes to the Interim Condensed Financial Statements

2.1. General Information

The parent company of the Group is "LAMPSA HELLENIC HOTELS S.A. based in Athens, Vasileos Georgiou A1, and registered in the Companies Register of the Ministry of Economy, Competitiveness and Shipping, No. REG 6015/06 / V/86/135 and GSC Reg. No. 223101000 and its term of duration is set at one hundred (100) years, which began from the publication in the Government Gazette of the Royal Decree approving its memorandum of association. In addition, the General Meeting of Shareholders held as at 19/06/20015, decided to extend the company's term of duration for fifty (50) years and amend, in this respect, Article 4 of the Articles of Incorporation. The company has been operating continuously since its foundation, over ninety nine consecutive years.

The Group objective is acquisition, construction and operation of hotels in Athens and elsewhere in Greece or abroad, as well as related businesses, such as acquisition and / or exploitation of thermal spring water, resorts, public entertainment, clubs, etc. The Company website is www.lampsa.gr.

The shares of the Group are listed on the Athens Stock Exchange since 1946.

The interim six-month financial statements were approved for issue by the Company Board of Directors on 27 September, 2019.

The company LAMPSA and Starwood Hotels and Resorts Worldwide Inc, signed an agreement on management and hotel operation in December 2001. According to the agreement, Starwood, agreed to provide management and operation services to the hotel «Grande Bretagne». The term of the Management Agreement is initially of twenty five (25) years, with option to extend for another 25 years. Both companies have limited rights to terminate the agreement without reason. In 2013, the agreement was extended in order to include the management of the King George Hotel as well.

There was also signed a management agreement with Starwood Hotels & Resorts Worldwide Inc. and «Sheraton Rhodes Resort» Hotel. The agreement concerns the assumption of operational management of the hotel (operating services agreement).

It is to be noted that in 2016, the company Starwood Hotels & Resorts Worldwide Inc. was acquired by Marriott International Inc., and, therefore, Marriott International Inc. manages all three hotels.

2.2. Basis for preparation of Interim Six-month Financial Statements

LAMPSA Group has fully adopted all IFRSs and interpretations adopted by the European Union and their application is mandatory for the preparation of corporate and consolidated financial statements for the current period.

The Company interim six-month Financial Statements as of 30/06/2019 cover the period from January, 1, 2019 to June 30, 2019 and have been prepared in compliance with International Accounting Standard («IAS») 34 «Interim Financial Reporting».

The accounting policies based on which the interim six-month Financial Statements were prepared and are presented are in accordance with those used in the preparation of the Group and the Company Annual Financial Statements for the FY ended as at December 31, 2019, apart from amendments to the standards, effective as from 01/01/2019.

The interim six-month Financial Statements shall be considered in line with the annual financial statements as of December 31st, 2018, which are available on the parent Company's website www.lampsa.gr.

The interim six-month Financial Statements for the period 1/1 – 30/06/2019 have been prepared under the historical cost convention as modified due to revaluation of certain assets and liabilities at fair value and going concern principle.

The preparation of interim six-month Financial Statements according to IFRSs requires use of accounting estimates and judgments of the Management under the application of the accounting principles. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures 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 the best knowledge of the Management with respect to current events and actions, actual results may finally differ from those estimates.

2.3. Changes to Accounting Policies

2.3.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The effect of the new Standard is analytically reported in notes 2.4, 2.6 and 2.11.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation affect does not affect the consolidated and separate Financial Statements.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the consolidated and separate Financial Statements.

- **Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the consolidated and separate Financial Statements.

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the consolidated and separate Financial Statements.

- **Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not significantly affect the consolidated and separate Financial Statements.

2.3.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.4. Effect of changes in accounting policies

On January first, 2019, the Group and the Company adopted IFRS 16 "Leases". Following IFRS 16 "Leases" adoption, the Group as lessee recognizes in the statement of financial position the right-of-use assets and lease liabilities. The accounting treatment of leases for lessors remains the same as that under IAS 17.

The Group applied the new Standard using the simplified transition method. According to this method, the comparative information of the previous year has not been restated, while the cumulative effect of the application is recognized on 1 January 2019.

The Group and the Company present the right-of-use assets in the "Tangible Assets" account within the respective categories of owned tangible assets. The right-of-use assets are analysed in note 2.6.

Lease liabilities are initially measured at the present value of the leases that will be paid over the entire term of the lease discounted at the interest rate implicit in the lease or if this interest rate cannot be determined by the incremental borrowing rate. The average interest rate determined for the Group and the Company is 3.36% and 3.19% respectively. Lease liabilities are analysed in note 2.11.

After the commencement date of the lease period, the lessee will measure the lease liability as follows:
(a) by increasing the carrying amount in order to reflect the financial cost and the lease liability;
(b) by decreasing the carrying amount in order to reflect the payments effected; and
(c) by remeasuring the carrying amount in order to reflect any reassessment or modification of the lease.

The right-of-use assets are initially measured at cost and subsequently decreased by the amount of accumulated depreciation and impairment. Finally, they are adjusted to specific remeasurement of the respective lease liability.

In the first application of IFRS 16, the Group used the following practical facilities permitted by the standard:

- Using a single discount rate on a lease portfolio with similar characteristics

- Use of accounting for operating leases for leases with a maturity of less than 12 months from 1 January 2019.

In addition, the Group has selected to use recognition exemptions of the Standard for leases that, at their commencement date, have term of duration 12 months or less and do not include redemption rights (short-term leases), as well as leases of fixed assets of no significant value such as rentals for audiovisual events.

2.5. Segment reporting

In accordance with the provisions of IFRS 8, the identification of operating segments is based on the "Management approach". According to this approach, the information to be disclosed regarding the operating segments should be based on internal organizational and management structure of the Group and the main items of internal financial reporting provided to the key decision makers. The Management monitors the operating results of its operating segments separately for the purpose of making decisions on resource allocation and performance assessment thereof. It is to be noted that the Group applies the same accounting principles for the measurement of operating segment's results as those in the Financial Statements.

Transactions between operating segments are performed within the regular business operations of the Group. Inter-segment sales are eliminated on consolidation.

The operating segments presented include renting rooms, food and beverage sales and other activities (Income SPA-Health Club, Telephone Revenue, etc.). The Group results, assets and liabilities per segment in respect of the presented periods are analyzed as follows:

Amounts expressed in thousand of Euro unless stated otherwise
All the amounts are expressed in thousands of Euro unless stated otherwise

Segment results as at 30/06/2019	RENTING ROOMS	SALE OF FOOD AND BEVERAGE	OTHER ACTIVITIES	NON-ALLOCATED	TOTAL
Sales					
- to external clients	21.751	9.447	1.741		32.940
- to other segments				-	-
Net sales of the segment	**21.751**	**9.447**	**1.741**	**-**	**32.940**
Financial Income	59	29	6	-	94
Financial Expenses	(1.018)	(501)	(97)	-	(1.617)
Depreciation	3.224	992	188	-	4.404
Earnings before tax	**1.753**	**862**	**167**	**-**	**2.782**
Income tax	(534)	(263)	(51)	-	(848)
Earnings after tax	**1.218**	**600**	**116**	**-**	**1.934**
30/6/2017					
Non-current assets	**136.022**	**66.931**	**12.954**	**-**	**215.908**
Other Non-current Assets (Deferred Tax Assets, Joint Ventures)				4.508	4.508
Other assets	16.028	7.887	1.526	-	25.441
Total Assets	**154.889**	**76.215**	**14.751**	**-**	**245.856**
Total Liabilities	**93.190**	**45.855**	**8.875**	**-**	**147.920**

Segment results as at 30/06/2019	RENTING ROOMS	SALE OF FOOD AND BEVERAGE	OTHER ACTIVITIES	NON-ALLOCATED	TOTAL
Sales					
- to external clients	19.907	8.499	1.385		29.791
- to other segments			9	-	9
Net sales of the segment	**19.907**	**8.499**	**1.394**	**-**	**29.800**
					-
Financial Income	22	11	2	-	35
Financial Expenses	(951)	(468)	(91)	-	(1.510)
Depreciation	2.415	743	141	-	3.299
Earnings before tax	**2.666**	**1.312**	**254**	**-**	**4.232**
Income tax	(709)	(349)	(68)	-	(1.126)
Earnings after tax	**1.957**	**963**	**186**	**-**	**3.106**
30/6/2017					
Non-current assets	**123.474**	**60.757**	**11.759**	**-**	**195.990**
Other Non-current Assets (Deferred Tax Assets, Joint Ventures)				4.321	4.321
Other assets	11.300	5.560	1.076	-	17.936
Total Assets	**134.773**	**66.317**	**12.836**	**4.321**	**218.247**
Total Liabilities	**77.014**	**37.896**	**7.335**	**-**	**122.244**

It is to be noted that the company's hotels located in Athens and Rhodes ("Grand Bretagne" "King George" and "Sheraton") follow the seasonality of the tourism destination, and therefore, the average occupancy rate is almost double within the summer season (May - October) versus the corresponding winter period (November - April).

Geographical segments

The headquarters of the Group are in Greece. Geographically, the Group operates mainly in Greece, Cyprus and Serbia (§ 2.7).

Amounts in thousands €	1/1-30/06/2019 SALES	30/06/2019 NON-CURRENT ASSETS	1/1-30/06/2018 SALES	31/12/2018 NON-CURRENT ASSETS
GREECE	27.212	149.983	23.890	170.664
CYPRUS	-	-	-	-
SERBIA	5.728	69.401	5.910	28.803
TOTAL	**32.940**	**219.384**	**29.800**	**199.466**

Revenue analysis

Revenue per geographical area and category is analysed as follows:

01.01-30.06.2019	RENTING ROOMS	SALE OF FOOD AND BEVERAGE	OTHER ACTIVITIES	TOTAL
GREECE	18.074	7.842	1.296	27.212
CYPRUS	-	-	-	-
SERBIA	3.677	1.605	445	5.728
TOTAL	**21.751**	**9.447**	**1.741**	**32.940**

01.01-30.06.2018	RENTING ROOMS	SALE OF FOOD AND BEVERAGE	OTHER ACTIVITIES	TOTAL
GREECE	16.061	6.849	980	23.890
CYPRUS	-	-	-	-
SERBIA	3.846	1.650	414	5.910
TOTAL	**19.907**	**8.499**	**1.394**	**29.800**

2.6. Property, plant and equipment

During the period, for the Company and the Group, net investments into tangible assets amounted to € 5,08 million. The investments pertain to renovation of rooms and the purchase of other equipment, while the capital investments in progress mainly concern reconstruction and renovation of the King's Palace Hotel.

The Parent Company property items are burdened with liens amounting to € 87,250k as well as 25,500k USD for outstanding loans.

The company has undertaken contractual capital commitments regarding renovation operations at the King's Palace Hotel. The total cost of the project has been budgeted at € 16 m.

Group

Amounts in thousands €	Land and buildings	Mechanical equipment and means of transport	Furniture and other equipment	Stationary under execution	Total
NET book value 31/12/2017	**143.533**	**879**	**8.129**	**2.351**	**154.893**
Additions	273	255	2.366	3.204	6.097
Additions through business combinations	40.223	656	610	-	41.488
Sales of fixed Assets	-	(43)	(378)	-	(421)
Reclassifications	303	139	31	(477)	(5)
Depreciation charge	(5.289)	(251)	(1.463)	-	(7.003)
Depreciation of sold Fixed assets	-	41	332	-	373
NET book value 31/12/2018	**179.043**	**1.675**	**9.626**	**5.078**	**195.422**

Additions	1.263	109	998	2.717	5.087
Additions through business combinations	19.158	-	-	-	19.158
Sales of fixed Assets	-	(74)	(4)	-	(78)
Reclassifications	34	70	17	(162)	(40)
Depreciation charge	(3.476)	(169)	(747)	-	(4.391)
Depreciation of sold Fixed assets	-	65	3	-	69
Interest on construction period	330	-	-	-	330
NET book value 30/06/2019	**196.353**	**1.676**	**9.894**	**7.633**	**215.556**

Company

Amounts in thousands €	**Land and buildings**	**Mechanical equipment and means of transport**	**Furniture and other equipment**	**Stationary under execution**	**Total**
NET book value 31/12/2017	**110.054**	**374**	**6.110**	**2.211**	**118.749**
Additions	266	56	2.155	3.008	5.485
Additions through business combinations	27.749	656	610		29.015
Reclassifications	303	-	-	(303)	-
Depreciation charge	(3.944)	(76)	(925)	-	(4.945)
NET book value 31/12/2018	**134.429**	**1.009**	**7.950**	**4.916**	**148.303**
Additions	1.051	94	918	2.492	4.555
Recognition of rights to use assets	168				168
Depreciation charge	(2.612)	(85)	(547)		(3.244)
NET book value 30/06/2019	**133.035**	**1.018**	**8.322**	**7.408**	**149.783**

"Land plots and buildings" item include right-of-use assets as follows:

	GROUP	COMPANY
Amounts in thousands €	**Rights to use assets (buildings)**	
Recognition of rights to use assets	19.158	168
Interest on construction period	330	-
Depreciation charge	(32)	(32)
Balance as at 30/06/2019	**19.456**	**136**

In 2017, the parent company had leased the King's Palace Hotel for 30 years. In the current period, the parent company established the 100% subsidiary under the title KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A. in which the obligations and requirements arisen from the aforementioned lease were transferred. Based on the above contract and IFRS 16 implementation, right-of-use asset was recognized with a corresponding increase in lease liabilities of € 18.991k.

In addition, interest for the period of € 330k was capitalized as the hotel is under construction and is expected to operate in April 2020.

As far as the parent company is concerned, right-of-use asset related to real estate lease of € 168k was recognized.

Finally, short-term leases and low-value leases, for which no right-of-use was recognized for the Group and the Company, amount to € 85k while there are no current variable rents recognized in the results of the Group and the Company.

2.7. Investments in subsidiaries – Group Structure

The following is an analysis of equity of the parent Company in subsidiaries and associates:

Amounts in thousands €	ACQUISITION VALUE 30.06.2019	ACQUISITION VALUE 31.12.2018	DOMICILE - COUNTRY	DIRECT & INDIRECT PARTICIPATING INTEREST %	TREASURY SHARES*	RELATIONSHIP	CONSOLIDATION METHOD	OPERATING FIELD
LAMPSA HELLENIC HOTELS S.A.	-	-	Greece	ΜΗΤΡΙΚΗ		PARENT	-	Hotel Services
KRIEZOTOU TOYRISTIKI SINGLE MEMBER S.A.	50	-	Greece	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Hotel Services
LUELLA ENTERPRISES LTD	18.732	18.732	Cyprus	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	7.434	7.434	Serbia	80,33%	17,39%	SUBSIDIARY	FULL CONSOLIDATION	Hotel Services
BEOGRADSKO MESOVITO PREDUZECE A.D.	-	-	Serbia	94,60%	5,40%	SUBSIDIARY	FULL CONSOLIDATION	Hotel Services
MARKELIA ENTERPRISES COMPANY LTD	-	-	Cyprus	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Services
Total	**26.216**	**26.166**						
Provisions for devaluation	(4.044)	(4.044)						
Net Value	**22.172**	**22.122**						

2.8. Equity Analysis

The Group and the Company Equity is analyzed as follows:

Amounts in thousands €	**Group**		**Company**	
EQUITY	**30/6/2019**	**31/12/2018**	**30/6/2019**	**31/12/2018**
Capital and reserves attributable to parent owners				
Share capital	23.928	23.928	23.928	23.928
Share premium	38.641	38.641	38.641	38.641
Other reserves	1.712	1.712	(9.905)	(9.905)
Treasury Shares	(3.631)	(3.631)	-	-
Retained earnings	40.693	38.758	22.186	20.690
Total	**101.343**	**99.408**	**74.851**	**73.354**
Non-controlling interest	69	71	-	-
Total Equity	**101.412**	**99.479**	**74.851**	**73.354**

As at 30/06/2018, the Company share capital amounts to € 23.927,680, divided in 21.364.000 common shares of nominal value € 1,12 each. The Company shares are listed on the Athens Stock Exchange Security Market (Travel & Leisure Sector, Hotels).

The account "Equity Shares" pertains to acquisition of equity shares by the company EXCELSIOR BELGRADE A, which acquired 17,23% of shares versus a consideration of € 1 million. Furthermore, the company BEOGRADSKO MESOVITO PREDUZECE AD acquired 5,4% τof shares versus a consideration of € 2,5 million.

There aren't at the end of the current period, shares of the parent company held by it or by its subsidiaries or jointly controlled companies.

The account «Other Reserves» of the Group includes the following reserves categories: «Statutory Reserves» and «Other Extraordinary Reserves».

The amended IAS 19," Employee Benefits" was applied in the financial Statements of FY 2013 and retrospectively from 1 January 2012. Under the amended standard, the option of gradual recognition of actuarial gains and losses is eliminated under the ' corridor approach '. Therefore, actuarial gains and losses, presented in a fiscal year, will be recognized fully and directly in the Statement of Comprehensive Income for this year and will be presented in separate reserves, Actuarial results reserves, in Equity of the Group and the Company.

From the above, the statutory reserve is mandatory formed from the profits of each financial year and remains in equity of the Company to offset any losses incurred in the future and is taxed in each period in which they were formed and therefore is tax exempted.

As far as the remaining reserves are concerned, they can be distributed to shareholders given that the attributable tax has been paid.

2.9. Income tax – Deferred tax

Offsetting deferred tax assets and liabilities is performed, in terms of company, when there is an enforceable legal right to do so and when the deferred income taxes relate to the same tax authority.

The tax rates for the current year regarding the companies operating abroad are as follows:

Country	Tax rate
SERBIA	15%
CYPRUS	12,50%

Deferred income tax is provided on temporary differences using the tax rates expected to apply to the countries where the Group companies are active. The amounts shown in the balance sheet are expected to be recovered or settled after the current period.

2.10. Borrowings

The borrowings of the Group and of the Company, both long and short term, are analyzed in the following table:

Amounts in thousands €	**Group**		**Company**	
	30/6/2019	**31/12/2018**	**30/6/2019**	**31/12/2018**
Long-term debt				
Bond loans	88.351	22.265	88.351	21.632
Long-term bank loans				
Total long-term debt	**88.351**	**22.265**	**88.351**	**21.632**
Short-term debt				-
Short-term bank loans	5.700	51.898	5.700	51.700
Short-term portion of bond and bank loans	3.732	22.121	3.732	21.921
Total short-term debt	**9.432**	**74.019**	**9.432**	**73.621**
Total	**97.783**	**96.284**	**97.783**	**95.253**

The Group and the Parent Company's real estate liens amount to € 87,250k and $ 25,500k against loans.

During the period € 80m Common Bond Loan Coverage Contract of € 80m was signed, of which € 69m were disbursed by 30/06/2019, while the loan expense amounted to € 435k. The loans term of duration is 10 years and first installment will be paid in August 2020. The interest rate on the loan is EURIBOR 6M plus margin. Following the disbursement of the bond loan, the Company repaid short-term loans of € 65.2m.

In addition to the above bond loan, the company received a short-term loan of € 3.7m and repaid € 4.5m.

The Group's and Company's actual weighted average borrowing rates as at the balance sheet date are as follows:

	Group		Company	
	30/6/2019	**31/12/2018**	**30/6/2019**	**31/12/2018**
Bank Debt	3,33%	3,43%	3,17%	3,39%

The changes in the Group's and Company's loan liabilities are analyzed as follows:

Group

Amounts in thousands €	**Long-term loan liabilities**	**Short-term loan liabilities**	**Lease obligations**	**TOTAL**
Opening balance on 1/1/2018	**3.841**	**64.698**	**8**	**68.547**
Cash Flow:				
Repayments	-	(3.308)	-	(3.308)
Withdrawals/disbursements	4	6.000	0	6.004
Non-cash changes:				
Additions from acquiring subsidiaries	20.198	4.700	-	24.898
Reclassifications	(1.921)	1.921	-	-
Foreign exchange differences	143	-	-	143
Closing balance on 31/12/2018	**22.265**	**74.011**	**8**	**96.284**
Opening balance on 1/1/2019	**22.265**	**74.011**	**8**	**96.284**
Cash Flow:				-
Repayments	(6.190)	(64.594)	(31)	(70.815)
Withdrawals/disbursements	72.276	-	-	72.276
Non-cash changes:				
Recognition of lease obligations	-	-	19.488	19.488
Foreign exchange differences	-	14	-	14
Closing balance on 31/12/2019	**88.351**	**9.432**	**19.465**	**117.248**

Company

Amounts in thousands €	**Long-term loan liabilities**	**Short-term loan liabilities**	**Lease obligations**	**TOTAL**
Opening balance on 1/1/2018	**3.012**	**64.343**	**-**	**67.356**
Cash Flow:				
Repayments		(3.143)		(3.143)
Withdrawals/disbursements		6.000		6.000
Non-cash changes:				
Additions from acquiring subsidiaries	20.198	4.700		24.898
Reclassifications	(1.721)	1.721		-
Foreign exchange differences	143			143
Closing balance on 31/12/2018	**21.632**	**73.621**	**-**	**95.253**
Opening balance on 1/1/2019	**21.632**	**73.621**	**-**	**95.253**
Cash Flow:				
Repayments	(5.557)	(64.204)	(31)	(69.791)
Withdrawals/disbursements	72.276			72.276
Non-cash changes:				
Recognition of lease obligations			168	168
Foreign exchange differences		14		14
Closing balance on 31/06/2019	**88.351**	**9.432**	**137**	**97.919**

2.11. Lease Liabilities

In the current FY, the Group and the Company recognized lease liabilities in accordance with the provisions of the new Standard IFRS 16 "Leases".
The liabilities recognized in the Company arise from leases for offices and warehouses for a period exceeding 12 months.
The Group's liabilities arise from the newly established subsidiary KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A. in which the contract signed by the parent company with the AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE . ("ATPPEATE") was transferred and provided for the lease of the King's Palace Hotel for 30 years. The contract provides for a fixed rent which from the 4th year will be adjusted based on the CPI plus margin and a variable rent depending on the hotel's turnover per year. Variable lease payments dependent on turnover are not included in the minimum future payments used to measure the right-of-use asset and the lease liability. Variable lease payments that are dependent on turnover will burden the results of the FY in which they are recorded as receivables. The hotel is in the process of being fully reconstructed and is expected to open in April 2020 while no fixed or variable rentals have been paid.

The Group's and the Company's lease liabilities are analyzed as follows:

Amounts in thousands €	**GROUP**		**COMPANY**
Long term lease obligations	19.394		74
Short term lease obligations	71		63
TOTAL	**19.465**		**137**

Οι μεταβολές των υποχρεώσεων μίσθωσης για τον Όμιλο και την Εταιρία αναλύονται ως κάτωθι:

Amounts in thousands €	**GROUP**		**COMPANY**
Balance as at 01/01/2019	**12**		**-**
Recognition of lease obligations	19.158		168
Interest period	333		3
Payments	(38)		(34)
Balance as at 30/06/2019	**19.465**		**137**

Minimum future payments for the Group and the Company are as follows:

THE GROUP			
Minimum future payments	**Payments**	**Financial costs**	**Net present value on 30/06/2019**
Within the next 12 months	75	(4)	71
From 1 to 5 years	4.771	(3.738)	1.033
Over 5 years	27.674	(9.312)	18.362
TOTAL	**32.520**	**(13.054)**	**19.465**

THE COMPANY			
Minimum future payments	**Payments**	**Financial costs**	**Net present value on 30/06/2019**
Within the next 12 months	67	(4)	63
From 1 to 5 years	77	(3)	74
Over 5 years	-	-	-
TOTAL	**144**	**(7)**	**137**

2.12. Results for the period from January 1, 2019 to June 30, 2019

In the first six-month of 2019, the Greek tourism sector presented a stabilizing and slightly decreasing trend after six years of continuous upward trend. The increase in arrivals at Greek airports was not capitalized on hotel sizes, possibly due to the spread on AIRBNB-type platforms.

Stabilization in room occupancy ration can also be observed in the Serbian hotel market, after the increase of the last two years, since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc.). However, an increase in revenue has not been recorded owing to extensive competition from a high number of new hotels in the Belgrade area.

Room occupancy ration of the luxury hotel market in Athens decreased by 4.5% compared to the corresponding period in 2018, adjusting the ration to 69.3% versus 72.5% in 2018. Average hotel room rate increased by 2.9% versus of 2018, standing at € 169.31 versus € 164.56 in 2018. As a result, revenue per room available at Athens luxury hotels decreased by 1.7% (€ 117.29 versus € 119.37 in 2018) and correspondingly total room revenue decreased by 0.1%.

"Great Britain" Hotel presented sales increase of 0.85% compared to the corresponding period last year, while "King George" Hotel presented sales decrease by 3.27% and "Sheraton" Hotel in Rhodes 6.5%. Regarding Group Hotels in Serbia, "Hyatt Regency Belgrade" recorded a marginal increase of 0.46%, while "Mercure Excelsior" recorded decrease of 10.78% due to its excellent performance in hosting sports events last year which has not been repeated this year.

Regarding EBITDA, due to the incorporation of Sheraton Hotel there is a marginal decrease in the Group from € 9.12 million in the comparative period to € 8.67 million in the current period, and respectively in the Company from € 7.28 million in the comparative period to € 7 million in the current period.

2.12.1. Significant changes in the items of the Statement of Financial Position and Statement of Comprehensive Income for the period

Turnover in the first six-month period of 2019 at consolidated level stood at € 32,9 million versus € 29,8 million in the same period in 2018, presenting an increase of 10,54%. The turnover of the parent company (Hotels "Grande Bretagne and "King George" and "Sheraton") stood at € 27,2 million versus € 23,89 million in the comparative 2018 period, increased by 13,91%.

Consolidated **gross profit** amounted to € 10,4 million from € 12,02 million in 2018, due to Sheraton hotel incorporation, while gross profit margin changed from 40,34% in 2018 to 31,63% in 2019. Gross profit of the parent company stood at € 9 million compared to profit of € 10,24 million in 2018. The gross profit margin of the Company amounted to 33,10% in 2019 versus profit of 42,87% in the respective last year period.

Groups operating earnings **(EBITDA)** stood at profit € 8.67 million versus profit of € 9,12 million in 2018, decreased by 4,87%. Respectively, the parent company operating earnings stood at profit of € 7 million versus profit of € 7,29 million in 2018, decreased by 3,5%. Moreover, EBITDA margin stood at 26,35% versus 30,61% in 2018 for the Group and at 25,83% versus 30,51% for the Company respectively.

Earning before tax of the Group recorded profit of € 2,78 million versus profit of € 4,23 million for the comparative 2018 period. Earnings before tax of the parent company recorded profit of € 2,30 million versus profits of € 3,47 million for the comparative 2018 period.

Income Tax of the Company and the Group includes calculation of deferred tax. Tax expenses for the Group and the Company stood at € 0.8 million versus tax expenses of € 1,1 million and € 1 million for the Group and the Company for the comparative period.

Net earnings after tax and before non-controlling interests for the Group recorded profit of € 1,9 million, versus profit of € 3,1 million for the comparative period of 2018. The parent company recorded profit of € 1,5 million versus profit of € 2,45 million for the comparative period of 2018.

The balances of the accounts **Trade and Other Receivables and Other Current Assets** of the Group and the Company as at 30/06/2019 are presented increased by 151% and 160% respectively versus the balances recorded as at 31/12/2018, due to the nature of the Company and the Group operations, affected by seasonality of sales, contributing to generating bigger open balances within the interim reporting period, while this change is higher compared to 30/06/2018 because the Sheraton Hotel has also been incorporated in the current period It is expected that during the following months, given the capitalization of the aforementioned receivables, the trade balances will be significantly decreased, thus reaching the normal levels. Likewise, the balances of the accounts **Other Liabilities** of the Group and the Company are increased by 14% and 17% respectively as at 30/06/2019 versus 31/12/2018 due to accrued expenses expected to be settled in the following months.

2.13. Profit / (Loss) per share

Basic profit / (losses) per share are calculated based on profits / (losses) after taxes and Non- controlling interests from continuing operations, on the weighted average number of ordinary shares of the parent company.

The following is an analysis of profit/(loss) per share:

	GROUP		**COMPANY**	
Amounts in thousands €	**01/01-30/6/2019**	**01/01-30/6/2018**	**01/01-30/6/2019**	**01/01-30/6/2018**
Profit attributable to the owners of the parent	1.936	3.106	1.496	2.446
Weighted average number of shares	21.364.000	21.364.000	21.364.000	21.364.000
Basic earnings per share (in €)	**0,0906**	**0,1454**	**0,0700**	**0,1145**

2.14. Analysis of provisions

THE GROUP	**PROVISIONS RECORDED IN LONG-TERM LIABILITIES**	
	Legal claims	**Provisions by customers**
31.12.2017	**974**	**42**
Additional provisions by absorption of subsidiary		82
Additional provisions	759	39
Unused amounts reversed		(29)
31.12.2018	**1.734**	**134**
Additional provisions		36
30.06.2019	**1.734**	**170**

THE COMPANY	**PROVISIONS RECORDED IN LONG-TERM LIABILITIES**	
	Legal claims	**Provisions by customers**
31.12.2017	**71**	**42**
Additional provisions		82
Used provisions	759	39
Unused amounts reversed		(29)
31.12.2018	**831**	**134**
Additional provisions		36
30.06.2019	**831**	**170**

In the above table, provisions for bad debts less receivables are presented.

2.15. Transactions with related parties

The following transactions refer to related parties transactions:

Amounts in thousands €	**GROUP**		**COMPANY**	
Sales of goods-services	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Subsidiaries/jointly controlled entities	1	74	1	74
Other associates	41	41	41	41
Total	**42**	**115**	**42**	**115**
Purchase of Services	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Subsidiaries/jointly controlled entities	0	6	0	6
Other associates	35	413	35	413
Total	**35**	**419**	**35**	**419**
Balance of Payables	**01/01 - 30/06/2019**	**01.01-31.12.2018**	**01/01 - 30/06/2019**	**01.01-31.12.2018**
Subsidiaries/jointly controlled entities	0	0	0	0
Other associates	0	2	0	2
Total	**0**	**2**	**0**	**2**
Balance of Receivables	**01/01 - 30/06/2019**	**01.01-31.12.2018**	**01/01 - 30/06/2019**	**01.01-31.12.2018**
Subsidiaries/jointly controlled entities	0	0	0	0
Other associates	2.130	2.118	2.130	2.118
Total	**2.130**	**2.118**	**2.130**	**2.118**

Among the subsidiaries of the Group exist receivables/liabilities from the total value of loans € 2,1 million. Respectively, income / expense interest of € 27 k. Moreover, there are receivables/liabilities amounting to € 0,35 million regarding a forthcoming capital decrease of a subsidiary. The aforementioned transactions were eliminated on consolidation.

2.16. Salaries of BoD and Management members

Amounts in thousands €	**Group**		**Company**	
	01.01-30.06.2019	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Salaries – Fees	598	423	399	200
Social insurance cost	99	66	73	37
Ancillary staff Benefits	19	22	-	-
Bonus	151	170	151	170
Total	**867**	**681**	**624**	**406**

It is to be noted that there were no loans to members of the Board or management personnel and their families and there are no receivables/ liabilities from/to related parties.

2.17. Contingent assets - liabilities

Litigation cases

a) Administrative procedures for the compensation to former owners of the land on which the Hyatt Hotel (subsidiary company BEOGRADSKO MESOVITO PREDUZECE) and other third party structures have been effective. Regarding the aforementioned case, the Group has made a provision in its consolidated financial statements amounting to € 898 k, which it regards as sufficient.

b) Three lawsuits have been filed by former employees of the company concerning violations of labor law in Serbia. The total claim from the above lawsuits amounts to € 1.1 million. The Group Management estimates that the final outcome of the case at this time can not yet be determined and no provision for this contingent liability has been made in the financial statements of the Group.

There are no other litigation or arbitration disputes of courts or arbitration bodies that may have a significant influence on the financial statements or the functionality of the Group, beyond the provisions that have already been made (§ 2.14).

- The unaudited tax years of the Group are as follows:

Company	**Unaudited tax years**
LAMPSA HELLENIC HOTELS S.A.	-
LUELLA ENTERPRISES LTD	2011 -2018
ΚΡΙΕΖΩΤΟΥ ΤΟΥΡΙΣΤΙΚΗ ΜΟΝΟΠΡΟΣΩΠΗ Α.Ε.	-
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	2007-2018
BEOGRADSKO MESOVITO PREDUZECE	2012-2018
MARKELIA LTD	2011 - 2018

For the unaudited tax years of the Group companies, there is a probability that additional taxes and penalties could be imposed, during the period when they are examined and finalized by the relevant tax authorities.

For the FY 2011-2017 inclusively, the parent company and TOURISTIKA THERETRA S.A. were subject to tax audit of the Certified Public Accountants as provided by Article 82 para 5 Law 2238/1994 and Article 65a , Law 4174/2013, as amended by Law 4262/2014.

For the fiscal years 2015-2017, tax authorities audit the parent company based on the audit order dated 14/05/2019 for all tax items. In addition, it was notified // audit order on 10/06/2019 for the former company TOURISTIKA THERETRA SA, which was absorbed by the parent company in the previous fiscal year, for the fiscal year 2016-2017 for Income Taxes and VAT issues. The above audits are ongoing and no findings have yet been disclosed.

For the fiscal year 2018, the special audit to obtain the Tax Compliance Report is ongoing and is not expected to result in significant differences with substantial differentiation in the tax liabilities reflected in the financial statements. According to latest relevant legislation, the audit and issuance of tax certificates is valid for fiscal years 2017 and thereafter, on an optional basis.

For the unaudited tax years of the other companies of the Group, it is estimated that no significant additional tax obligations will occur and, therefore, no relevant provision has been made.

- **Operating leases - Income**

The Group leases certain offices and shops under non-cancellable operating leases. All leases include a term. They have varying terms, escalation clauses and rights. The following is an analysis of contractual rentals to be collected in the coming years:

	COMPANY	
Amounts in thousands €	**30/6/2019**	**31/12/2018**
Operating leases collectable in 1 year	370	304
Subtotal 1: Short-term operating leases	**370**	**304**
Operating leases collectable in 2 to 5 years	1.538	526
Subtotal 2	**1.538**	**526**
Operating leases collectable after 5 years	798	354
Subtotal 3	**798**	**354**
Subtotal 4 (=2+3): Long-term operating leases	**2.336**	**880**
TOTAL (=1+4)	**2.707**	**1.184**

- **Operating leases - Expenses**

The Company has signed a long-term lease agreement of the historic King's Palace hotel, owned by the AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE ("ATPPEATE") for 30 years. This lease agreement have been transferred to the new company KRIEZOTOU TOURISTIKI SINGLE MEMBER SA. The annual rental was set at the minimal annual rental plus 25% of the balance of turnover less the proposed balance recorded in the business plan. Moreover, the Company pays rentals for office leasing. An analysis of the minimum conventional rents which will be paid in the following years is in note 2.11.

2.18. Guarantees

The Group and the Company have contingent liabilities and assets related to banks, other guarantees and other matters arising in the ordinary course of business, as follows:

	GROUP		COMPANY	
Amounts in thousands €	**30/6/2019**	**31/12/2018**	**30/6/2019**	**31/12/2018**
Concessions on land and buildings for lending in €	134.400	48.850	134.400	48.850
Concessions on land and buildings for the granting of loans of the acquiring subsidiary	-	38.400	-	38.400
Concessions on land and buildings for lending in $	25.500	25.500	25.500	25.500
Guarantee letters of commitment and documentary credits	3.527	2.044	3.527	2.044
Guarantee letters for the commitment of the acquiring subsidiary	-	1.480	-	1.480
Guarantees for other related parties	2.750	-	2.750	-

2.19. Dividends

The Regular General Meeting of Shareholders held on 16/07/2019 decided to distribute dividends of € 4,2 million (0,2/share).

2.20. Personnel number & fees

	GROUP		COMPANY	
	30/6/2019	**30/6/2018**	**30/6/2019**	**30/6/2018**
Salary employees	498	505	254	259
Daily wages employees	702	449	702	449
TOTAL	**1200**	**954**	**956**	**708**

Amounts in thousands €	**GROUP**		**COMPANY**	
	01.01-30.06.2019	**01.01-30.06.2018**	**01.01-30.06.2019**	**01.01-30.06.2018**
Salaries & fees	8.466	7.993	7.030	6.525
Social insurance cost	1.615	1.557	1.421	1.360
Other employee benefits	515	491	367	347
Projected and paid employee compensation	75	41	75	41
Total	**10.671**	**10.080**	**8.894**	**8.273**

2.21. Objectives and Risk management policies

The Group is exposed to financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk.

The Group's financial instruments are composed of bank deposits, overdraft rights, trade receivables and payables, loans to subsidiaries, associated companies, dividends payable and lease obligations.

Since 2008, the Group applies a risk management program for such risks. The risk management program aims to limit the negative impact on the financial results of the group caused by the unpredictability of financial markets and the variation in the variables of cost and revenue. The group intends to use, in the near future, derivative financial instruments to hedge its exposure to specific risk categories.

The risk management process applied by the Group, is as follows:

- Evaluation of risks associated with the activities and operations of the group,
- design of methodology and selection of appropriate financial products to reduce risks and
- application / implementation, in accordance with the procedure approved by the management, of the risk management procedures.

Currency Risk

The Group operates internationally and carries out trade and loan transaction in foreign currency. Therefore, it is exposed to foreign currency translation differences (another major country of the Group's operations, apart from Greece, is Serbia). The Parent Company exposure to currency risk arises mainly from the bond loan issued in US Dollars.

Credit Risk

Over 80% of Group's sales are performed through credit cards, the credit sales though are made to customers with evaluated credit history.

Liquidity Risk

As at 30/06/2019, the Group had negative working capital, as current liabilities exceed current assets by € 4,7 million (parent company € 10,6 million). A significant part of current liabilities (19%% regarding the Group and the parent company) pertains to short-term debt and contractual liabilities of € 3,7 million which does not constitute cash outflow but future liability of rendering services to customers. During the current period, a Common Bond Loan of € 80 million was signed, of which € 69 million has been disbursed as of 30/06/2019, repaying short-term borrowings of the previous period.

Furthermore, the Group's and the Company's Working Capital needs are expected to be covered by the operating inflows expected to be achieved within the following periods, as seasonality is presented in the Group's activity where the occupancy in the spring months is almost double that of the corresponding winter period.

Two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED" representing 30,93% of the share capital each one (total 61,86%), although it is estimated that it will not be necessary, are committed to cover working capital subsequent needs for at least the next twelve months from the date of approval of the interim financial statements of 30/06/2018.

Risk of Changes of Fair Value due to Changes in Interest Rates

Amounts expressed in thousand of Euro unless stated otherwise
All the amounts are expressed in thousands of Euro unless stated otherwise

The Group's policy is to minimize its exposure to the risk of changes of fair value due to changes in interest rates as far as long-term financing is concerned. On June 30, 2019, the Company and the Group are exposed to the risk of changes in market interest regarding their bank borrowings, which, however, is estimated as low.

2.22. Post Interim Period Balance Sheet Events

On July 26, 2019, "Kriezotou Touristiki Single Member SA (Issuer) and "Lampsa Greek Hotels SA" (Bondholder Lender) signed a Common Bond Loan of € 16 million with a maturity of 10 years, with the sole purpose of financing the reconstruction of the hotel "MGallery", owned by the AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE ("ATPPEATE"), under the existing lease agreement of the aforementioned hotel.

There are no other post Financial Statements events regarding either the Group or the Company that shall be reported under the international Financial Reporting Standards.

Athens, 27 September 2019

President of the BoD	Chief Executive Officer	Financial Director
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