LAMPSA HELLENIC HOTELS S.A.

Societe Anonyme Reg. Nr.: 6015/06/B/86/135 GEMI Reg. Nr.: 223101000

Vasileos Georgiou A1, 10654, Athens

ANNUAL FINANCIAL REPORT

For the period ended as at December 31, 2019

According to Article 4 of Law 3556/2007

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LAMPSA HELLENIC HOTELS S.A.

A. Representations of the Members of the Board of Directors

(under Article 4, par. 2, Law 3556/2007)

We hereby certify that as far as we know:

a) The attached annual separate and consolidated Financial Statements of “LAMPSA HELLENIC HOTELS S.A.” for the FY 1/1/2019 – 31/12/2019 prepared according to the effective International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company as well as of the consolidated companies as a total.

b) The annual management report of the Board of Directors presents in a true and fair view the development, the performance and the financial position of the Company, as well as the companies consolidated as a total, including the description of the main risks and uncertainties they face.

Athens, June 29, 2020

The designees,

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	MEMBER OF THE BOARD OF DIRECTORS
GEORGE GALANAKIS ID NUM. Ξ 282324	ANASTASIOS HOMENIDIS ID NUM. AI 506406	FILIPPOS SPYROPOULOS ID NUM. AK 121283

B. Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of "LAMPSA HELLENIC HOTELS S.A."

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the company "LAMPSA HELLENIC HOTELS S.A." (the Company), which comprise the separate and consolidated balance sheet as at December 31, 2019, the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as of December 31, 2019, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group within the entire course of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 5.26 to the separate and consolidated financial statements which describes the matter related to the existence of pending court cases of a Company's subsidiary totaling Euro 1.1 million, the final outcome of which cannot be estimated at present. Our opinion is not qualified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addresses key audit matter
Revenue Recognition	
The revenue cycle of the Group and the Company is an area of special audit consideration due to the volume of transactions and the complexity of the information systems necessary for the provision of services.	Our audit approach included among others the following procedures: • We have performed a reconciliation between the guest ledger and the general ledger of the financial statements.

As mentioned in Note 5.20 to the Financial Statements as at 31/12/2019, the turnover of the Group and the Company amounted to € 77,815 k and € 65,075 k respectively; recording a proportional increase of 16.65% for the Group and 19.04% for the Company versus the pervious year. Information relevant to the Company revenue recognition accounting policies is presented in Note 3.5 to the Financial Statements.	• We evaluated the adequacy of the guest ledger internal audit procedures and we assessed whether they are designed effectively as to prevent any errors or omissions in revenue recognition. • We conducted substantive analytical procedures as to recalculate the room revenue based on the hotel occupancy and the respective room rates. • We evaluated the adequacy of the financial statement disclosures regarding the aforementioned matter.

Assessmernmt of Goodwill impairment

As at December 31, 2019, the Group recognized goodwill amounting to € 3,475 k, which had arisen from acquisition of 50% of the share capital of the company "TOURISTIKA THERETRA S.A." (Sheraton Rhodes Hotel) while the Group held a percentage of 50% from the prior FY(2008). Under the provisions of IAS 36 "Impairment of Assets", Goodwill shall be tested for potential impairment on an annual basis. The Company's Management assessed the recoverable amount of the Cash-Generating Unit to which the Goodwill (Sheraton Rhodes Resort Hotel) had been allocated. Given the significant value of Goodwill and the significance of the Management's assumptions/ accounting estimates in respect of estimating the fiat value, this area is regarded as crucial to our audit. The disclosures made by the Management in respect of the Goodwill impairment test are included in Note 5.5 to the financial statements.	Our audit approach included among others the following procedures: • We assessed the appropriateness of the management's methodology and key assumptions and estimates applied for defining the recoverable amount of CGU. • We evaluated the reliability of the management's projections used under the preparation of the business plans. • Regarding the above procedures and when deemed necessary we used Grant Thornton expert. • We reviewed mathematical accuracy of the discounted cash flows models. • We examined whether Goodwill impairment arises in relation to the defined value. • We evaluated the adequacy of the financial statement disclosures regarding the aforementioned matter.

Basis for preparation of Financial Statements

The financial statements of the Group and the Company have been prepared based on going concern principle. As at December 31, 2019, the Company's working capital was negative, as the short-term liabilities	Our audit approach included among others the following procedures: • We received the Management's assessment of the use of the going concern assumption, which, among

exceeded the current assets by € 9,806 k. The Company's short-term liabilities include revolving credit accounts of 5,700 k and short-term bond loan installments of € 4,916 k, regarding which the Company paid the amount of € 439 k in the first half of 2020 and will pay € 444 k in the second half of 2010, while the total remaining amount, following the agreement with the financial institutions, will be paid after 31/12/2020. Finally, short-term contractual obligations, amounting to € 2,856 k, which relate to advance payments for reservations made for 2020, are not expected to be refunded, but vouchers of 18-month maturity have been granted, estimated to be redeemed within 2021. Taking into account the aforementioned, the Company's working capital is positive by € 2,783 k.

In addition, the hotel segment, within which the Group operates, is one those most adversely affected by the global spread of COVID-19 health crisis. The outbreak of COVID-19 and the restrictions adopted by the government and globally will have negative effects on the operating results and cash flows of the Company and the Group. It should be noted that the hotels Grand Bretagne, King George & Sheraton Rhodes suspended their operations, while the hotels in Serbia (Hyatt Regency and Mercure Excelsior) operated at zero room occupancy. The Group's management performed a sensitivity analysis of future cash flows in order to take into account the consequences of a potentially extended period of non-operation of the Group's hotels. At the same time, the Group's management examined the effects of the pandemic on all the financial transactions and obligations of the Group. The management's assessment of the implementation of going concern is based on projections for cash flows, which depend on the significant judgment of the management.

The disclosures made by the Management in respect of the going concern principle and the effects of Covid-19 are analytically reported in Note 6.5 and in Unit C Risks & Uncertainties in the Board of Directors' Report.

other things, relied on the estimates of the Company's and the Group's available liquidity based on the business plan and projections for cash flows for the following 12 months.

- We evaluated the adjustments to the business plan and the cash flows based on the Management's estimates of the the effect of Covid-19 on the Company's and the Group's course of operations.
- We discussed with the Management the key estimates adopted and evaluated the alternative sources of financing in case of lack of liquidity to settle the obligations.
- We reviewed mathematical accuracy of the business plans and discounted cash flows models.
- We examined the available communication and the relevant approvals of the collaborating financial institutions regarding extensions to paying the installments.
- We received verification of the representative of the Bondholding Creditors stating their consent to exempting the financial rations measurement regarding the dates 30.6.2020 and 31.12.2020 due to the effects of the pandemic.
- We received Support Letters from two major shareholders representing 61.68% of shares, stating that they are eager to finance the Group if deemed necessary.
- We evaluated the adequacy of the financial statement disclosures regarding the aforementioned matter.
- Following the implementation of the aforementioned procedures and taking into account the ability of the Company to transfer its financial obligations to long-term status in line with the alternative sources of financing, we are in position to estimate that although the adverse consequences of COVID -19 pandemic are expected to be significant regarding the operational results and cash flows of the Group, the use of the

going concern principle under the preparation of financial statements by the Management is appropriate.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Representations of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated 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 separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein, we are required to communicate that matter. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated 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, as they have been transposed in Greek Legislation, 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 separate and consolidated financial statements.

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and the Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015, we note the following:

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 152, Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150-151 and 153-154 and of paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31.12.2019.

c) Based on the knowledge we obtained during our audit about the Company LAMPSA HELLENIC HOTELS S.A. and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with the Additional Report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

Authorized non-audit services provided by us to the Company and its subsidiaries during the year ended as at December 31, 2019 are disclosed in Note 5.20 to the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We were appointed as statutory auditors for the first time by the General Meeting of shareholders of the Company on 25/06/2004. Our appointment has been, since then, uninterrupted renewed by the Annual General Meeting of shareholders of the Company for 15 consecutive years.

Athens, 30 June 2020

The Certified Public Accountant

Thanasis Xynas

I.C.P.A. Reg. No: 34081

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Annual Report of the Board of Directors of the company «LAMPSA HELLENIC HOTELS S.A. » on the corporate and consolidated Financial Statements for the year January 1st to December 31st, 2019

Dear Shareholders,

The current Annual Report of the Board of Directors pertains to the closing year from 1/1/2019 to 31/12/2019 and has been prepared in accordance with the provisions of Law 2190/1920 Article 43a paragraph 3, Article 107 paragraph 3 and Article 136 paragraph 2, and the provisions of Law 3556/2007, Article 4, paragraphs 2 (c), 6, 7 & 8 and the decisions of the Capital Market Commission 7/448/11.10.2007 and Article 2 of the Company's Articles of Association. The current report includes the audited consolidated and corporate financial statements, the notes to the financial statements and the Independent Auditor's Report. The current report summarized information on the Group and the Company **«LAMPSA HELLENIC HOTELS S.A.»**, financial information aimed at providing general information to the shareholders and the investing public about the financial performance and the results, the overall course of development and the changes made during the closing year (01.01.2019 - 31.12.2019), significant events that took place and their impact on the financial statements of the year. It also describes the main risks and uncertainties that the Group and the Company may face in the future, as well as significant transactions between the Issue and its related parties.

The current report accompanies the annual financial statements (01/01/2019 - 31/12/2019) and is included together with the full text of the statements of the BoD members. Given that the Company also prepares consolidated financial statements, this report is unified, with the principal point of reference of the consolidated financial statements and with reference to corporate financial data of «LAMPSA HELLENIC HOTELS S.A.», only where appropriate or necessary for better understanding its contents.

The report presents in a brief but effective way all the necessary significant units, based on the above legislative framework and records, and reflects, in a true and fair manner, all the relevant information, required by legislation, in order to provide essential and thorough information about the operations within the aforementioned period of «LAMPSA HELLENIC HOTELS S.A.» (hereinafter «The Company») as well as the Group.

A. Financial developments and data on the course of the reporting year

Financial Information

In 2019, the tourism segment in Greece recorded a trend of stabilization and several local slight decrease, after six years of recording an ongoing upward trend. The increase in arrivals at Greek airports was not reflected, however, in the financial sizes of the hotels, most probably due to the spread of AIRBNB type platforms.

Serbian hotel market is stabilizing after a two-year increase due to a recovery in demand, aided by new EU integration infrastructure (airport, airline privatization, etc.), but no revenue improvement was recorded, as a result of extensive competition from a high number of new hotels located in the city of Belgrade, which adversely affects the average room price.

Rhodes hotel market records signs of recession, with a decrease in flights at Diagoras Airport by 3.2% compared to the respective period in the previous year. The hotels on the island showed a drop in occupancy and average room price by approximately 3% -5%. Additionally, one should take into account the factors such as instability of major tour operators (Thomas Cook collapse, TUI records losses, etc.), Brexit and the decline in consumer confidence in key markets such as Germany.

The room occupancy in Athens' luxury hotels market marginally decreased by 0,8% compared to the corresponding period of 2018, bringing the rate to 73,2% compared to 73,8% in 2018. The average hotel room rate increased by 1,9% compared to 2018, reaching € 174,18 versus € 170,99 in 2018. As a result, the revenue per available room increased at luxury hotels in Athens by 1,1%, reaching € 127,52 versus € 126,13 in 2018, while total room revenue increased by 2,5% (due to the increase in available rooms by 1,4%).

“Grand Bretagne” and “King George” recorded occupancy decrease by 71,73% (versus 76,11% in 2018), but a significant increase in average room rate of € 332,76 ARR (Average Room Rate), (versus € 314,59 in 2018) keeping the sights of Athenian Hotel Market. Consequently, revenue per available room decreased by 0,30%.

Turnover of the parent company amounted to € 65,075k, recording a significant increase of 19,04%, while EBITDA amounted to € 19,649k versus € 15,681k in 2018 due to the full integration of the Sheraton Rhodes Resort hotel.

“Grand Bretagne” Hotel recorded an increase in sales by 1,52% compared to FY 2018, while “King George” Hotel recorded a marginal decrease (2,03%). Regarding the Group Hotels in Serbia, “Hyatt Regency Belgrade” recorded a significant increase of 6,97%, while “Excelsior” recorded a marginal decrease of 2,42%. Moreover, “Sheraton Rhodes” Hotel recorded a decrease of 11,18%.

Specifically for the Group’s Hotels, the figures were as follows:

			Results for 31-12-2019		
	Grand Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	244,50	220,47	66,17	84,92	40,00
Hotel occupancy rate	72,30%	70,00%	65,50%	71,35%	65,00%
Average hotel room price	338,19	315,14	101,00	119,03	56,00
			Results for 31-12-2018		
	Grand Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	243,99	225,12	61,59	100,63	42,93
Hotel occupancy rate	75,78%	77,13%	61,19%	79,15%	63,28%
Average hotel room price	321,95	291,89	100,32	127,14	61,68

The Group's Turnover also recorded an increase of 16,65% (from € 66,710k to € 77,815k) and the consolidated EBITDA increased by 15,45% (from € 19,981k to € 23,085k), mainly derived from the parent company.

The Group's results before tax amounted to € 10,700k profit, versus € 15,671k profit in 2018, recording a decrease of 31,72%. The decrease is due to the profit recognized from the valuation of the pre-existing percentage due to gradual acquisition of the Company Touristika Theretra amounting to € 5.8 million in the previous year. Profit before tax of the Company amounted to € 11,749k versus € 12,469k in 2018.

Finally, net results (after tax and before non-controlling interests) of the Group amounted to € 6,931k profit versus € 12,391k profit in 2018. Profit after tax of the Company amounted to € 8,166k versus € 9,211k profit in 2018.

Currently, the following companies are incorporated:

Company	Func. Currency	Domicile	Participating interest %	Equity shares	Consolidation Method	Participation
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	82,77%	17,23%	Full	Direct
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%		Full	Indirect

Value creation and performance measurement factors

The Group evaluates results and performance on a monthly basis, timely and effectively identifying deviations from the objectives and taking corrective measures. The Group's performance is measured using the following international financial performance indicators:

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Group defines “Group EDITDA” sizes as profit / (loss) before taxes adjusted for financial and investment result purposes, in respect of total depreciation and amortization (tangible and intangible fixed assets) as well as the effects of special factors, such as share in operating results of associates when they are active in one of the Business Segments and the effects of write-offs made under transactions conducted with the aforementioned associates.

- ROCE (Return on Capital Employed): The index divides the earnings before interest and taxes to total capital of the Group which is the sum of equity, total loans and long-term forecasts.

- ROE (Return on Equity): The index divides the profit after tax attributable to equity holders of the parent by the equity attributable to shareholders of the parent.

The above indicators for 2019 compared to 2018 were as follows:

	31/12/2019	31/12/2018
EBITDA	23.085	19.981
ROCE	6.02%	9.84%
ROE	6.81%	12.46%

Based on the above, the most significant items of the Financial Statements have changed as follows:

- The Group's **turnover** amounted to € 77,815k versus € 66,710k in 2018, recording an increase of 16,65%. The parent company respectively (“Grand Bretagne”, “King George” and “Sheraton Rhodes Resort” hotels) amounted to € 65,075k versus € 54,667k in 2018, an increase of 19,04% due to full incorporation in the current year of Sheraton Rhodes Resort hotel, whose sales amounted to € 10.04 m, while in the previous year only € 43k were incorporated. King George's participation amounted to € 11.2 m, versus € 11.5 m in 2018.

- Consolidated **gross profit** amounted to € 32,790k versus € 28,739k in 2018, recording an increase of 14.1%, while the gross profit margin stood at 42.14% in 2019 versus 43.08% in 2018. Gross profit for the parent company amounted to € 29,069k versus € 25,375k in 2018, recording an increase of approximately 14.56%. The gross profit margin of the Company amounted to 44.67% in 2019 versus 46.42% in the previous year. This increase is mainly due to the full integration of the Sheraton Rhodes Resort hotel, those gross profit amounts to € 3,092k, versus gross loss of € 456k incorporated in the previous year.

- The **Group’s operating profit – EBITDA -** amounted to € 23,085k versus € 19,981k in 2018, recording an increase of 15.54%. The parent company EBITDA amounted to € 19,649k compared to € 15,681k in 2018, recording an increase of 25.3%, mainly due to full incorporation of Sheraton

Rhodes Resort Hotel, whose EBITDA amounts to € 2,359k, while in the previous year a loss of € 1,602k had been incorporated as only the last two months of 2018 had been incorporated. It is to be noted that Serbia's hotels also record positive EBITDA.

- **Other financial results** of the parent include profits from a reversal of impairment of participation in the company Excelsior amounting to € 2.05 m.
- The Group's **Results before tax** amounted to € 10,700k profit versus € 15,671k in 2018. The Company's profit before tax amounted to € 11,729k versus € 12,469k profit in 2018.
- **As a consequence of the aforementioned, the Group's net results (after tax and before rights of non-controlling interests)** amounted to € 6,931k profit versus € 12,392k profit in 2018.

B. Significant Events

SIGNIFICANT EVENTS DURING THE FISCAL YEAR 2019

On February 26, 2019, the Company signed a ten (10) year 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 the existing Company's borrowings, to finance part of the renovation costs of the King's Palace hotel (Kriezotou Touristiki Single Member SA) 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. Regarding the guarantees, please see Note 5.27.

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 the 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 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 29/07/2019. Dividend beneficiaries are the company shareholders registered in the records of the Dematerialized Securities System (D.S.S) on 30/07/2019. Dividends will be paid on 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 the Meeting 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, for the audit of the annual and interim financial statements of the Company for the fiscal year 2019, following the Audit Committee recommendation, 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.

Finally, in December 2019, the Parent company acquired the remaining percentage (2.28%) of the company EXCELSIOR BELGRADE AD against the amount of € 154k and now holds 100% of the subsidiary.

POST FISCAL YEAR SIGNIFICANT EVENT

In January 2020, the sale of 100% of the shares of the owner company of the hotel "Excelsior AD Beograd" (63,859 shares), through Stock Exchange in Serbia in which it is listed, was completed by "Lampsa Hellenic Hotels S.A." to the Serbian company "BMP AD NOVI BEOGRAD", 100% subsidiary of Lampsa SA and owner of the hotel "Hyatt Regency Belgrade", against a consideration of 10,347 Serbian dinars per share, i.e. a total price of approximately € 5,620k. The amount of the transaction was the result of the valuation of an independent appraiser, as required by the relevant legislation and the regulations of the local Capital Market Commission.

On December 31, 2019, the World Health Organization (WHO) was informed about the detection of limited cases of pneumonia, of unknown cause, in Wuhan, Hubei, China. On January 7, 2020, the Chinese authorities identified a new type of coronavirus as the cause (COVID-19). As of December 31, 2019, the development and spread of COVID-19 has led to the emergence of a number of related events around the world. In Europe, its rapid spread dates back to the end of February. In March 2020, the WHO declared the COVID-19 pandemic. The COVID-19 pandemic is an unprecedented global health crisis with economic and social consequences.

In the context of the measures taken to slow down the spread of the virus threatening public health and in order to prevent the collapse of the national health system, the Greek government has decided, among other things, to suspend the operation of seasonal and 12-month operating hotels. The risks, actions of the Management and the effects of the pandemic are analytically described in Unit C. “Risks & Uncertainties".

C. Risks and Uncertainties

Financial Risk Factors

The Group is exposed to financial risks such as changes in exchange rates, interest rates, credit risk, liquidity risk and fair value interest rate risk. The overall risk management of the Group focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out by the central cash available management service, which identifies and evaluates financial risks in cooperation with the services that face these risks. Prior to the relevant transactions it is taken acceptance by officers with the right to bind the Company to its counterparties.

Currency Risk

The Group operates in Greece, Cyprus and Serbia and its functional currency is Euro. However, there is a certain limited exposure to currency translation risk regarding US Dollar, mainly arising from loan and other liabilities in Dollars. The exchange rate risk of this kind arises from the rate of these currencies against Euro, partially offset by corresponding liabilities (e.g. loans) of the same currency.

Financial assets and liabilities in foreign currency converted into Euro at the closing rate are as follows:

	2019	2018
Amounts in thousand		
Nominal amounts	**US$**	**US$**
Financial assets	173	300
Financial liabilities	935	4.156
Short-term exposure	**762**	**3.857**
Financial assets	-	-
Financial liabilities	1.642	2.088
Long-term exposure	**1.642**	**2.088**
Total	**2.404**	**5.944**

The following tables show the sensitivity of the result for the financial year as well as the equity in relation to financial assets and financial liabilities and Euro/Dollar exchange rate.

We assume a change of 1.88% in as 31 December 2019 exchange rate of EUR / USD (2018: 2.49%). These percentages were based on the average market volatility in exchange rates for a period of 3 months from the end of each year (31/12).

In case € increases compared to the above currency, with the percentages mentioned above, the impact on the income statement for the year and equity will be as follows:

Amounts in thousand	2019	2018
	US$	US$
Income statement before tax	56	109
Equity	43	78

In case € decreases compared to the above currency, with the percentage mentioned above, the impact on the income statement for the year and equity will be as follows:

Amounts in thousand	2019	2018
	US$	US$
Income statement before tax	(54)	(105)
Equity	(41)	(75)

The exposure of the Group to foreign exchange risk varies during the year depending on the volume of transactions in foreign currency. However, the above analysis is considered representative of the Group's exposure to currency risk.

Credit Risk & Liquidity Risk

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

Liquidity risk is kept at low levels by maintaining sufficient cash and credit lines.

Maturity of the Group and the Company liabilities settled on cash basis is as follows:

THE GROUP	31.12.2019			
Amounts in thousand €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**1 to 5 years**	**over 5 years**
Bank debt	544	5.700	2.160	-
Bond loan	1.877	3.039	41.994	54.512
Finance lease liabilities	32	32	791	22.563
Other long-term liabilities	-	-	1.726	20
Trade liabilities	3.203	1.770	-	-
Other short-term liabilities	9.234	-	-	-
Total	**14.891**	**10.541**	**46.672**	**77.096**

	31.12.2018			
Amounts in thousand €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**1 to 5 years**	**over 5 years**
Bank debt	51.900	190	22.122	143
Bond loan	20.061	1.862	-	-
Finance lease liabilities	8	-	9	-
Other long-term liabilities	-	-	670	1.018
Trade liabilities	4.273	-	-	-
Other short-term liabilities	8.814	-	-	-
Total	**85.056**	**2.052**	**22.801**	**1.161**

THE COMPANY	31.12.2019			
Amounts in thousand €	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	over 5 years
Bank debt	-	5.700	-	-
Bond loan	1.877	3.039	41.994	54.512
Finance lease liabilities	32	32	42	-
Other long-term liabilities	-	-	1.707	20
Trade liabilities	2.492	1.770	-	-
Other short-term liabilities	8.444		-	-
Total	**12.845**	**10.541**	**43.743**	**54.533**

THE COMPANY	31.12.2018			
Amounts in thousand €	Short-term		Long-term	
	within 6 months	6 to 12 months	1 to 5 years	over 5 years
Bank debt	51.700		21.489	143
Bond loan	20.061	1.862	-	-
Finance lease liabilities	-	-	-	-
Other long-term liabilities	-	-	670	1.018
Trade liabilities	4.170	-	-	
Other short-term liabilities	8.330			
Total	**84.261**	**1.862**	**22.159**	**1.161**

As at 31/12/2019, the Company had negative working capital, as current liabilities exceed current assets by € 9,806k. The Company's current liabilities include revolving credit accounts amounting to € 5,700k and current instalments of bond loans amounting to € 4,916k of which the company paid the amount of € 439 thousand in the first half of 2020 and will pay € 444k in the second half, while all the remaining amount, following the agreement with the financial institutions, will be paid after 31/12/2020. Finally, short-term contractual obligations amounting to € 2,856k which relate to prepayments for 2020 bookings are not expected to be refunded, instead, either a change in dates has been agreed or the beneficiaries have received vouchers effective for 18 months, which are estimated to be redeemed by 2021. Taking into account the above, the company's working capital becomes positive by € 2,783k.

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

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

Operational revenue and operational cash flows of the Group are substantially independent of changes in market interest rates. The Group has assets of interest-bearing assets with fixed performance and the policy of the Group is to maintain approximately total borrowings at floating rate. At the end of the administrative period, the total borrowings were in floating interest rate loans.

The following table shows the sensitivity of the results for the financial year as well as the equity to a reasonable possible change of interest rate of +1.0 % or -1.0% (2018: +/-1 %). It is estimated that changes in rates logically reflect the market conditions.

	01/01-31/12/2019		01/01-31/12/2018	
Amounts in thousand €	**1,0%**	**-1,0%**	**1,0%**	**-1,0%**
Income statement before tax	(1.031)	1.031	(824)	824
Equity	(783)	783	(585)	585
Tax rate	**24%**		**29%**	

Coronavirus COVID -19 pandemic risk - effects - taking risk addressing measures

In March 2020, the World Health Organization (WHO) declared coronavirus COVID-19 pandemic, whose rapid spread has adversely affected business and economic operations globally and has slowed down or put on hold activities of major segments of the economy.

The Group operates mainly in the hotel segment, which has been affected since the beginning of March by the unprecedented crisis, which in the first months of the year arose from significant travel restrictions and quickly deteriorated through the rapid spread of the virus, its emergence in our country and finally though the imposition of the suspension of operation of the Group's three hotels in Greece. The Management of the Group from a very early stage monitors all developments and is in constant contact with the hotel owners' association, the Hotel Chamber and all the competent bodies, as well as with the special unit of the management company, regarding any action deemed necessary to facilitate taking measures to protect the health of the employees and the broader public. Moreover, the Management records the risks and evaluates the impact of COVID-19 pandemic at its every stage on the income statement and future cash flows of the Group, taking measures based on adequacy of liquidity and ensuring the Group's going concern.

Risks and effects of Covid-19 pandemic

Countries around the world, in an effort to limit the spread of the pandemic, are implementing a series of restrictive measures, including suspension of hotel operations, which has a direct impact on the Group's operations.

Suspension of hotels operations: In particular, Grande Bretagne and King George hotels remain closed from March 22, 2020, following a government order and are expected to gradually resume operations in July. The Sheraton Rhodes Hotel (seasonal) is expected to open in the summer of 2020 as soon as the flights arriving at Rhodes Airport are normalized. The company's hotels in Serbia ("Hyatt Regency Belgrade" and "Excelsior Mercure Belgrade") did not cease operations, but operated at almost zero turnover, but without significant losses due to extremely low payroll costs and local state incentives.

Reduction of revenue in the second half of the year: The effect of the pandemic in the second half of the year cannot be accurately determined at this stage as it depends on factors such as any additional measures taken, time required to invent the drug and the vaccine, the recovery time of the countries (USA, Great Britain, France, Spain, Italy, Central and Northern Europe) that constitute the main clientele of hotels operating in Greece, the mentality of travelers during the second half of the year.

Conference tourism has also been hit by the ban on large gatherings, and cruises, that also supplied hotels, operated at zero occupancy.

The pandemic is expected to change the habits of both corporate and private customers and revenue from events and catering is expected to decline.

Restrictions on the Group's operations have further adverse effect on the Group's financial sizes:

- The Management estimates that in the first half of the year, the Group has lost revenues of approximately € 25 m, while the Company of approximately € 20 m, while on an annual basis, the Group's turnover is expected to decline by 65% - 70%, and regarding three hotels of Lampsa SA (Grande Bretagne, King George and Sheraton Rhodes) the decrease is expected to be approximately 70% -75% compared to the fiscal year 2019.
- Impairment of non-current assets (including goodwill):
  Due to the impact of the pandemic on the world economy, on our country and consequently on the financial performance of the Group and depending on its duration and final quantitative and temporal effect, there is a risk that the Group's its assets, i.e. hotels, recognized goodwill as well as investments in subsidiaries will ne measured in subsequent years at lower values and potential impairments may arise, which will burden the results and financial position of the Group.
- Financial structure - liquidity:
  The consequences of the pandemic are expected to be significant for the Group resulting in generating losses in 2020, however the Company's capital adequacy is expected to remain strong. In addition, a direct consequence of the aforementioned reduction in the Group's turnover is its limited liquidity. The Group Management has already taken actions in order to ensure liquidity and the Group's going concern.

The Management's actions to address the effects of Covid-19 and ensure the Group's going concern.

On the basis of the aforementioned procedure of assessment and identification of risk areas and always with the aim of ensuring the health of employees and customers, protection of public health in view of the hotels reopening as well as the Group's going concern, the Management took the following actions:

- Expenditure of approximately € 500k on equipment and constructions, required for the hotels reopening applying all the necessary hygiene protocols for customers and staff.
- The Management of the parent company secured a certificate from the representative of the Bonding Lenders for their consent to the exception of the measurement of the financial ratios for the dates 30.6.2020 and 31.12.2020 due to the effects of the pandemic.
- The company agreed with lending banks to transfer the payment of debts of € 3,900k, of which € 2,700k was payable in 2020, at the end of the loans, which is after 2021.
- Due to the solvency of the LAMPSA Group, the Management has already secured pre-approval from financial institutions for loans, in case they are needed, amounting to € 25 m for the Group and € 18 m for the parent company, through the business support program "Guarantee Fund for granting guarantees on new loans to companies affected by COVID 19 through the Hellenic Development Bank (HDB).
- The company participates in the labor subsidy programs for employees implemented by the government (suspension, "cooperation", etc.). This achieves a reduction in wage costs for the period when hotels are closed or operating at low occupancy. Also, for further savings, the fixed-term employee contracts that expire in the near future are not expected to be renewed. Finally, synergies are expected between the Group's hotels, with staff lending, for more cost-effective management. It is expected that after the implementation of the aforementioned actions, the company will reduce its payroll costs by approximately € 8 m or 50% compared to the payroll costs in 2019.
- Finally, the company has sent credit vouchers, amounting to approximately € 450k to customers who have prepaid their future reservation, in order to avoid an immediate outflow of money with a refund, while for the rest of prepayments has already proceeded to postpone scheduled visits implementing them in 2021.

The financial statements of the Parent and its subsidiaries have been prepared on the basis of the going concern principle as the Group's Management considers that given the currently available data and its estimates of the impact of Covid-19 pandemic on the Group's financial sizes for the following 12 months and in line with the aforementioned actions that have been planned, there will be sufficient liquidity in order to ensure the Group's ability to continue as a going concern. Moreover, in case the Company's liquidity needs to be strengthened, its two main shareholders "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES" (61.86%) as well as their final beneficiaries are committed to and have the financial capacity to cover the contingent needs at least for the next twelve months from the date of approval of its annual financial statements.

D. Projected course and development for the new year

The Group operated the first two months of the year with positive growth rates, but since the beginning of March, the rapid spread of the COVID-19 coronavirus in Europe started to significantly reduce global travel. Then, as described in detail in the section "MAIN RISKS AND UNCERTAINTIES" regarding COVID-19, a package of measures was taken in global level to combat the spread of the pandemic, the impact of which was immediately affected the Group due to suspension of hotel operations in Greece as well as almost zero occupancy at hotels in Serbia while a large number of cancellations of reservations for future periods were submitted. More specifically, the projected course of the Group for 2020 in relation to the development of the pandemic is described below in the section "MAIN RISKS AND UNCERTAINTIES".

Finally, it is worth noting that the Group Management decided to continue the investment of the subsidiary Kriezotou SA. during the pandemic, with the result that the hotel "Athens Capital" is expected to open its gates as soon as the reconstruction works are completed, within 2020.

E. 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 financial year 2019, which have materially affected the financial position or performance of the Company during the mentioned 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 financial year 2019.

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

a) the amount of such transactions for the financial year 2019

(b) the outstanding balance at the end of the financial year (31/12/2019)

(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 31/12/2019 and 31/12/2018 respectively, are as follows:

Amounts in thousand €	**THE GROUP**		**THE COMPANY**	
Sales of services	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Jointly controlled entities	0	72	351	72
Other associates	105	52	105	52
Total	**105**	**124**	**456**	**124**
Acquisition of services	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Jointly controlled entities	0	9	0	9
Other associates	1.823	439	1.823	439
Total	**1.823**	**448**	**1.823**	**448**
Balance of Receivables	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Jointly controlled entities	0	0	384	0
Other associates	27	2	27	2
Total	**27**	**2**	**412**	**2**
Balance of Liabilities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Jointly controlled entities	0	0	0	0
Other associates	3.410	2.118	3.410	2.118
Total	**3.410**	**2.118**	**3.410**	**2.118**

Out of the above transactions, any transactions and outstanding balances with subsidiary companies have been excluded from the consolidated financial statements of the Group. In 2019, receivables/loan liabilities between subsidiary companies stood at € 2,1 million. Interest income / expenses regarding the aforementioned loan stood at € 106k while other income/expenses of €24k have been written off. Moreover, receivables/ liabilities amounting to € 634k have been written off.

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

Regarding the FY ended December 31, 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:

	THE GROUP		THE COMPANY	
Amounts in thousand €	**01.01-31.12.2019**	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Executives and BoD members				
Salaries - Fees	1.367	1.121	811	582
Social Insurance Cost	156	91	156	91
Bonus	211	282	211	282
Total	**1.735**	**1.493**	**1.178**	**954**

It is to be noted that no loans have been granted to BoD members and top-level management of the Group or their families.

F. Dividend policy

The management of the parent company with a view to strengthening the company's liquidity will propose to the Regular General Meeting of Shareholders not to distribute dividends.

It is noted that the proposed distribution is subject to approval of the Annual Regular General Meeting of Shareholders.

Information under par. 7 and Explanatory Report according to par. 8 of article 4 of Law 3556/2007

The present explanatory report of the company BoD to the Annual Regular General Meeting of the Shareholders includes information on issues addressed in article 4 of Law 3556/2007.

A) Capital Structure of the Company

The Company share capital amounts to twenty three million nine hundred twenty seven thousand six hundred and eighty euro (€ 23.927.680), divided in twenty one million three hundred sixty four thousand (21.364.000) common shares with voting rights of nominal value one euro and twelve cents (€ 1,12) each. Company shares are listed in the Athens Stock Exchange.

Every common share provides one voting right to the General Meeting of Shareholders.

Shareholder rights are proportional to the value of the shares owned. Each share confers all the rights provided by law and the company memorandum of association, and in particular:

• dividend rights from annual profits or liquidation profits of the Company. Every year, an initial dividend equal to 35% of net profits after the deduction of the regular capital reserve is distributed to shareholders, while the payment of an additional dividend is decided by the General Meeting of Shareholders. All shareholders registered in the company Shareholders Registry are entitled to dividends. Dividends are paid to each shareholder within ten days from the Annual General Meeting of Shareholders which approved the annual financial statements. Payment method and place is announced through press. Dividend rights are cancelled and transferred to the State after the expiration of a 5-year period commencing at the end of the year on which the General Meeting of Shareholders approved the dividend distribution,

• rights arising from the liquidation of the company or capital returns decided by the General Meeting of Shareholders,

• pre-emption right to acquire new shares in cash issued by the Company in an issue right,

• right to receive copies of the financial statements and reports issued by the Auditors and the Company Board of Directors,

• right to participate in the General Meeting of Shareholders which includes the following individual rights of legalization, attendance, participation in discussions, submission of proposals on issues included in the agenda, expressing opinions recorded in the minutes of the Meeting and voting.

• The General Meeting of the shareholders of the Company maintains all of its rights in the event of company liquidation (according to paragraph. 4 of Article 38 of the Articles of Association).

The liability of Shareholders is limited to the nominal value of their shares.

B) Restrictions on the transfer of Company Shares

The transfer of Company shares is conducted according to the provisions of the Law. There are no restrictions imposed by the Company memorandum of association with regards to the transfer of shares given the fact that the Company is listed on the Athens Stock Exchange.

C) Significant direct or indirect participations in the context of articles 9 - 11 of Law 3556/2007

The significant participations of the Company according to articles 9 -11 of Law 3556/2007 are the following:

Shareholders (individuals or legal entities) with a direct or indirect participation greater than 5% of the total number of Company shares, as of 31/12/2019 are presented in the table below:

TITLE	PERCENTAGE
NAMSOS ENTERPRISES COMPANY LIMITED	30,93%
DRYNA ENTERPRISES COMPANY LIMITED	30,93%
HOMERIC DEPARTMENT STORES A.E.	8,25%
TALANTON INVESTMENTS INC	5,16%
Total	**75,26%**

It is to be note that there are no changes until today.

D) Shareholders with special controlling rights

There are no Company shares that provide special controlling rights to their holders.

E) Restrictions on voting rights

The Company Articles of Association do not set any restrictions on voting rights provided by its shares.

F) Agreements between shareholders which entail restrictions on the transfer of shares or restrictions on voting rights

Major shareholders, NAMSOS ENTERPRISES COMPANY LTD and DRYNA ENTERPRISES COMPANY LTD as of 31/12/2019 had 4.392.496 common Company shares pledged in favor of EFG EUROBANK SA. As a result, transfer of the above-mentioned shares falls under restrictions.

NAMSOS ENTERPRISES COMPANY LTD and DRYNA ENTERPRISES COMPANY LTD have maintained their voting rights.

G) Guideline on the appointment and replacement of BoD members and on memorandum of association amendments

The relative rules and regulations set in the Company memorandum of association on the appointment and replacement of BoD members and on the amendment of articles of the memorandum are in line with the provisions of Law 2190/1920.

H) Authorities of the Company BoD or some of its members on the issuance of new shares or the re-purchase of Company shares

A) According to Article 13 paragraph 1 element b) and c) of Law 2190/1920 and in conjunction with Article 6 of the Company' Articles of Association, the BoD has the right, following a decision of the General Meeting of shareholders which is subject to the disclosure requirements of article 7 b of Law 2190/1920, to increase the Company share capital by issuing new shares. A decision must be taken by a majority of at least two thirds (2/3) of BoD members.

In this case, the share capital may be increased by up to the amount of the paid-up capital up on the date the Board of Directors was given this authority by the General Meeting. This BoD right may be renewed by the General Meeting for a period of up to five years.

B) In accordance with the provisions of Article 13 § 13 of Law 2190/1920, following a decision of the General Meeting of shareholders, a stock option plan may be offered to BoD members and staff in the form of stock options, according to the specific terms of this decision. The General Meeting defines mainly, the maximum number of shares that may be issued, which by law, cannot exceed 1/10 of the existing shares if the holders exercise their options, the price and terms of offering of shares to beneficiaries.

The Board, by resolution, regulates any other relevant details that are not regulated by the General Meeting, issues certificates of stock options and every December issues shares to the beneficiaries who exercise their options, increasing respectively the share capital and confirming the increase.

C) As of today, the General Meeting of shareholders of the Company has not decided to implement a share repurchase program in accordance with the provisions of Article 16 of Law 2190/1920.

I) Significant agreements which take effect, are altered or terminated in the event of a change in the control of the Company following a public tender offer

There are no agreements which take effect, are altered or terminated in the event of a change in the control of the company following a public tender offer.

J) Agreements that the Company has made with BoD members or its staff, which involve compensation in case of resignation or termination of employment with no material cause as a result of the public tender offer.

There are no agreements between the Company and BoD members or its personnel, which involve compensation in case of resignation or termination of employment with no material cause as a result of the public tender offer. The accumulated Staff Leaving Indemnities as of 31/12/2018, reached € 3.196 k. There is no provision for compensation for BoD members.

K. NON-FINANCIAL REPORTING

Information reported under Law 4403/7.7.2016, which supersedes article 43a of CL 2190/1920 concerning the Corporate Social Responsibility programs implemented by the Company is presented below.

1.1 Our people

LAMPSA SA recognizes that its people constitute the corner stone in its development and constantly invests in its human resources, rewards their efforts, provides incentives for productivity and offers a well-organized working environment.

The Company applies internal labor regulations and the Marriott Code of Conduct has been adopted, a summary of which is available to all new recruits, even to those recruited for practical work or apprenticeship. Any changes or amendments to the Code of Conduct are communicated to internal updates as well as to bulletin boards.

Additionally, Principles of Responsible Business, as defined by Marriott, are followed. In summary, the basic elements of these principles include:

- We are dedicated to recruiting and retaining a talented and diverse workforce.
- We promote diversity and offer an excellent work environment.
- We seek to offer competitive salaries and additional benefits. All our employees have access to training and they are offered all the means for their personal and professional development. Our goal is to maintain the safe and excellent work environment of our Hotels, which is built on the principles of integrity and mutual respect.
- We respect the right of our employees to participate in trade unions.

Translated excerpt from Marriott Principles of Responsible Business.

The Company pays great attention to the Development and Training of its employees by providing training programs both locally and through the multinational company Marriott International. In this context, the Company provides an individual program of Information & Training through Wellbeing Activities. In addition, the Company provides its human resources with the following:

- Additional days of maternity leave supporting young mothers so that they could spend more time with their family.

- In-house Corporate Events for Hotel staff, in the context of internal communication.
- Group Insurance Scheme with a private insurance company for all staff, in addition to social insurance.

At LAMPSA, in the framework of communication policy, the institution of improvement proposals is implemented, through which all employees have the opportunity to present their idea or proposal and to be awarded for it.

"Manager on duty" institution: On weekends, the department managers as well as the Hotel manager are close to employees working these days, giving them the opportunity to get in touch with representatives of the Company's Management. This strengthens the bonds of trust and intimacy and maintains a very important communication channel with the Management. Additionally, the Human Resources Department is always available to employees and provides support if they encounter any problem or need advice and guidance. In addition, the Chief Executive Officer is available to hear any complaints or concerns of the employees.

ERC - Employee Relations Committee

LAMPSA has an Employee Relations Committee (ERC), in which employees participate, representing all sections of the Company. The Human Resources Department chooses every year the members of the council, taking care to involve workers from different ranks - up to the position of the supervisor - and with different employment contracts so that there is adequate and objective representation of all people working at LAMPSA. The council meets with representatives of the Management twice a year to discuss issues that concern employees. Discussions also bring new ideas and points to improvement.

Equal opportunities

At LAMPSA, following the relevant policy, equal development opportunities are offered to all hierarchical ranks. The table below shows the distribution of human resources by hierarchy rank.

Human resources allocation per position / hierarchy rank

	2018			2019		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Board of Directors	8	1	9	8	1	9
Directors	2	2	**4**	3	2	**5**
Supervisors	13	10	**23**	16	8	**24**
Employees	166	155	**321**	186	169	**355**
Other employees	164	153	**317**	152	127	**279**
Total*	**345**	**320**	**665**	**365**	**307**	**672**

** Members of the Board of Directors are not included in the Total.*

Human Rights

LAMPSA respects internationally recognized human rights, as well as the principles contained in the Universal Declaration of Human Rights (UDHR). Marriott Human Rights Policy has been developed on the basis of the principles of the Universal Declaration and has been adopted by LAMPSA. For every Marriott Group Hotel category, this Policy outlines as follows:

Employees: The Group respects diversity and provides equal opportunities for salaries, additional benefits and working hours, without any discriminations regarding gender, ethnicity, religion and other individual characteristics. Also, the Group does not tolerate child and / or forced labor and does its best to eliminate them. The Group also permits and recognizes the right to freedom of trade unionism.
Franchise Partners: The Group expects from franchisees partners and all their associates to respect the internationally recognized principles of human rights.

<u>Employees in the Group's supply chain:</u> The Group expects all suppliers to respect human rights regarding diversity and harassment, to be moral, to offer equal salaries, benefits and timetables, not to tolerate any form of child or forced labor and offer healthy and safe working conditions to all their employees. All of the above are also included in the Supplier Code of Conduct of the Group.
<u>Local communities:</u> The Group protects the individual freedoms and human rights of the residents of local communities where its Hotels operate, through job vacancies creation and economic growth.
<u>Strategic Partners:</u> The protection of human rights is promoted by the Group in its relations with all strategic partners, as their protection principles are incorporated into the decision-making process for the establishment of professional relations.
Translated excerpt from Marriott Hotels & Resorts Worldwide (Human Rights Policy Statement).

Since 2018, there has been a special training on Human Trafficking for the avoidance and eradication of Hotel Trafficking. Marriott's training program is mandatory and is monitored by all employees.

The Group also permits and recognizes the right to freedom of trade unionism.

Additional benefits and employee support

The objective of LAMPSA is that the Hotel's human resources feel like a valuable partner, cultivating the necessary conditions for rendering excellent services to visitors and customers. In this context, the Company continuously cares for satisfaction of its employees, offering, apart from satisfactory remuneration, a set of additional benefits in addition to those legally required, further enhancing the excellent working climate. These additional benefits are further analyzed below as follows:

- *Restaurant for the employees*

The restaurant offers breakfast and lunch, while fruit and coffee are often made available.

- *Additional health care*

The Group runs an Insurance Scheme for all the staff in a private company. Apart from this additional benefit, the Company has a mutual assistance fund, to which the employees from various bazaars and events organized every year, as well as the Management, contribute financially. In emergency and serious cases regarding the employees, the committee-in-charge-of the fund meets, assesses the conditions and provides additional assistance to the colleague faced with a problem.

- *Funding of postgraduate programs*

In addition to part-time postgraduate programs funding, various specialists attend free of charge certified seminars organized by Marriott training academies and obtain relevant verifications.

- *Transportation expenses*

The Company covers an amount for transportation of the personnel working in the evening shifts due to the absence of public transport (hours 12.00 - 5.30). Furthermore, in a day-long strike of public transport, the full amount of the transportation of all employees - regardless of the shift - is covered entirely by the Company.

- *Wedding and christening gifts*

The Company offers as a wedding and christening present a free overnight stay at any Marriott Hotel, all over the world. It is worth mentioning that preferential prices at Marriott Hotels are also offered to retired employees, as well as to first-degree relatives and friends of the employees.

LAMPSA employees are also offered life insurance, as well as food vouchers twice a year (Christmas and Easter).

In addition, the Company takes care of the children of the employees by offering the degree of excellence to junior high school and senior high school graduates. Also, the degree of excellence is given in the case of excellent sports performance, for the top three places in Pan-Hellenic, Pan-European and world championships. The Company also subsidizes (through the former hotel fund) the use of camps for the children of the employees.

Parents Day

In 2019, for one more year, the Company organized the "Parents Day", during which, at Christmas, the children of the employees come to the Hotels and see the departments where their parents work and are presented with professional orientation information, provided by the departments executives.

Voluntary activities

Along with the Company's contribution, its employees are also involved insignificant social activities, first launched in 1992, namely, maintaining and reinforcing the "Blood Bank" that they have launched at Agia Sophia Children's Hospital with regular voluntary blood donations in order to cover the needs of the colleagues and their families. Also, under the new Starwood Associate Relief Fund program, offering their own contributions, the Company employees have created a support fund for their colleagues, suffering from natural disasters, at the global level.

Management of health and safety at work

A health and safety committee has been established at LAMPSA and meets once a month. It consists of the health and safety person-in-charge, the external security technician, and the occupational physician. There are also 7 employees. The fundamental objective of the committee is to minimize accidents and eliminate the factors that may lead to an event or the occurrence of an occupational disease. In this context, the careful planning of actions for preventive measures is the core task of the committee.

In the case of an incident, the executive of the sector, in which the incident took place, takes part in the committee, in order to examine all the parameters and take corrective measures. Please note that all incidents (minor accidents and accidents) that may arise, are recorded and monitored by the security technician. Where necessary, the necessary corrective actions are implemented.

Also, in the framework of taking all the necessary measures to maintain a safe environment for employees, visitors, customers and associates in all Hotels of the Company, a Health and Safety Policy is implemented and adopted.

An Excerpt from Health and Safety Policy

The Health and Safety at Work Regulations aim at preventing accidents, injuries or illness related to work. In particular, the Hotel Management and the Health and Safety Committee:

- Provide and ensure healthy and safe working conditions, taking into account the current legislation.
- Train and guide staff so that they could carry out their work safely and efficiently.
- Provide all the necessary safety devices and personal protection equipment for employees and supervise their correct application and use.
- Maintain everyone's interest in health and safety.

All hotel employees and partners are required to comply with Health and Safety Legislation and, in particular, to:

- Apply health and safety regulations.
- Work with due care.
- Use the protective equipment provided.
- Follow the procedures as defined for every type of work.
- Help in investigating the accidents.
- Suggest ways to improve working conditions for greater security.
- Report directly to their supervisor about any equipment that is not working properly and can cause an accident.

Hygiene and Safety training programs for all staff are also initiated by the Security Technician, the Occupational Physician and the Security Officer as well as during the year.

1.2 Health and safety for guests

As the promotion of health and safety is a basic prerequisite for the day-to-day operation of the Hotels and the preservation of their outstanding reputation, the Company adopts practices and takes continuous action in this direction.

The Marriott visitors' safety principles are applied with the substantial assistance of the employees. All the employees of LAMPSA are properly trained and ensure that Health and Safety Policy is properly implemented.

Satisfaction of guests

The Company has adopted the Marriott group guests – customers satisfaction survey system, entitled "Guest Voice". This system includes detailed customers comments, feedback, and ranking.

In addition, customized questionnaires in printed form dare distributed to guests in the rooms, as well as special complaint forms are made available to customers of restaurants and other services, which are used to assess the guests' satisfaction.

Finally, the Company pays special attention to the questions and even the guests' comments received through social media and on line reviews (facebook, trip advisor, websites, etc.)

Caring for food

LAMPSA maintains one of the best, internationally renowned restaurants and always cares not only for the high quality of the services provided but also for the safety of the raw materials of the products. In this context, the Company applies a certified HACCP Food Safety System in accordance with the International Standard ISO22000 and has adopted a specific policy.

An Excerpt from Health and Food Safety Policy

A key parameter of the quality services we aspire to provide is to ensure all the hygiene principles of the meals we prepare and offer to our customers.

LAMPSA Hotels adhere to a strict policy for the safety and hygiene of the prepared products. Strict hygiene rules are in place at each stage in order to eliminate the risks involved.

Our commitment:

- We strictly adhere to the HACCP system in accordance with the International Standard ISO 22000 that we apply.
- We maintain the communication channels we have established with our suppliers and customers.
- We constantly keep staff informed of the principles of good hygiene practice.
- We regularly hold meetings to exchange views with the objective to improve the System.
- We monitor every critical point every day.
- We monitor the law and adhere to it.
- We regularly control the effectiveness of the system.
- We follow all the Labor Guidelines.

We provide resources for maintaining and updating the System, purchasing new, modern equipment, improving facilities and infrastructure and working environment

It is also worth mentioning that the Hotel's restaurants has acquired the "Halal" and "Kosher" certifications, in order to satisfy the special requirements of our quests.

Supplies

The Management of LAMPSA supplies is one of the most important procedures in the operation of the Company as it is linked both to the quality of the services offered and to the health and safety of its visitors / customers.

At LAMPSA a suppliers evaluation procedure is applied on a yearly basis. The key evaluation criteria are:

- Consistency in quality
- Competitiveness in prices
- Service level
- Compliance with management system procedures (ISO / HACCP)

Additionally, the Company reserves the right to control the premises of its suppliers.

As food safety is of paramount importance to the Company, the control and evaluation of food suppliers is very strict and continuous. The Company takes preventive measures that are applied not only at the stages of the production procedure, but also in the reception of raw materials as well as in the storage and disposal of the food in the restaurants and other premises of its hotels.

LAMPSA has established particular specifications that suppliers must comply with per item. In addition, every pickup is checked at its premises (on the delivery vehicle) regarding:

- quality of every kind
- marking of any kind
- the temperature of the products (the fresh ones which are in the fridge).

Based on every check, all necessary product receipt forms that have been determined based on the HACCP management standard are completed.

1.3 Caring for the Environment

LAMPSA, in the framework of its operation, implements actions aiming at the minimization of the environmental footprint as well as actions to inform and sensitize its visitors and customers. The Company's commitment to environmental care is reflected in the Environmental Policy it has adopted as a member of Marriott Worldwide Organization.

Environmental Policy (Excerpt *)

We commit ourselves to adopting top environmental and sustainability principles to:

- Saving natural resources.
- Protecting the biodiversity of ecosystems.
- Promoting sustainable development.
- Minimizing waste and contamination.
- Developing and monitoring specific environmental performance indicators (KPIs).
- Raising awareness among workers, visitors and local communities.

* *Translated extract from Marriott's Environmental Sustainability Policy, Hotels & Resorts)*

The Company has established a special environmental health and safety Committee, which ensures the Company's harmonization with Greek laws, EU legislation and Marriott International environmental initiatives.

Energy saving

With regard to its energy-saving initiatives, the Company has already carried out major projects such as the following:

- Automation that helps managing the cooling and heating of buildings without unnecessary losses.
- Use of natural gas in coolers.
- Instabus system for outdoor lighting, banquet rooms and public areas. With this system all parts of the electrical installation of the buildings can communicate with each other and adjust the power consumption much more directly.

Responsible waste management

Responsible waste management is a priority for LAMPSA. For this reason, it cooperates with licensed waste collection companies, aiming at their proper management. The materials recycled are: glass, paper, plastic, lamps, used kitchen oils, inks, batteries, and electrical appliances. In 2019 we achieved 98% recycling of materials.

In 2018 the company launched a new program at both our Hotels in "Responsible consumption and production of energy as well as sensitization to environmental issues of recycling of organic-inorganic materials", by limiting organic waste from kitchens by installing a system to reduce their volume to 70% (recycling - composting).
Staff collaboration in achieving all recycling and responsible use of hotel benefits through appropriate training was a key priority in 2019.

In addition, we were awarded with the Sustainable Development Champions Award through our cooperation with the Sustainability Center and the United Nations. The program with which we were awarded was the Responsible consumption and production of energy as well as the awareness in environmental issues of recycling organic - inorganic materials. The first action was the co-production or triple production of heat-electricity installing machines, respecting the protection of the climate and operating in favor of responsible consumption and production of cheap - clean energy.
The second action was the reduction of organic waste from kitchens by installing a system to reduce their volume to 70% (form of composting).
The third and most important action was the cooperation of the staff in the implementation of all the recycling objections and responsible use of energy of the hotel facilities. Our above actions are linked to the following United Nations Sustainable Development Goals:

7. Cheap and clean energy
12. Responsible consumption
13. Action for the climate
17. Cooperation for objectives

Grand Bretagne has been holding the Green Key Award, an international ecological quality program for tourism, since 2010, which verifies that the hotel takes care of the protection of the environment, constantly seeking ways to improve and innovate.

The objective of the program is to develop and manage a quality, tourism-related eco-label. Green Key basically works as a certification program, which aims to raise awareness among owners, employees, customers and local communities about action on environmental issues and sustainable development.
The criteria for awarding an organization with the "Green Key" quality label are divided into 13 categories, including: Environmental management, personnel participation, customer information, water and waste management, and more.

In Greece, the Hellenic Society for the Protection of Nature, in particular the Green Key National Commission, is studying the cases and deciding on the award of the label to the organizations.
Grand Bretagne and King George Hotels have been certified for seven consecutive years, and in 2019 they have been awarded with a Green Key label for the “Green Rooms” available to guests. The hotels’ objective through this certification, is to make a significant contribution to the creation of an ecological culture and awareness of environmental protection and green development. Hotels’ “Green Rooms” are located on the 3rd Floor (Green Floor) and offer guests the opportunity to stay in rooms with more environmentally-friendly features and amenities, such as organic products and recycling options.

1.4 Caring for Society

LAMPSA focuses on the implementation and support of social responsibility actions, as the contribution to society and especially the support of vulnerable social groups is an integral part of the Company's corporate culture. In this context, the Management and all the employees of the Hotels “Grande Bretagne” and “King George” undertake continuous social responsibility initiatives, which are an integral part of the LAMPSA strategy.
The Company has also developed a real interest in topical issues related to the social and economic crisis. Through its actions, it also contributes to strengthening business responsibility as a basis for sustainable growth and employment.

More specifically, during 2018-2019, by category, the following actions were implemented:

- We collected and donated clothing twice a year for the City of Athens Homeless Charity and "Children Villages SOS”,

- We offered food to the Homeless Foundation and the Foundation "Galini" since 2013,

- We donated hotel equipment to Athens orphanages,

- In the last 9 years, the Company has supported the global awareness initiative for the prevention of breast cancer through the Race for the Cure- Greece. The race takes place annually at Zappion with the support of the Panhellenic Association of Women with breast cancer “Alma Zois”. The Company’s Hotels provide financial support to the Association by covering the costs of participating and donating a symbolic amount for every kilometer run by every employee.

- For the past 6 years (2013 – 2018), the Company has organized a Cycling Race with the participating of its employees who cover a distance to the Center of Athens, symbolically transporting the message of Voluntary Contribution, Teamwork and Sensitivity. This way, the Company helps raise money UNICEF, thus supporting the organization. On 06/11/2016 the 4th Cycling Race was organized in Oropos. In 2017 on 23/04/2017 the 5th Cycling Race was organized in Elliniko, Voula beach and the 6th Cycling on 29/10/2018 at Schinias beach, gathering money this time for "Children Villages SOS”. All events were combined with the cleaning of beaches by volunteer groups.

- The company also collaborates with all Marriott International Hotels in Greece and Cyprus, continuing their actions for children through Corporate Social Responsibility Actions, and organized for the first time on Friday, November 16, 2018, the Run for Youth , a hiking and running race, with a group of volunteer workers, "Running for Good Purpose". The main purpose of the event is to collect money for SOS CHILDREN’S VILLAGES. This activity is part of the activities of the Marriott Worldwide Business Council Greece & Cyprus. Run for Youth consists of a race (5 or 10km) and a walk (5 or 10km).

- In the last 6 years, the Christmas Bazaar has been successfully organized where handmade creations of our collaborators are sold in order to raise money for the support of charitable work the "Ark of the World". Previously, similar actions were undertaken for “Lighthouse for the Blind” and recently was given to the municipalities of the regions of Athens affected by the adverse weather conditions. In 2019, the money collected from the Christmas bazaar on 21 & 22/12/2019) were given to **"I read for others".**

- The Company organizes the “Parents Day”, where the children of the employees come every year in Christmas at a Festive Event in our Hotels and see the departments where their parents are working with, devoting some hours of information from a department manager in an attempt to facilitate their professional orientation. This year, our event took place on 21/12/2019, alongside the Christmas Bazaar.

- The Company invited children from the "Children Village SOS" to the annual Christmas events of the employees' children.

- We collaborated with the Hellenic Anti-Cancer Society.

- The Company proceeded with the modernization of the electric lighting at Syntagma Square

- In 2019 as well as the two previous years, a "Link to Schools" program was organized in collaboration with customers to raise money for donations to schools both in underprivileged areas of Athens and in schools in remote areas of the Northern Greece an the non-profit line. The purpose was to donate educational equipment to schools and cover annual heating costs. The "Link" is a Non Profit Society with a vision of the need the private initiative to be used responsibly and effectively to address the humanitarian crisis that our country is experiencing, as well as the common perception of professionalism. The ultimate common goal is for the Society to help build sustainable solidarity networks and foster social and human responsibility.

Analytical description of the Corporate Social Responsibilities activities is presented in the Annual CSR Report, prepared in compliance with the international GRI Standards and posted on www.lampsa.gr .

CORPORATE GOVERNANCE CODE OF THE COMPANY «LAMPSA HELLENIC HOTELS S.A»

1. Introduction

This Code of Corporate Governance (the "CCG") includes the corporate governance practices applied by the Company so voluntarily and in requirement of existing law (L. 2190/1920, L. 3693/2008, L. 3884/2010 etc.). It aims not only to comply with the provisions of Law 3873/2010, but also to improve information of private and institutional shareholders.

The adopted principles of corporate governance code affect the operation, the procedures and decision making at all levels of the Company's activities, seeking to ensure the necessary transparency on equal terms to all interested parties.

In this context, the Company took into account the general principles of the Draft Greek Corporate Governance Code of Hellenic Corporate Governance Council (HELEX). The Code is posted in the Company's website: http://www.lampsa.gr, in the domain "Press Releases–Announcements".

GENERAL PRINCIPLES

1. Role and responsibilities BoD

The BoD should direct the affairs of the company for the benefit of the company and shareholders, ensuring fair and equitable treatment of all shareholders.

In performing its duties, the BoD should take account of the parties, whose interests are connected with those of companies, such as the customers, creditors, employees and the social groups directly affected by the company's operation.

The main issues to be decided collectively decided by the BoD should include:

- approval of long-term strategic and operational objectives of the company,

- approval of the annual budget and the business plan,

- decisions on significant acquisitions and divestitures,

- selection of senior executives at the company, combined with the monitoring of administrative hierarchy and succession

- ensuring the reliability of financial statements and company details, financial information systems and data and information made publicly available, and ensuring the effectiveness of internal audit and risk management,

- prevention and handling possible cases of conflict of interest between the company and the other by the Management, BoD members or major shareholders (including shareholders with direct or indirect power to shape or influence the composition and behavior of BoD),taking into account transparency and the protection of corporate interests,

- ensuring an effective compliance process company with relevant laws and regulations

- responsibility of making decisions and monitoring the effectiveness of the company's management, and

- formulation, dissemination and application of the basic values and principles of the company, governing its relations with all parties, whose interests are associated with the company.

2. Size and composition of the BoD and senior management

The size and composition of the BoD should allow the effective exercise of their duties, taking into account the size, activity and ownership of the business. The board and senior management should be characterized by a high level of integrity and possess diverse knowledge, skills and experience to meet their corporate objectives. Nominations for the BoD will be made on merit and objective criteria. The BoD should ensure the smooth succession of members, and senior management, with a view to long-term business success.

3. Duties and conduct of BoD members

Each BoD member is subject to legal liability of loyalty to the Company. It should therefore act with integrity and in the interest of the Company to have sufficient information about the transactions with related companies and to preserve the confidentiality of non- public information available. The board of directors and persons holding powers conferred by this, should not have a competitive relationship with the Company and should avoid any role or activity that creates or appears to create a conflict between their personal interests and those of the Company, including having a spot on the BoD or management of competing companies without the permission of the General Meeting . BoD members should contribute their experience and commit to their duties the necessary time and attention. They should also limit accordingly other professional commitments in particular any Board other companies) . Board members should try to participate in all meetings of the Board and the committees on which they take part. The board should regularly assess its effectiveness in fulfilling its duties, and that of its committees. The independent board members have the right to submit to the General Meeting of Shareholders reports and statements, separately from the other members of the Board, in case they deem it appropriate.

4. Election - Operation of the BoD

Nominations for the BoD will be made on merit and objective criteria, aiming to the achievement of a balance between adequate representation of the majority, but also to ensure the effective participation of the independent non-executive members.

Depending on business needs, the board should meet with the needed frequency to effectively perform their duties. The Chairman should be responsible for setting the agenda, ensuring the proper organization of the Board's work, but also the efficient conduct of its meetings. The information provided by the Management Board should be timely, so as to enable it to cope effectively with the tasks arising from its responsibilities. It should be the responsibility of the President to ensure accurate and timely information to members of the Board, and effective communication with all shareholders, focusing on a fair and equivalent treatment of the interests of all shareholders.

5. System of Internal Audit

The BoD should ensure the accuracy and reliability of the financial statements and the correctness of announcements, which are imposed in order to present to investors a clear picture and valuation of real position and prospects of the Company.

The BoD should maintain an effective system of internal audit aiming to safeguard the assets of the Company, and the identification and dealing with the most significant risks. It should monitor the implementation of the Company's strategy and review it regularly. The main risks to be faced and the effectiveness of internal audit in managing these risks should be reviewed periodically.

The review should cover all essential audits, including financial and operational audits, compliance audit and audit of risk management systems. The BoD, through the audit committee should also be in direct and regular contact with the statutory auditors in order to receive regular updates from the past in relation to the proper functioning of the internal audit system.

6. Level and structure of remuneration

The level and structure of remuneration should aim to attract and retain BoD members, managers and employees in the Company, adding value to the Company with their skills, knowledge and experience. The level of remuneration should be in line with their qualifications and their contribution to the Company. The BoD should have a clear picture of how the Company pays its executives, especially those who have the appropriate qualifications for the effective management of the Company.

7. Communicaiton with shareholders

The BoD should ensure the continuous and constructive dialogue with shareholders of the Company, particularly those with significant shareholdings and a long-term perspective.

8. The General Meeting of Shareholders

The BoD should ensure that the preparation and conduct of the General Meeting of Shareholders facilitate the effective exercise of shareholders' options, who should be fully informed on all matters related to their participation in the General Meeting, including of the daily agenda items, and their rights at the General Meeting. The BoD should facilitate, within the framework of the relevant statutory provisions, the participation of all shareholders in the General Meeting, without discrimination. The BoD should utilize the General Meeting of shareholders to facilitate meaningful and open dialogue with the Company.

Part A - The BoD and its members

1. Role and responsibilities of the BoD

The roles of both the BoD and Management are identified and clearly documented in the Memorandum of corporation and the internal procedure. It is the competent corporate body which decides each transaction regarding the administration and management of the Company, subject to the exclusive competence of the General Meeting by the law or by the prescribed topics Memorandum.

The BoD adopts clear policy devolution to the Management, which includes a list of issues that the BoD has the authorization to decide. For the achievement of Company's objectives and the efficient and flexible operation of the Company, the BoD may delegate any of its responsibilities, except those that require collective action to one or more members of the BoD or to members outside the BoD.

For the performance of the service may be appointed by the BoD one General Manager either by the members of the BoD, or outside it. The General Manager who is not a director may attend the meetings of the BoD without voting right, after permission by the BoD.

In order for the Company to take validly responsibilities, two signatures are always required for which the Chairman of the BoD, Vice president and General Manager are authorized, if not prevented any of these three, other authorized BoD member appointed for that purpose by the BoD. Besides the persons mentioned above, the BoD may grant an authorization of first or second signature to other persons selected among senior executives in accordance with the requirements of the service.

The Company, in the name of the BoD, is outwardly and before all administrative or judicial authorities represented by the Chairman of the BoD or the Vice President, if any of them is unavailable, the General Manager or one of the BoD members appointed by the BoD.

In order to ensure the effective functioning of the BoD, an audit committee has been established, responsible for monitoring financial information, the effective operation of internal audit and risk management systems, and supervision and monitoring of statutory audit as well as the issues related to objectivity and independence of statutory auditors. Under Law 4449/2017 (GOVERNMENT GAZETTE A 7/24.01.2017), the group has implemented the changes regarding composition and functioning of the Audit Committee. The Company has already scheduled all the necessary procedures to be implemented under the new legislation.

2. BoD size and composition

Considering that the size and composition of the BoD should allow the effective exercise of its functions and reflect the size, activity and ownership of the business, the Company is managed under the Statute, by a Board of Directors consists of seven to ten (7-10) members, executive and non-executive directors in accordance with Law 3016/2002 as applicable, shareholders or not, elected by the General Meeting of shareholders.

The size and composition of the BoD of the Company must ensure balance between executive, non-executive and independent non-executive members. So the BoD consist of at least 1/3 of non-executive members (including independent non-executive members). The executive, non-executive and independent members of the BoD are appointed by the General Meeting.

The executive members of the BoD dealing with the daily management of the company and maintain some form of employment relationship with it.

The non-executive members participate in decisions and monitor the activities of the Company. It is responsible for the promotion of all corporate issues, participates in any boards and committees and is particularly responsible for upholding the principles of good corporate governance. Among the non-executive members are two (2) independent members who meet the independence requirements imposed by applicable law.

The non-executive members maintain independence in the investigation of issues to consider, with the goal of providing substantive work and create a climate of trust between the Board of directors and senior executives and managers.

The responsibilities of President and CEO should not be coincided to the same person. Further, if the President of the Board is an executive member will be appointed non-executive Vice Chairman. The BoD of the Company will be assisted by a Secretary, chief executive or lawyer who will attend BoD meetings and keep minutes.

The corporate governance statement should include information on the composition of the BoD, and the names of the President of the BoD, the Vice-President, CEO , and the Presidents of the Board Committees and their members. Moreover, this statement should be identified and the independent non -executive members the BoD considers that retain their independence. The corporate governance statement should also disclose the term of office of BoD members, including brief CVs.

3. BoD members duties and conduct

The BoD members should have a thorough knowledge of both the operation and the objects of the company and the broader market sector to contribute effectively and efficiently to the smooth and efficient operation of the Company.

The continuous abstinence of a consultant, without justifiable cause, who resides at the headquarters of the Company, from the BoD meetings for a period in excess of four months, equates to resignation.

A director who is absent or indisposed, has the right with his own responsibility to delegate his representation to the Council to another counselor. The authorization of his representation may be apply to one or more than one meeting of the BoD. In the absence or incapacity of non-executive members of the BoD, the authorized representative shall be similarly non-executive member. The same applies to the independent members of the BoD

4. BoD Election and Operation

The BoD is elected by the General Meeting with a maximum term of three (3) years.

The BoD shall submit to the General Meeting of shareholders, who have the decisive power to do so, state candidate BoD members, after adequate and timely information to shareholders regarding the profile of the candidates. The BoD should ensure the smooth succession of members, and senior management, with a view to long-term business success.

The BoD should meet with the necessary frequency to effectively perform their duties. The information provided by the Administration should be timely, in order to have the ability to cope effectively with the tasks.

The discussions and decisions of the BoD and its committees should be recorded to the minutes. The minutes of each meeting should be shared and approved at the next meeting of the BoD or the committee.

The BoD members should ensure their own regular information, regarding business developments and the major risks to which the Company is exposed . Also should be informed timely of changes in legislation and the market environment. The BoD members should come in regular contact with the management staff of the Company through regular presentations by head and service sectors.

The BoD members should have the right to ask the Administration, through the CEO, any information they consider necessary for the performance of their duties at any time.

5. BoD Assessment

The assessment of the effectiveness of the BoD and its committees should take place at least every two (2) years and be based on a specific procedure . This process should be headed by the President, and its results are discussed by the BoD and following the assessment, the President should take measures to address the identified weaknesses. It is also best practice to meet regularly non-executive directors without the presence of executive members, in order to assess the performance of executive directors and set their fees.

Part B- Internal Control & Risk Management

1. Audit Committee

The Company applies control procedures to ensure the reliability of the financial statements and the effectiveness of the operations.

In this context, it's been established the statutory prescribed Audit Committee, which is responsible for monitoring the internal audit department on a periodic basis and whenever requested. The Commission is in constant contact with the Internal Audit and attends to ensure all those requirements and conditions necessary for the non-discontinuing operation of the internal control.

The precise scope of the responsibilities of the two bodies is described above in detail of the Internal Operation Regulations of the Company.

The Audit Commission consists of at least two non-executive Directors, an independent non-executive director and, as noted, is objective conduct internal and external audits and effective communication between the auditors and the BoD.

Its responsibilities include ensuring the Company's compliance with the rules of Corporate Governance, as well as ensuring the proper functioning of the Internal Control and supervision of the work of the Internal Audit Department of the Company and evaluating the Head of the Department. In addition, the Audit Committee monitors the work of the independent auditors, discusses with them any weaknesses in internal control and has the ability to provide recommendations - advice to the General Meeting of Shareholders regarding the appointment, retention or dismissal of the external auditors of the Company.

To fulfill its tasks, recognizing that the Audit Committee members do not perform the work of auditors and / or accountants. Based on the above, it is not fall the responsibility of those the execution of detailed work book review - support and / or part thereof and / or other similar work.

2. Internal Control System

The BoDhas recommended statutory internal audit service, which operates in accordance with the internal operation.

The Internal Audit of the Company is an independent organizational unit, which reports to the BoD of the Company. The responsibilities include the evaluation and improvement of risk management and internal control, as well as verification of compliance with established policies and procedures as outlined in the internal operation of the Company, the applicable legislation (mainly stock) and decisions of the BoD.

The members of the BoD, the Management and all the executives must cooperate and provide all the necessary information to facilitate its task in the best possible way.

The BoD, with the support of the Audit Committee should adopt appropriate policies on internal control to ensure the effectiveness of the system. You must also specify the procedure to be adopted for monitoring the effectiveness of internal control system, which will include the scope and frequency of reports of the internal audit department that receives and deals with the BoD during the year as and the process of annual assessment of internal control.

3. Risk management

The Company shall have developed related policies and procedures which ensure effective risk management activities, maintaining and preserving the overall system of internal control and financial reporting.

The statutory policies should ensure secure protection and preservation of assets of the information system from which derived the historical financial information, proper handling, deal with financials for the preparation of financial and accounting statements of each period.

The main characteristics of the system as applied to the process of preparing financial statements combine:

i) exploiting the existing organizational structure and professional competence of the staff,

ii) appliance the unified and modern IT systems and compliance procedures that restrict access and change the information,

iii) the preparation of annual budget, which is monitored during the year through regular reports, for comparison with the current actual data and identify discrepancies.

iv) the supervision and control of significant transactions through the system to represent the Company,

v) the effective Communication between auditor, internal auditor and the Audit Committee.

Part C – Remuneration

The process of determining remunerations must be based on objectivity, transparency and professionalism and be independent of any conflict of interest.

The level and structure of remunerations must aim at attracting and maintaining management and employees that add value to the Company with their skills, knowledge and experience. The level of remunerations must be according to the qualifications and contribution of each employee to the Company. The BoD must have a clear understanding on the methods used by the Company to remunerate/reward its employees, especially those employees who possess the right skills to manage the company efficiently.

As far as BoD members are concerned, their remuneration should take into account their duties and responsibilities, their performance compared to predefined targets, the financial status and the future prospects of the Company as well as market conditions. In this framework, fixed remuneration will be combined with extra material benefits and a bonus, all related to the total performance of BoD members.

As far as non-executive members are concerned, their remuneration is proposed to reflect their time spent on Company affairs and their responsibilities. It is recommended that their remuneration is not directly related to their performance so as not to discourage any possible objections against management decisions assuming high business risk.

The remuneration of BoD members is pre-approved by the shareholders' meeting, based on a proposal made by the BoD following the above-mentioned framework. Final approval of the remuneration of BoD members (executive and non-executive) is granted by the General Meeting of the Shareholders according to the provisions of the law.

Part D – Relations with shareholders

1. Communication with shareholders

The BoD must maintain constant and constructive communication with shareholders, especially with those holding a major share with long-term prospects.

The Company must maintain a corporate website with public information on corporate governance, management structure, ownership status as well as with other useful information for shareholders and investors.

2. General Meeting of shareholders

The BoD must ensure that the General Meeting of shareholders is prepared and organized in such a way that facilitates shareholders to exercise their rights efficiently. It must also be ensured that shareholders are fully informed on all issues relating to their participation in the General Meeting, including topics for discussion on the agenda and their rights.

In the framework of transparent communication with shareholders, the President of the BoD, the Managing Director, internal and external auditors must be available in order to provide all necessary information to the shareholders. The BoD must follow the principle of equal treatment of all shareholders in relation to the provision of information.

Detailed information on the role of the General Meeting of shareholders, its basic authorities and a description of shareholders' rights and how these are executed is provided in the Corporate Governance

Statement, which is included in the annual management report of the Company according to the provisions of the law.

The present Corporate Governance statement constitutes an integral part of the Annual Report of the BoD of the company.

Athens, 29 June 2020
President of the BoD

GEORGE GALANAKIS

I.D. No Ξ 282324

B. Annual Financial Statements

The accompanying financial statements were approved by the Board of Directors of "LAMPSA HELLENIC HOTELS S.A." on June 29, 2020, and have been published on the Company's website www.lampsa.gr as well as on the Athens Exchange's website, where they will remain at the investing public's disposal for at least 5 (five) years from the date of publication.

Statement of Financial Position

		CONSOLIDATED		CORPORATE	
Amounts in thousands €	**Note**	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
ASSETS					
Non Current Assets					
Property, plant and equipment	5.2	221.832	195.422	148.383	148.303
Intangible Assets	5.3	284	268	145	103
Goodwill	5.5	3.476	3.476	-	-
Investments in Subsidiaries	5.4	-	-	35.526	22.122
Other Long-term Assets	5.6	2.518	300	382	136
Deferred Tax Assets	5.14	2.260	4.321	5.580	7.921
Total		**230.371**	**203.787**	**190.016**	**178.585**
Current Assets					
Inventory	5.7	1.645	1.693	1.285	1.367
Trade and other receivables	5.8	2.014	2.135	1.740	1.915
Other Receivables	5.8	4.352	5.798	3.326	4.073
Cash and cash available	5.9	25.885	8.310	11.253	4.206
Total		**33.896**	**17.936**	**17.604**	**11.561**
Total Assets		**264.266**	**221.723**	**207.619**	**190.146**
EQUITY AND LIABILITIES					
Equity	**5.10**				
Share Capital		23.928	23.928	23.928	23.928
Share Premium		38.641	38.641	38.641	38.641
Statutory Reserves		5.455	1.712	(6.161)	(9.905)
Treasury Shares		(3.631)	(3.631)		
Retained Earnings		37.334	38.758	20.586	20.690
Equity attributable to owners of the parent		**101.728**	**99.408**	**76.993**	**73.354**
Non-controlling interest		-	71	-	-
Total Equity		**101.728**	**99.478**	**76.993**	**73.354**
Long-term liabilities					
Employee termination benefits obligations	5.11	3.796	3.253	3.708	3.196
Long-term Debt	5.12	98.667	22.261	96.507	21.632
Long-term Lease Liabilities	5.13	23.354	4	42	
Deferred Tax Obligations	5.14	2.785	2.764	-	-
Other Long-term Liabilities	5.15	1.747	1.697	1.727	1.688
Long-term contractual Liabilities		402	-	402	-
Other Provisions	5.16	2.005	1.734	831	831
Total		**132.756**	**31.714**	**103.216**	**27.346**
Short-term Liabilities					
Suppliers and other liabilities	5.17	4.974	4.273	4.262	4.170
Income tax payable	5.18	1.278	1.970	1.168	1.968
Short-term debt	5.12	6.240	51.898	5.700	51.700
Short-term portion of bond and bank loans	5.12	4.916	22.113	4.916	21.921
Short-term Lease Liabilities	5.13	68	8	64	-
Other liabilities	5.19	9.234	8.815	8.444	8.331
Short-term contractual obligation	5.19	3.073	1.454	2.856	1.355
Total		**29.783**	**90.531**	**27.410**	**89.445**
Total liabilities		**162.539**	**122.244**	**130.626**	**116.791**
Total Equity and Liabilities		**264.266**	**221.723**	**207.619**	**190.146**

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Statement of Comprehensive Income

Amounts in thousands €	Note	CONSOLIDATED 1/1-31/12/2019	CONSOLIDATED 1/1-31/12/2018	CORPORATE 1/1-31/12/2019	CORPORATE 1/1-31/12/2018
Sales	5.20	77.815	66.710	65.075	54.667
Cost of Sales	5.20	(45.025)	(37.971)	(36.006)	(29.293)
Gross Profit		**32.790**	**28.739**	**29.069**	**25.375**
Distribution Expenses	5.20	(6.646)	(6.927)	(5.878)	(6.269)
Administrative Expenses	5.20	(12.987)	(10.058)	(11.280)	(8.390)
Other Income	5.20	1.586	1.429	1.373	898
Other expenses	5.20	(636)	(257)	(199)	(880)
Operating Profit		**14.108**	**12.926**	**13.085**	**10.735**
Financial expenses	5.21	(3.420)	(3.007)	(3.354)	(2.897)
Financial income	5.21	79	57	44	1
Other financial results	5.21	(68)	5.696	1.974	4.630
Profit / (Loss) before Tax		**10.700**	**15.671**	**11.749**	**12.469**
Income Tax	5.22	(3.769)	(3.281)	(3.582)	(3.257)
Net Profit / (Loss) for the period		**6.931**	**12.391**	**8.166**	**9.211**
Other Comprehensive Income not reclassified into Income Statement for Subsequent Periods					
Actuarial results reserves		(327)	76	(327)	76
Effect of tax on actuarial results reserves		78	(19)	78	(19)
Effect of tax on actuarial results reserves due to change of tax rate		(6)	(28)	(6)	(28)
Other comprehensive income for the period after tax		**(255)**	**29**	**(255)**	**29**
Total Comprehensive Income for the Period		**6.677**	**12.420**	**7.912**	**9.240**
Profit for the period allocated to:					
Owners of the parent		6.931	12.392	8.166	9.211
Non controlling Interests		-	(1)		
		6.931	**12.391**	**8.166**	**9.211**
Total Comprehensive Income for the Period allocated to:					
Owners of the parent		6.677	12.421	7.912	9.240
Non controlling Interests		-	(1)	-	-
		6.677	**12.420**	**7.912**	**9.240**
Earnings per share allocated to owners of the parent					
Basic in €	5.23	0,3244	0,5800	0,3823	0,4311

	CONSOLIDATED 1/1-31/12/2019	CONSOLIDATED 1/1-31/12/2018	CORPORATE 1/1-31/12/2019	CORPORATE 1/1-31/12/2018
EBIT	14.108	12.926	13.085	10.735
EBITDA	23.085	19.981	19.649	15.681

Potential differences are due to roundingю

The accompanying notes form an integral part of the annual financial report.

Statement of Changes in Equity

THE GROUP								
	Equity allocated to owners of LAMPSA							
Amounts in thousands €	**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**
Acquisition of Treasury Shares				(3.631)		(3.631)		(3.631)
Change from change in ownership interest in a subsidiary					2.771	2.771	(2.771)	-
Transactions attributable to the owners of the parent	**-**	**-**	**-**	**(3.631)**	**2.771**	**(860)**	**(2.771)**	**(3.631)**
Distribution of dividends for the FY 2017			378		(4.651)	(4.273)		(4.273)
Total Comprehensive Income for the FY 2018			29		12.392	12.421	(1)	12.420
Absorption of subsidiary					1.223	1.223		1.223
Transfers			(266)		266	-		-
Equity balance as at 31 December 2018	**23.928**	**38.641**	**1.712**	**(3.631)**	**38.758**	**99.408**	**71**	**99.478**
Balances as at 1 January 2019	**23.928**	**38.641**	**1.712**	**(3.631)**	**38.758**	**99.408**	**71**	**99.478**
Change from change in ownership interest in a subsidiary					(84)	(84)	(71)	(154)
Transactions attributable to the owners of the parent	**-**	**-**	**-**	**-**	**(84)**	**(84)**	**(71)**	**(154)**
Distribution of dividends for the FY 2018			164		(4.437)	(4.273)		(4.273)
Total comprehensive Income for the FY 2019			(255)		6.931	6.677		6.677
Transfers			3.834		(3.834)	-		-
Equity balance as at 31 December 2019	**23.928**	**38.641**	**5.455**	**(3.631)**	**37.334**	**101.728**	**-**	**101.728**

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Amounts in thousand Euro, unless otherwise mentioned

The Company

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**
Distribution of dividends for the FY 2017			378	(4.651)	(4.273)
Total Comprehensive Income for the FY 2018			29	9.211	9.240
Absorption of subsidiary			(11.603)	1.223	(10.380)
Transfers			(266)	266	-
Equity balance as at 31 December 2018	**23.928**	**38.641**	**(9.905)**	**20.690**	**73.354**
Balances as at 1 January 2019	**23.928**	**38.641**	**(9.905)**	**20.690**	**73.354**
Distribution of dividends for the FY 2018			164	-4.436.670	(4.273)
Total comprehensive Income for the FY 2019			(255)	8.166	7.912
Transfers			3.834	(3.834)	-
Equity balance as at 31 December 2019	**23.928**	**38.641**	**(6.161)**	**20.586**	**76.993**

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Statement of Cash Flows

Statement of Cash Flows

Amounts in thousands €	THE GROUP 01/01-31/12/2019	THE GROUP 01/01-31/12/2018		THE COMPANY 01/01-31/12/2019	THE COMPANY 01/01-31/12/2018
Operating activities					
Profit / (Loss) before tax	**10.700**	**15.671**		**11.749**	**12.469**
Plus / less adjustments for:					
Depreciation	9.112	7.077		6.698	4.969
Amortization of grants	(134)	(22)		(134)	(22)
Profit / (Loss) of asset sale – impairment	10	48			
Provisions/ (Revenues from unused provisions of previous years)	508	(482)		207	389
Impairment losses /(Profit from reversal of impairment)	-	(5.892)		(2.050)	(4.810)
Foreign exchange differences	19	159		28	143
Non-cash expenses	13	147			
Interest income	(79)	(85)		(44)	(1)
Interest expenses	3.266	3.014		3.295	2.897
Operating profit prior to changes in working capital	23.415	19.636		19.748	16.034
Plus/ less adjustments for changes in working capital accounts or accounts related to operating activities:					
Decrease / (increase) in inventories	47	85		82	58
Decrease / (increase) in receivables	(337)	(2.065)		936	(652)
(Decrease) / increase in liabilities (except for banks)	3.901	(2.792)		927	(2.595)
Less:	**-**				
Interest expense and related expenses paid	(2.011)	(2.397)		(1.934)	(2.296)
Taxes paid	(2.164)	(3.376)		(1.954)	(3.000)
Total inflows / (outflows) from operating activities (a)	**22.852**	**9.089**		**17.805**	**7.549**
Investing activities					
Acquisition of tangible and intangible assets	(14.539)	(2.768)		(6.949)	(2.138)
Acquisition of shares of subsidiary	(154)	(7.659)		(154)	(7.659)
Subsidiaries share capital return	-	-		350	-
Subsidiaries share capital increase	-	-		(11.550)	-
Interest collectable	79	85		44	1
Total inflows / (outflows) from investing activities (b)	**(14.615)**	**(10.342)**		**(18.260)**	**(9.797)**
Financing activities					
Proceeds from issued/received loans	86.162	6.000		83.462	6.000
Disposal / (Acquisition) of treasury shares	-	(3.631)		-	-
Dividends paid to shareholders of the parent	(4.273)	(4.273)		(4.273)	(4.273)
Payments of loans	(72.640)	(3.308)		(71.621)	(3.143)
Repayment of finance lease liabilities	(75)	(4)		(67)	-
Proceeds from long-term deposits	164	-		-	-
Total inflows / (outflows) from financing activities (c)	**9.338**	**(5.215)**		**7.501**	**(1.416)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**17.576**	**(6.468)**		**7.047**	**(3.664)**
Year opening cash and cash equivalents	**8.310**	**13.084**		**4.206**	**6.176**
Absorbed subsidiary cash and cash equivalents		1.694			1.694
Year closing cash and cash equivalents	**25.885**	**8.310**		**11.253**	**4.206**

Potential differences are due to rounding

The accompanying notes form an integral part of the annual financial report.

Notes to the Financial Statements

1. General information

LAMPSA Group has fully adopted all the International Financial Reporting Standards and their Interpretations adopted by the European Union mandatory applicable for the preparation of the current FY separate and consolidated financial statements.

The parent company of the Group is "LAMPSA HELLENIC HOTELS S.A. based in Athens, Vasileos Georgiou A1, and is 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 Articles of Association. The company has been operating continuously since its foundation, over ninety-nine (99) consecutive years. The General Meeting of Shareholders as of 19/06/2015, decided to extend the duration of the company for fifty (50) years, with the corresponding amendment of Article 4 of its Articles of Association.

The parent company's 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 have been listed on the Athens Stock Exchange since 1946.

The annual financial statements were approved for issue by the Company Board of Directors on 29 June, 2020.

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.

Management agreement was also signed with Starwood Hotels & Resorts Worldwide Inc. and Touristika Theretra S.A., the owner of «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. Basis for preparation of annual financial statements

The consolidated and separate financial statements of LAMPSA S.A. have been prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS). The financial statements have been prepared based on historic cost principal as amended following the adjustment of certain assets and liabilities at fair values and the going concern principle and are in accordance with the IFRSs, as issued by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) of IASB.

The financial statements of the Parent and its subsidiaries have been prepared on the basis of the going concern principle as the Group's Management considers that given the currently available data and its estimates of the impact of Covid-19 pandemic on the Group's financial sizes for the following 12 months and in line with the aforementioned actions that have been planned, there will be sufficient liquidity in order to ensure the Group's ability to continue as a going concern. Moreover, in case the Company's liquidity needs to be strengthened, its two main shareholders "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES" (61.86%) as well as their final beneficiaries are committed to and have the financial capacity to cover the contingent needs at least for the next twelve months from the date of approval of its annual financial statements.

All the revised or newly issued Standards and Interpretation applicable to the Group and effective as from December 31, 2019 were taken into account under the preparation of the financial statements for the current year to the extent they were applicable.

The preparation of financial statements according to IFRSs requires use of accounting estimates. It also requires management estimations under the application of the Group's accounting principles. The cases involving a higher degree of judgment or complexity, or the cases where assumptions and estimates are significant to the consolidated financial statements are recorded in Note 2.2.

2.1. Changes to Accounting Policies

The accounting policies based on which the Financial Statements were drafted are in accordance with those used under the preparation of financial statements for FY 2018, adjusted to the new Standards and revisions imposed by IFRS effective for fiscal years starting as at January 1st, 2019.

2.1.1 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 reported in Note 2.3.

- **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.

2.1.2 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.

- **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 been adopted by the European Union with effective date of 01/01/2020.

- **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 been adopted by the European Union with effective date of 01/01/2020.

- **Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01/01/2020)**

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

- **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 been adopted by the European Union with effective date of 01/01/2020.

- **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.

- **Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2022)**

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. 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.

2.2. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the publicized assets and liabilities at the financial statements preparation date. They also affect the disclosures of contingent assets and liabilities at the financial statements preparation date and the publicized amounts of revenues and expenses for the period. Actual results may differ from these estimates. Estimates and judgments are based on historical experience and other factors, including expectations of future events that are considered reasonable under specific circumstances and are constantly re-assessed using all the available information.

Judgments

The key judgments made by the Management of the Group (other than judgments associated with estimates presented below) and that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- Classification of investments.
- Recoverability of receivables.
- Impairment of inventory.

Assumptions and estimates

Specific amounts included or affecting the financial statements along with relevant acknowledgments are estimated assuming values or conditions which cannot be known with certainty at the time the financial statements are issued. An accounting estimate is considered significant when it is important for the image the financial position of the company and fiscal year results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates regarding the effect of matters that are uncertain. The Group evaluates these estimations in constant basis, based on past years and experience, by meeting experts, trends and other methods considered rational under the specific circumstances along with provisions of future changes. In § 3 "Synopsis of accounting policy" the accounting policies are mentioned which have been chosen from acceptable alternative policies.

- **Impairment estimation**

The Group annually tests goodwill for impairment and examines events or conditions that make impairment possible; such as, for example, a significant negative change in the business climate or a decision for the sale or disposal of a unit or an operating segment. The determination of impairment requires calculation of the recoverable amount of the corresponding unit, which is evaluated by using the method of discounted cash flows.

The recoverable amounts of CGUs are determined based on calculations of value in use. These calculations require the use of estimates.

If this analysis indicates a need for impairment, measurement of impairment requires a fair value estimate for every identifiable tangible or intangible asset. In that case, the cash flows approach is used, as mentioned above, by independent valuators, where deemed appropriate.

Moreover, other identifiable intangible assets with defined useful lives and subject to amortization are annually tested for impairment by comparing the carrying amount to the sum of the undiscounted cash flows expected to be generated by the asset. The Group annually tests the impairment of goodwill according to accounting policy as mentioned above. It is to be noted that the total of recognised goodwill was fully impaired within the previous year.

- **Income Tax**

Current and deferred tax are calculated on the basis of the financial statements of every company included in the consolidated financial statements, in accordance with the tax legislation effective in Greece or other tax frameworks within which the foreign subsidiaries operate. Income tax is calculated based on every company's profits , additional income taxes arising from tax inspections of tax authorities and from deferred income taxes based on the institutionalized tax rates.

- **Provisions**

Doubtful accounts are reported at the amounts that may be recovered. Estimates of the amounts expected to be recovered arise following the analysis as well as from the experience of the Group regarding the possibility of doubtful receivables of the customers. As soon as it is known that a specific account is subject to greater risk than the usual credit risk (e.g. low credibility of the customer, disagreement regarding the existence or the amount of receivables, etc.), the account is analyzed and recorded as doubtful debt as long as the conditions indicate that the receivables cannot be collected.

- **Contingent events**

During ordinary course of business, the Group is involved in legal claims and compensations. The Management judges that any arrangement would not significantly affect the financial position of the Group in 31/12/2019. However, the determination of contingent liabilities that are connected to legal claims and demands is a complicated procedure that includes judgments on possible consequences and law interpretation according to laws and regulations. Any change in judgment or interpretation is possible to lead to an increase or decrease of the Group's contingent liabilities in the future.

- **Business Combinations**

Upon initial recognition, the assets as well as liabilities of the acquired business are included in the consolidated financial statements at their fair values. During measurement of fair values, management uses estimates regarding future cash flows but actual results may differ. Any other change in measurement after the initial recognition would affect the goodwill measurement.

- **Useful life of depreciable assets**

The Company's Management examines the useful lives of depreciable assets at every reporting period. At 31 December 2019, the Company's Management estimates that the useful lives of the depreciated assets represent the expected utility of these assets. Actual results, however, may differ due to technical gradual depreciation, mainly regarding software and computer equipment.

2.3. Effect of changes in accounting policies

On January 1st, 2019, the Group and the Company adopted IFRS 16 "Leases". Following the standard's adoption, the Group as a 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 5.13.

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.

Under 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.

3. Summary of accounting policies

3.1. General

The significant accounting policies that used for the preparation of theses consolidated financial statements are synopsized as per below.

It is worth noting, as already mentioned above in par. "2.2 Significant accounting judgments, estimates and assumptions" that accounting estimations and assumptions are used under the preparation of the financial statements. Despite the fact that these estimations are based on the Management's best knowledge of current facts and activities, actual results may differ from the ones estimated.

Amounts in financial statements are recorded in thousand euros. Any differences in totals are due to rounding.

3.2. Consolidation and investments in associates

- **Subsidiaries**

Subsidiaries are all entities managed and controlled by the Group in regard to their finance and business policies. LAMPSA considers that it owns and controls a subsidiary when it participates in it with a percentage greater than half of voting rights.

To determine the existence of potential voting rights of LAMPSA, that are currently exercisable on another entity, LAMPSA examines the existence and effect of any potential voting rights that are currently exercisable or convertible.

The consolidated financial statements of LAMPSA SA include the financial statements of the parent company as well as the entities controlled by the Group through full consolidation.

Subsidiaries are consolidated using the full consolidation method from the date on which the Group obtains control and stop to be consolidated to the date on which control ceases.

In addition, the acquired subsidiaries are subject to application of the acquisition method. This includes revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, irrespective of whether they have been included in the financial statements of the subsidiary prior to acquisition. Upon initial recognition, subsidiary's assets and liabilities are included in the consolidated balance sheet at revalued amounts, which are also used as a basis for subsequent measurement in accordance with the accounting policies of the group. Goodwill represents the excess of cost over the fair value of the Group's share in the identifiable assets of the acquired subsidiary of the group during acquisition. If the cost of acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in the income statement, .

Non-controlling interests are recognized as part of profit or loss and net assets that do not belong to the Group. If losses of a subsidiary concerning non-controlling interests exceed non-controlling interests in subsidiary's equity, then the excess amount is allocated to the shareholders of the parent company except from the amount that regarding which the minority has an obligation and is able to cover those losses.

The accounting policies of subsidiaries were modified when deemed necessary in order to be consistent with the policies adopted by the Group

Intercompany account receivables and liabilities, revenues and expenses and unrealized gains or losses between companies are eliminated.

In the Statement of Financial Position of the parent, participation in subsidiaries is measured at acquisition cost, unless there are indications of impairment. In this case, depreciation is recorded in the income statement as "Income from related companies''.

3.3. Foreign currency translation

The consolidated financial statements of LAMPSA S.A. are presented in EURO (€), which is, also, the functional currency of the parent.

Every entity of the Group its functional currency and the items included in the financial statements of every entity. In the separate financial statements of the consolidated entities, transactions in foreign currency are translated into the functional currency of very entity, using the exchange rates, prevailing on the date of the transaction. Transactions in foreign currency are translated into euros using the exchange rates prevailing on the transaction dates.

Foreign currency exchange gains and losses arising from such transactions and from the conversion of accounts with balances at year end exchange rates are recognized in the "Financial Income / (expenses)", respectively except from the gain or damage incurred by the hedging instrument and directly recognized at the equity account, through the statement of changes in equity.

Changes in the fair value of securities denominated in foreign currency classified as available for sale are distinguished from changes in foreign exchange differences arising from changes in amortized cost of the security and other changes in the carrying value of the securities. Differences from conversion-related changes in the amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Differences arising from converting non-monetary financial assets and liabilities such as assets at fair value through profit and loss are recognized in the results as part part of profit or loss from fair value. Differences arising from converting non- monetary financial assets such as assets classified as available for sale are included in the equity reserves pertaining to available-for- sale financial assets.

In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities, originally presented in a currency other than the functional currency of the Group (none of which has the currency of a hyperinflationary economy), have been converted into Euro.

Assets and liabilities have been converted into Euro at the closing rate at the balance sheet date.

Revenue and expenses have been converted into the Group's presentation currency at the average exchange rates during the reporting period; unless there are significant fluctuations, in which case revenue and expenses are translated at the exchange rate at the transaction dates.

Any differences arising from this procedure have been transferred to the balance sheet translation reserve in equity.

Goodwill and fair value adjustments arising from an acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into euro at the closing rate

On consolidation, exchange rate differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments that are designated hedges of a net investment in a foreign operation directly in equity through the statement of equity changes.

When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in profit or loss in the period of disposal or sale as part of the gain or loss on sale.

3.4. Segment reporting

A business segment is a group of assets and operations engaged in providing products and services which are subject to risks and returns different from those of other business segments. A geographical segment is a geographical region in which products are sold and services provided and which is subject to risks and returns different from other areas. Geographically, the Group operates mainly in Greece, Cyprus and Serbia, while having interests in other countries (see § 4 «Group Structure").

The going concern business segments, presented in the current year, are recorded per geographical area, where the Group operates and per the type of the hotels as follows: Athens City Hotels, Resorts, Belgrade City Hotels & Other.

In the beginning of the current year, the Company's Management decided that due to full incorporation of the first hotel of Resort, it should change the way of presenting the business segments from revenue generating segments (income from rooms, income from food and drink and other income) to segments per hotel type & geographical area (for the same hotel types). The management considers presentation of business segments per hotel type in relation to the geographical area (Athens City Hotels, Resorts, Belgrade City Hotels & Other) to be more appropriate, since location and type of the hotel are characterized as the main factors determining the risks, the opportunities and the performance of the hotel units of the Group.

If total external revenue, presented per operating segments constitutes less than 75% of the Group's earnings, then other sectors identified as reportable segments until at least 75% of the Group's earnings is included in the reportable operating segments.

Operating segments that do not meet any of the quantitative thresholds set by IFRS 8 are not considered reportable segments and are not separately disclosed if the management believes that information about the separate area is not useful to users of financial statements.

The accounting principles used by the Group for the purposes of segment reporting under IFRS 8 are the same as those used in the preparation of the financial statements

There have been no changes compared to the previous year valuation methods used to determine gain or loss of the segment. There have been no asymmetrical allocations to the reportable segments. Asymmetric allocation is effective, for example, when a company allocates depreciation expenses to a geographical segment without allocating the respective depreciable assets.

3.5. Revenue and expenses recognition

Revenue is recognized when it is probable that future economic benefits will flow into the entity and these benefits can be measured reliably.

The revenue is measured at the fair value of the consideration received and it is net of value added tax, returns, rebates and any kind of reduction after limiting the sales within the Group.

The amount of revenue is considered that can be reliably measured when all contingencies relating to the sale have been settled.

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, usually on dispatch of those goods.

Provision of services

Most of the revenues for the Group come from rendering services related to the rental of rooms, use of hotel facilities, catering services, use of the building facilities. Under IFRS 15, revenue is recognized at a given point in time when the obligation to perform the service is met. Under the existing revenue recognition accounting policy, the Group and the Company recognize revenue for services when they are rendered.

Principal/Agent distinction

When a third party is involved in provision of goods or services, the Group and the Company shall determine whether the nature of the service offer is an obligation to perform services by itself (that is, it is the principal) or not (that is, it is the agent). Based on the assessment performed so far, the Group acts as the principal regarding the largest part of the transactions. In cases when the Group and the Company act as agents, they shall only recognize net profit as income.

Voucher

The Group and the Company receive prepayments from customers and recognize a contractual obligation equal to the amount of prepayment for the obligation to transfer goods or services in the future. The Group and the Company recognize revenue when they transfer these goods or services and, consequently, fulfill the obligation in question. However, customers may not exercise all their contractual rights. Under the new standard, the Group and the Company shall estimate whether they will be entitled to an amount by not redeeming the rewards. If it has been defined that the Group and the Company are entitled to an amount from non-redeeming rewards, then they will recognize the estimated benefit as revenue when the probability of residual rights being exercised by the client is minimized. The Company's Management estimates that the probabilities that the customers' contractual rights are not exercised are not high.

Income from interests

Income from interest is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or liability.

When a receivable is impaired, the Group reduces the carrying value of the amount expected to be recovered, which is the amount arising from the estimated future cash flows discounted at the effective interest rate and continues the periodic reversal of the discount as interest income. Income from interests on loans that have been impaired are recognized using the initial effective interest rate.

Income from royalties

Income from royalties is recognized according to the accrual inputs outputs, depending on the substance of the relevant agreement.

Income from dividends

Income from dividends is recognized when finalized the the shareholders' right to receive payment from them is finalized.

Operating expenses are recognized in the Statement of Comprehensive Income for the year over the use of the service or the date of creation. Expenditure for warranties is recognized and charged against the related provision when the corresponding revenue is recognized.

IFRIC 13: Customer Loyalty Programs

Customer loyalty programs give customers incentives to purchase products or services from a company. If a customer buys goods or services, then the company grants award credits "points" which the customer can redeem in the future for free or discounted products/services. These programs may be run by the company itself or by a third party. IFRIC 13 can be applied to all the award credits loyalty programs a company can provide to its customers as part of a transaction. IFRIC 13 is mandatory effective for annual periods beginning on or after 1 July 2008. The retrospective application is required while earlier application is encouraged as long as it is disclosed in the notes to the financial statements. The implementation of the above program does not affect the Group's results.

3.6. Borrowing cost

Borrowings are recognized initially at fair value, including bank charges and commissions.

The Company's Management believes that the interest paid in connection with loans is equivalent to the current market interest rates and, therefore, there is no reason for any adjustments to the value at which these liabilities are presented.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the term of the loan.

Borrowings are classified as current except when the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Borrowing costs are recognized as expenses in the period in which they are incurred.

The Group capitalizes all borrowing costs that can be directly attributable to acquisition, construction or production of an asset that meets that qualifying conditions.

3.7. Goodwill

Goodwill acquired in a business combination is initially measured at cost, that is the exercise cost of the business combination exceeding the buyers participation in the net fair market value of identifiable assets, liabilities and and contingent liabilities. After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer tests goodwill for impairment on an annual basis or more often if events or changing conditions indicate the possibility of impairment.

3.8. Other intangible assets

An intangible asset is initially valued at acquisition cost. The cost of an intangible asset acquired in a business combination is the fair value of the asset on the acquisition date.

After the initial recognition, intangible assets are valued at cost less accumulated amortization and any impairment loss.

Acquired licenses regarding software are capitalized based on acquisition and installation expense.

Expenses related to software maintenance are recorded in the expenses of the period when incurred.

The useful lives of intangible assets are either definite or indefinite depending on their nature.

Intangible assets with definite useful life are amortized over their useful life and the amortization commences when the asset is available for use and is recognized in the category of operating expenses.

The period and amortization method are reviewed at least at every fiscal ear end. If the expected useful life or the expected consumption rate of the future economic benefits embodied in the asset are changed, the amortization period or method are changed respectively. Such changes are accounted for as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized but are tested at least annually for impairment as well as in order to determine whether the management's assessment of the indefinite useful lives of these intangible assets is supported. If not supported, the change in the useful life assessment from indefinite to definite treated as a change in an accounting estimate in accordance with IAS 8. Gains or losses arising from the sale of an intangible asset are determined as the difference between the sale amount and the carrying amount of the asset and is recognized in the income statement in the item " Other income " or "Other expenses".

3.8.1. Acquired software

Intangible assets include acquired software used under production or management.

The costs capitalized are amortized on a straight-line basis over the estimated useful lives (three to five years). Additionally, the acquired software is also tested for impairment.

3.9. Property, plant and equipment

Buildings, technical equipment, furniture are presented at acquisition cost or at acquisition cost less any accumulated depreciation and any accumulated impairment losses. The cost also includes the cost of spare parts of some tangible assets that require replacement at regular intervals, if the criteria for acknowledgment are fulfilled. The artwork owned by the Group is not depreciated.

The costs of daily maintenance of property, plant and equipment are recognized in the income statement when incurred.

If the carrying value of tangible assets has suffered depreciation or an impairment loss, it is recognized in the total income for the year.

The gain or loss on sale of land will be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recorded in the income statement.

Depreciation is calculated using the straight line method over the entire useful life of the assets. For works of art held by the company, no depreciation is calculated.

The buildings that have been acquired through financial leases are depreciated throughout their estimated useful lives (determined in relation to comparable owned assets), if shorter.

The useful lives of tangible assets of the Group (in years) are summarized below as follows:

Buildings & building facilities	4-33
Machinery & Equipment	2-20
Vehicles	5-9
Furniture	2-33
Office equipment /telephone devises	3-33
Printing / Hardware	4-5

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at every year end.

3.10. Leases

The assessment of whether an arrangement contains a lease, takes place at the beginning of the agreement, taking into account all available information and specific circumstances. After the beginning of the agreement, a reassessment takes place, as to whether it contains a Lease when any of the following occurs:

a. There is a change in the terms of the contract, unless the change only renews or extends the agreement

b. Renewal option is exercised or an extension is agreed unless term of the renewal or extension was initially included in the lease term

c. There is a change in whether the settlement depends on a defined asset

d. There is a significant change in the asset

If an agreement is reassessed the accounting treatment for leases applies from the date the change in conditions involving reassessment for (a), (c) or (d), and from the date of renewal or extension period for case (b).

3.10.1. The Group as a lessee

Leasing an asset is not recognized as a finance lease only if its duration is less than 12 months and/or the value of the leased asset is very low. At the commencement of the lease, the asset is recognized at present value of the minimum future lease payments including additional payments if any, covered by the lessee and a corresponding amount is recognized as a liability from a finance lease.

The subsequent accounting treatment for assets acquired through finance lease agreements is that they are are depreciated based on the years of the lease. The accounting treatment of the respective lease liability relates to the gradual reduction of the basis of the minimum lease payments less finance charges, which are recognized as an expense in financial expenses. Financial expenses are allocated over the lease period and represent a constant periodic rate of interest on the remaining balance of the liability.

3.10.2. The Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized over the lease term as the lease income.

3.10.3 Impairment test of goodwill, tangible and intangible assets

The Group's goodwill, intangible and tangible assets are subject to impairment tests. For the purposes of assessing impairment, certain assets are grouped in the smallest identifiable group of assets that generates cash inflows from its use (CGUs). As a result, some assets are tested individually for impairment and some are tested as CGUs.

The arising goodwill is allocated to each cash generating unit (CGU) expected to benefit from the synergies of the business combination. The CGUs represent the lowest level within the Group at which the goodwill is monitored for management purposes.

Any losses in value of a CGU to which goodwill has been allocated, first reduce the carrying value of goodwill. Any remaining impairment loss is shared proportionally to the other assets of the CGU.

When the Group sells an activity included in a CGU to which goodwill has been allocated , the goodwill shall be taken into account when determining the gain or loss on sale and apportioned to the sold activity. In this light , the goodwill allocated is measured by the relative values of the activity sold and withheld part of CGU. Alternatively, when the Group can reliably assess and demonstrate that some other method better reflects the goodwill associated with the sold operation , then this method is followed.

The assets or CGU including part of goodwill, other intangible assets with indefinite useful lives and assets not yet available for use are tested for impairment at least on an annual basis. The remaining assets and CGU tested for impairment whenever there are indications that the carrying value may not be recoverable. The impairment loss is the amount by which the carrying value of assets or CGU exceeds its recoverable value. Recoverable amount of an asset or CGU is the higher of fair value and value in use (implied by evaluating discounted future cash flows of the asset of CGU).

With the exception of goodwill, all assets are subsequently reassessed for cases where the impairment loss initially recognized may not exist.

3.11. Financial assets

The financial assets of the Group include loans and receivables.

The impairment testing takes place at least at every financial statements publication date or when there is objective evidence that a financial asset or group of financial assets have suffered impairment or not.

3.11.1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed determinants and payments that are not quoted in an active market. They arise when the Group provides money , goods or services directly to a debtor with no commercial intent. Loans and receivables are measured at amortized cost using the effective interest method, less any provision for impairment. Any change in the value of loans and receivables is recognized in profit or loss when the loans and receivables are written off or reduce their value or during the period of amortization.

Trade receivables are tested for impairment per separate receivable (for example for every customer) where collecting the receivable is classified as overdue at the date of the financial statements or in cases where objective evidence indicates the need for impairment. Regarding other receivables - the simplified method effective under IFRS 9 is applied in order to identify expected credit losses due to low credit risk involved in such receivables.

Loans and receivables are included in current assets, except those maturing after 12 months from the balance sheet date. These are characterized as non-current assets. In the balance sheet, they are classified as trade and other receivables and constitute the biggest component of the Group’s financial assets.

3.12. Inventory

Inventories include raw materials, materials and goods purchased.

Cost includes all costs incurred in bringing the inventories to their present location and condition, which are directly attributable to the production process, as well as a part of general expenses associated with the production, which is absorbed in the normal capacity of the production facilities.

The financial cost is not taken into account .

At the balance sheet date, inventories are valued at the lowest amount between the acquisition cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business operations less estimated cost which is necessary to make the sale.

Cost is determined using the weighted average cost method.

3.13. Accounting for income tax

3.13.1. Current income tax

The current tax asset/obligation includes obligations to or receivables from tax authorities relating to the current or previous reporting periods not paid until the balance sheet date.

They are calculated according to the tax rates and tax legislation effective in the fiscal period to which they relate, based on the taxable profit for the year. All changes to the current tax assets or obligations are recognized as tax expense in the income statement.

3.13.2. Deferred income tax

Deferred income tax is calculated applying the liability method that focuses on temporary differences. This method involves comparing the accounting value of assets and liabilities of the consolidated financial statements with their respective tax bases.

Deferred tax assets are recognized to the extent it is likely that they will be offset against future income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences. In addition and in accordance with IAS 12, deferred tax is not recognized in relation to goodwill.

No deferred tax is recognized on temporary differences associated with investments in subsidiaries if reversal of these temporary differences can be controlled by the company while it is expected that the temporary difference will not reverse in the future. In addition, tax losses that can be carried forward to subsequent periods and tax credits to the Group are recognized as deferred tax assets.

No deferred tax is recognized under initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset or liability are settles, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as tax expense in the income statement. Only changes in deferred tax assets or liabilities related to changes in the value of the asset or liability that is charged directly to equity are charged or credited directly to equity.

The Group recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profit will allow the recovery of the deferred tax asset.

Deferred tax assets are reviewed at every balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset.

3.14. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash available and short term highly liquid investments such as money market securities and bank deposits with original maturities of three months or less. The market values of financial assets are stated at fair value through profit or loss.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding the outstanding balances of bank overdrafts.

3.15. Equity

Share capital is determined using the nominal value of the shares issued. Ordinary shares are classified as equity.

The share capital increase through cash payment includes any share premium in the initial issuance of the share capital. Any transaction costs associated with the issuance of the shares and any arising related income tax benefit are deducted from the share capital increase.

If an entity acquires equity instruments, those instruments (the "shares") are deducted from equity. If such shares are subsequently reissued, the consideration received (net of related transaction costs and the related income tax benefit) is included in equity attributable to shareholders. Under acquisition, sale, issuance or cancellation of equity instruments no profit or loss is recognized in the income statement.

The revaluation reserve comprises gains and losses due to revaluation of certain financial assets and tangible assets. Exchange differences arising from the translation are included in the conversion reserves. Retained earnings include the current results and those of previous periods as disclosed in the income statement.

3.16. Retirement benefits and short-term employee benefits

3.16.1. Retirement benefits

A defined benefit plan is a pension plan that does not fall under a defined contribution plan. Typically, defined contribution plans define an amount of benefit that an employee will receive on retirement, usually dependent on factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date of actuarial unrecognized gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Credit Unit Method. The present value of the defined benefit obligation is determined by discounting the expected future cash outflows using interest rates of high-yield corporate bonds, which are shown in the currency in which the benefits will be paid and have terms to maturity depending on the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in proportionate matters at the end of the previous reporting period exceeded the greater of 10% of the fair value of plan assets or 10% of the defined benefit obligation are charged or credited to results based on the expected average remaining working lives of the employees participating in this program

Past service costs are recognized immediately in income, unless the changes to the pension plans are voluntary for the employees remaining in service for a specified period (vesting date). In this case, the past service costs are amortized on a consistent basis over the vesting period.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent administrative institution in mandatory, contractual or voluntary basis. The company will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits, for services rendered current or prior years. Prepaid contributions are recognized as an asset to the extent possible a refund or a reduction in future payments.

3.16.2. Termination benefits

Termination benefits are payable when service employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is documentarily committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. When the termination benefits are due for more than 12 months, after the balance sheet date they are discounted to present value.

3.17. Financial liabilities

The Group's financial liabilities include bank loans and overdraft accounts, trade and other liabilities and finance leases. The Group's financial liabilities (excluding loans) are presented in the balance sheet in the item "Non-current financial liabilities" and in the item "Other trading liabilities".

Financial liabilities are recognized when the Group has entered into a contractual agreement of an instrument and are derecognized when the Group is exempted from the liability or it is canceled or expires.

The interest is recognized as an expense in "finance costs" in the income statement.

Liabilities from finance leases are measured at initial value less the amount of financial capital repayments.

Trade liabilities are recognized initially at their nominal value and are subsequently measured at amortized cost less settlement payments.

Dividends to shareholders are included in the item "Other current financial liabilities' when the dividends are approved by the General Meeting of Shareholders.

Gains and losses are recognized in the income statement when the liabilities are written off, as well as through amortization.

When an existing financial liability is exchanged with another liability of a different form with the same lender but under substantially different terms, or the terms of an existing liability are substantially modified, for example an exchange or modification, it is treated as a write off of the original liability and the recognition of a new liability. Any difference in the respective accounting value is recognized in the income statement.

3.17.1. Loans

Bank loans provide long-term and/or short-term financing of the Group operations. All loans are initially recognized at cost, being the fair value of the consideration received excluding the cost of issuing the loan.

After initial recognition, loans are measured at amortized cost and any difference between the revenue and the payoff is recognized in the income statement over the period of lending using the effective interest rate method.

The amortized cost is calculated taking into account any issue costs and any discount or premium on settlement amount.

The bond represents the Group's liability for future coupon payments and repayment of principal payment. If the bond loan is convertible then the equity component of the loan represents the value of the right of the bondholders to convert it into the company’s common shares and is presented in equity (net of applicable tax).

3.18. Other provisions, contingent liabilities and contingent assets

Provisions are recognized when a present obligation is likely to lead to an outflow of economic resources for the Group, in the case that this outflow can be reliably estimated. The timing or amount of the outflow may be uncertain.

A present obligation arises from the presence of a legal or constructive obligation resulting from past events, for example, product warranties, legal disputes or onerous contracts

Restructuring provisions are recognized only if a detailed formal plan has been developed and implemented, or management has at least announced the features of the program to those who are affected by it. Provisions are not recognized for future operating losses.

When some or all of the expenditure required to settle a provision, is expected to be reimbursed by another party, the reimbursement will be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation and the obligation is treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

The expense relating to a provision is presented in the income statement, net of the amount recognized for the reimbursement.

A provision is used only for the expenses, regarding which an initial provision was made. Provisions are reviewed at every balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the expected cost required to determine the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation.

When the effect of the time value of money is material, the amount of the provision is the present value of the expenses expected to be required to settle the obligation.

The pre-tax discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The rate does not reflect risks for which future cash flow estimates have been adjusted.

When the method of discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost in the results. When a number of similar obligations exist, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow to an element included in the class of obligations may be small.

Amounts in thousand Euro, unless otherwise mentioned

If it is no longer probable that an outflow of resources incorporating economic benefits will be required to settle the obligation, the provision will be reversed.

In such cases where the possible outflow of economic resources as a result of present obligations is considered improbable, or the amount of the provision cannot be estimated reliably, no liability is recognized in the consolidated balance sheet, unless considered in the context of the business combination.

These contingent liabilities are recognized as part of allocating the cost of acquiring the assets and liabilities in the business combination. Subsequently they are measured at the highest amount of a comparable provision as described above and at the amount initially recognized, less any depreciation.

Possible inflows of economic benefits for the Group that do not yet meet the criteria of an asset are considered contingent assets.

4. The Group structure

The Group structure of LAMPSA S.A. on December 31, 2019 is presented below as follows:

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	82,77%	17,23%	Full	Direct
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%		Full	Indirect

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 2020, when it is expected to start operating.

In December 2019, the parent company acquired the remaining percentage (2,28%) in the company EXCELSIOR BELGRADE AD versus a consideration of 154 k € , holding 100% of the subsidiary.

In January 2020, the sale of 100% of shares in the company EXCELSIOR BELGRADE AD was completed to another subsidiary BMP AD NOVI BEOGRAD – the owner of “Hyatt Regenecy Belgrade” hotel versus a consideration of 5.620 k €

5. Notes to financial statements

5.1. 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. In the current year, the Management decided that it should change the way the business segments are monitored. Therefore, the business segments are now monitored per geographical area of their location, since the management considers that this way is more effective in respect of decision making on allocation of resources and assessment of the segments' performance. The Management considers that monitoring operating segments per geographical area is more appropriate, since thus way of monitoring presents the specific characteristics (risks, opportunities, competition) of of the hotel units related to the area of their location. Therefore, the Management has decided on the change in the operating segments, presenting the following categories: Athens City Hotels, Resorts, Belgrade City Hotels & Other instead of operating segment's per income from rooms, income from food and drink and other income as previously presented. It is to be noted that the Group applies the same accounting principles for the measurement of the segments operating 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.

Amounts in thousand Euro, unless otherwise mentioned

The Group results, assets and liabilities per segment in respect of the presented periods are analyzed as follows:

FY 2019	Athens City Hotels	Resorts	Belgrade City Hotels	Other	Total
Sales					
Rooms Sales	37.618	6.470	8.295	-	**52.383**
Food and Spirits Sales	14.918	3.127	3.516	-	**21.561**
Other Sales (Spa, Health Club etc.)	2.497	445	929	-	**3.872**
Total Sales	**55.033**	**10.042**	**12.740**	**-**	**77.815**
Financial Income	42	2	36	-	**79**
Financial Expenses	2.941	456	21	2	**3.420**
Depreciation	4.876	2.322	1.914		**9.112**
Earnings before tax	**9.097**	**(291)**	**1.903**	**(9)**	**10.700**
Income tax	3.780	(285)	274	0	**3.769**
Earnings after tax	**5.318**	**(6)**	**1.629**	**(10)**	**6.931**
31/12/2019					
Non-current assets	150.187	40.533	33.915	-	**224.635**
Deferred Tax Asset	7.605	(5.345)	-	-	**2.260**
Other assets	22.372	927	10.597	-	**33.896**
Total Assets	**180.164**	**39.590**	**42.956**	**1.556**	**264.266**
Total Liabilities	**125.368**	**29.550**	**7.616**	**5**	**162.539**

FY 2018	Athens City Hotels	Resorts	Serbia City Hotels	Other	Total
Sales					
Rooms Sales	36.880	38	7.841	-	**44.759**
Food and Spirits Sales	15.332	-	3.327	-	**18.659**
Other Sales (Spa, Health Club etc.)	2.412	6	874	-	**3.292**
Total Sales	**54.624**	**43**	**12.042**	**-**	**66.710**
Financial Income	0	0	56	-	**57**
Financial Expenses	2.822	75	109	2	**3.007**
Depreciation	4.597	481	1.999		**7.077**
Earnings before tax	**15.575**	**(1.405)**	**1.506**	**(5)**	**15.671**
Income tax	3.528	(472)	223	1	**3.281**
Earnings after tax	**12.047**	**(933)**	**1.283**	**(6)**	**12.391**
31/12/2018					
Non-current assets	119.775	41.131	35.084	-	**195.990**
Deferred Tax Asset	9.947	(5.626)	-	-	**4.321**
Other assets	10.139	1.422	4.458	1.917	**17.936**
Total Assets	**139.861**	**40.402**	**39.542**	**1.917**	**221.723**
Total Liabilities	**87.024**	**29.767**	**5.447**	**6**	**122.244**

5.2. Property, plant and equipment

Land, buildings and equipment valued at the date of transition to IFRS (1/1/2005) at acquisition cost less any accumulated amortization and any impairment losses.

The Group and the Parent Company property items are burdened with liens amounting to € 134,400 as well as $ 25,500 versus loan liabilities.

The Group

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Net Book Value as at 31/12/2017	**143.533**	**879.**	**8.129**	**2.350**	**154.892**
Additions	273	255	2.366	3.204	6.097
Additions through business combinations	40.223	656	610	-	41.488
Disposal of Assets	-	(43)	(378)	-	(421)
Reclassifications	303	139	31	(477)	(5)
Depreciation Cost	(5.289)	(251)	(1.463)	-	(7.003)
Depreciation of disposed assets	-	41	332	-	373
Net Book Value as at 31/12/2018	**179.043**	**1.675**	**9.626**	**5.078**	**195.422**
Additions	1.613	484	1.940	7.968	12.006
Recognition of Rights-of-use assets	22.674	-	-	-	22.674
Interest of construction period	806	-	-	-	806
Disposal of Assets	-	(74)	(4)	-	(78)
Reclassifications	252	70	91	(453)	(40)
Depreciation Cost	(7.106)	(363)	(1.557)	-	(9.026)
Depreciation of disposed assets	-	65	3	-	69
Net Book Value as at 31/12/2019	**197.281**	**1.858**	**10.100**	**12.594**	**221.832**

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Gross Book Value and Impairment	281.415	12.919	38.840	5.079	338.253
Accumulated depreciation	(102.372)	(11.244)	(29.215)	-	(142.831)
Net Book Value as at 31/12/2018	**179.043**	**1.675**	**9.625**	**5.078**	**195.422**
Gross Book Value and Impairment	306.759	13.399	40.867	12.594	373.620
Accumulated depreciation	(109.478)	(11.541)	(30.768)	-	(151.789)
Net Book Value as at 31/12/2019	**197.281**	**1.858**	**10.100**	**12.594**	**221.833**

The Company

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Net Book Value as at 01/01/2018	**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 Cost	(3.944)	(76)	(925)	-	(4.945)
Net Book Value as at 31/12/2018	**134.429**	**1.009**	**7.950**	**4.916**	**148.303**
Additions	1.646	149	1.683	3.095	6.573
Recognition of Rights-of-use assets	168	-	-	-	168
Reclassifications	217		74	(291)	-
Depreciation Cost	(5.366)	(175)	(1.119)	-	(6.660)
Net Book Value as at 31/12/2019	**131.093**	**983**	**8.587**	**7.720**	**148.383**

Amounts in thousands €	Land plots and buildings	Mechanical equipment and vehicles	Furniture and other equipment	Fixed assets under construction	Total
Gross Book Value	188.422	8.229	26.999	4.916	228.566
Accumulated depreciation and impairment	(53.993)	(7.220)	(19.049)	-	(80.263)
Net Book Value as at 31/12/2018	**134.429**	**1.009**	**7.950**	**4.916**	**148.303**
Gross Book Value	190.453	8.378	28.756	7.720	235.307
Accumulated depreciation and impairment	(59.360)	(7.395)	(20.169)	-	(86.923)
Net Book Value as at 31/12/2019	**131.093**	**983**	**8.587**	**7.720**	**148.383**

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

	THE GROUP	THE COMPANY
Amounts in thousands €	**Rights-of-use assets (Buildings)**	
Recognition of Rights-of-use assets	22.674	168
Interest of construction period	806	-
Amortization cost	(63)	(63)
Balance as at 31/12/2019	**23.417**	**104**

The item presenting assets under construction during the year ended 31/12/2019 includes renovation and development costs regarding the company KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A. standing at € 5 million, expected to be transferred to the latter company ones the work has been completed. The remaining amount pertains to costs effective for the acquisition of offices in Voukourestiou Str. so that they could be included into the building of Grand Bretagne hotel.

In addition to the above, assets of the Group under construction also pertain to construction and renovation costs for the company KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A.
The other additions concern renovation of existing spaces and supply of furniture and other equipment.

5.3. Intangible assets

Changes in the intangible assets of the Group are analytically presented below.

Acquisition value and accumulated amortization of the Group are analyzed as follows:

Amounts in thousands €	Software licenses	Other intangible assets	Total
Net Book Value as at 31/12/2018	**158**	**94**	**252**
Additions	57	4	61
Additions through business combinations	25	-	25
Reclassifications	-	4	4
Amortization	(52)	(22)	(74)
Net Book Value as at 31/12/2019	**189**	**79**	**268**
Additions	98	3	101
Reclassifications	1	-	1
Amortization	(66)	(20)	(86)
Net Book Value as at 31/12/2019	**222**	**62**	**284**

Amounts in thousand Euro, unless otherwise mentioned

Amounts in thousands €	Software licenses	Other intangible assets	Total
Gross Book Value	945	490	1.435
Accumulated amortization and impairment	(756)	(410)	(1.166)
Net Book Value as at 31/12/2018	**189**	**79**	**268**
Gross Book Value	1.044	492	1.536
Accumulated amortization and impairment	(822)	(430)	(1.252)
Net Book Value as at 31/12/2019	**222**	**62**	**284**

Changes in intangible assets of the Company are analytically presented below as follows:

Amounts in thousands €	Software licenses	Total
Net Book Value as at 1/1/2018	**55**	**26**
Additions	47	47
Additions through business combination	25	25
Amortization	(24)	(24)
Net Book Value as at 31/12/2018	**103**	**73**
Additions	80	80
Amortization	(38)	(38)
Net Book Value as at 31/12/2019	**145**	**145**

Acquisition value and accumulated amortization of the Company are as follows:

Amounts in thousands €	Software licenses	Total
Gross Book Value	1.054	1.054
Accumulated amortization and impairment	(951)	(951)
Net Book Value as at 31/12/2018	**103**	**103**
Gross Book Value	1.134	1.134
Accumulated amortization and impairment	(989)	(989)
Net Book Value as at 31/12/2019	**145**	**145**

Intangible assets are free from liens.

5.4. Investments in subsidiaries

Analysis of the investments of the parent Company in subsidiaries and associates is presented below as follows:

Amounts in thousands €	ACQ.VALUE AS AT 31/12/2019	ACQ. VALUE AS AT 31/12/2018	DOMICILE - COUNTRY	DIRECT & INDIRECT % PART.INT.	TREASURY SHARES	RELATIONSHIP	CONS. METHOD	OPER. SEGMENT
LAMPSA HELLENIC HOTELS S.A.	-	-	Greece	PARENT		PARENT	-	Hotel Services
KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A.	11.550		Greece	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Hotel Services
LUELLA ENTERPRISES LTD	18.382	18.732	Cyprus	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
EXCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	7. 588	7.434	Serbia	82,77%	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	**37.520**	**26.166**						
PROVISION FOR DEVALUATION	(1.995)	(4.044)						
NET VALUE	**35.526**	**22.122**						

In December 2019, the parent company became a 100% shareholder of EXCELSIOR BELGRADE SOCIATE OWNED following the completion of the acquiring the remaining shares from the remaining shareholders versus a consideration of € 154 k. The acquisition price was determined following the company's valuation by an independent appraiser as required in the relevant legislation and the regulations of the local Capital Market Commission.

Based on the valuation value of the company EXCELSIOR BELGRADE SOCIATE OWNED, which amounted to € 5,620 k, a impairment of € 2,049 k was reversed and recognized in the Statement of Comprehensive Income of the parent.

In January 2020, 100% of the shares of EXCELSIOR BELGRADE AD were sold to another subsidiary BMP AD NOVI BEOGRAD, the owner of "Hyatt Regenecy Belgrade" hotel versus the consideration of € .5620, as arising from the company's valuation.

The value of the company was determined between the largest amount arising from the methods of Adjusted book value and discounted cash flows (DCF) method, while the difference in value between the two methods is not significant. The adjustment made to the company's book value amounted to € 2.5 million and concerned the value of the Land plot, the Building and other hotel equipment. While for the method of discounted cash flows, a fifteen-year business plan and a discount rate of 8.5% were used.

On June 5, 2019 the company "Kriezotou Touristiki Single Member SA" was established, with exclusive shareholder the company "Lampsa Greek Hotels S.A.". The share capital stood at 5,800 k. €, divided into 5,800 common shares of nominal value 1 € and share premium amount of 5,750 k €. The company's objective is to establish and operated the hotel unit and other touristic facilities.

Within the year, the share capital return was performed regarding the subsidiary Luella Enterprises Company Limited through a decrease in share premium amounting to 350 k €

The change in investments of the parent company is as follows:

Amounts in thousands €	**31.12.2019**	**31.12.2018**
Opening balance	**22.122**	**23.204**
Acquisitions	154	7.659
Subsidiary establishment	11.550	-
Subsidiary Share Capital Decrease	(350)	-
Impairment loss recognized in the income statement	-	(1.082)
Reversed impairment loss in the income statement	2.050	5.892
Absorption of subsidiary	-	(13.551)
Closing balance	**35.526**	**22.122**

5.5. Goodwill

During the previous year, "LAMPSA SA" acquired the remaining 50% of the share capital of the company "TOURISTIKA THERETRA SA" (Sheraton Rhodes Resort hotel) while since prior year (2008) it held a percentage of 50%. Goodwill amounting to € 3,475 k was recognized from this acquisition. Following the acquisition of "TOURISTIKA THERETRA SA" and the acquisition of 100% of the voting rights, "LAMPSA SA" proceeded with the merger through he absorption of the latter by the foramen with the balance date of 31/10/2018.

On 31/12/2019, the goodwill was tested for impairment, which was recognized.

For purposes of impairment test, goodwill is allocated to cash flows generating units of Sheraton Rhodes Resort hotel. The recoverable amount of Sheraton Rhodes Resort in Rhodes was determined based on its value in use. The value in use was determined by discounting the future free cash flows of the hotel after tax by the weighted average cost of capital after taxes. The result would be the same if we discounted cash flows before tax with pre-tax discount rate. In determining the value in use, the Managements uses assumptions that it deems reasonable and based on the best information that is available and valid at the reporting date of the financial statements.

No need to impair goodwill has arisen following the conduct of the impermanent test as at 31/12/2019.

Assumptions used to determine the value in use:

Business Plans assumptions 2020-2025: The calculations for determining the recoverable amount of the CGU was based on 5-year business plans approved by the Management, which believes that they reflect past experience and other available information from external sources. Apart from the above considerations concerning the determination of the book value of the CGU, the Management is not aware of any other changes in circumstances that may affect the other assumptions.

Perpetuity growth: The growth rate of cash flows beyond the forecast period (growth) was calculated taking into account both macroeconomic factors and characteristics of CGU stands at 2% as at 31/12/2019 and 31/12/2018. A change of -+1% in perpetuity growth has not resulted in impairment of Goodwill.

Discount rate: The discount rate used for valuation was based on the Weighted Average Cost of Capital, which is the discount rate that converts the expected future return in present value. It is considered to be the most appropriate discount rate, since it takes into account qualitative factors such as the systematic risk of the company, the risk premium on performance and the company's tax liabilities and stands at 7.5% as at 31/12/2019 and at 8,6% as at 31/12/2018. A change of -+1% in discount rate would not result in impairment of Goodwill.

5.6. Other long-term receivables

Other long term receivables of the Group and the Company are analyzed below as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Guarantees	86	136	86	136
Prepayments for acquisition of tangible and intangible assets	2.433	-	296	-
Other receivables	-	164	-	-
Total	**2.518**	**300**	**382**	**136**

The subsidiary “Kriezotou Touristiki Single Member SA" has paid an amount of 2.1 εmillion € as an advance payment for the construction of the hotel and supply of equipment.

5.7. Inventory

The Group and the Company inventory is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Goods	1.063	1.123	973	1.069
Raw materials	431	422	312	298
Spare parts	151	148	-	-
Total	**1.645**	**1.693**	**1.285**	**1.367**

The Group has no pledged inventory.

5.8. Trade and other receivables and other assets

The Group and the Company receivables are analyzed as follows:

-	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables from third parties	2.149	2.211	1.875	1.991
Cheques receivable	21	58	21	58
Less: provision for doubtful receivables	(156)	(134)	(156)	(134)
Trade receivables – net	**2.014**	**2.135**	**1.740**	**1.915**
Prepayments	366	264	237	236
Miscellaneous debtors	449	1.955	387	382
V.A.T.	1.138	0	-	-
Receivables from Greek State	1.890	3.101	1.867	3.027
Receivables from associates	-	-	384	-
Prepaid expenses	344	363	292	326
Accrued income	165	116	158	102
Other assets	**4.352**	**5.798**	**3.326**	**4.073**
Total other receivables	**6.365**	**7.934**	**5.066**	**5.988**

All the above receivables are short-term. The fair value of these short-term financial assets is not determined independently because the book value is considered to approximate their fair value.

The Group's management periodically reassesses the adequacy of the allowance for doubtful receivables in connection with the credit policy and taking into account information of legal consultant as well as the historical data arising from non-collecting receivables.

There are no liens on the Group and the Company receivables.

Based on the above, the Group and the Company expected credit losses are analysed as follows:

GROUP			
31/12/2019	**Receivables**	**Expected credit loss (%)**	**Expected credit loss**
Safe collectability receivables	1.212		-
Postdated receivables examined separately for impairment purposes	126	100%	126
Receivables examined on expected credit loss basis			
Domestic companies	303	2%	5
Foreign companies	107	6%	6
Domestic travel agencies	354	5%	18
Foreign travel agencies	68	2%	1
	2.169		**156**

GROUP			
31/12/2018	**Receivables**	**Expected credit loss (%)**	**Expected credit loss**
Safe collectability receivables	1.136	0%	-
Postdated receivables examined separately for impairment purposes	82	100%	82
Receivables examined on expected credit loss basis			
Domestic companies	344	3%	9
Foreign companies	522	6%	33
Domestic travel agencies	156	6%	9
Foreign travel agencies	30	2%	1
	2.269		**134**

Company			
31/12/2019	**Receivables**	**Expected credit loss (%)**	**Expected credit loss**
Safe collectability receivables	938		-
Postdated receivables examined separately for impairment purposes	126	100%	126
Receivables examined on expected credit loss basis			
Domestic companies	303	2%	5
Foreign companies	107	6%	6
Domestic travel agencies	354	5%	18
Foreign travel agencies	68	2%	1
	1.895		**156**

Company			
31/12/2018	**Receivables**	**Expected credit loss (%)**	**Expected credit loss**
Safe collectability receivables	916	0%	-
Postdated receivables examined separately for impairment purposes	82	100%	82
Receivables examined on expected credit loss basis			
Domestic companies	344	3%	9
Foreign companies	522	6%	33
Domestic travel agencies	156	6%	9
Foreign travel agencies	30	2%	1
	2.049		**134**

5.9 Cash and cash equivalent

The Group and the Company cash available is analyzed as follows:

	THE GROUP		**THE COMPANY**	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash	284	238	259	223
Sight deposits	25.601	7.271	10.994	3.183
Short-term time deposits	-	800	-	800
Total	**25.885**	**8.310**	**11.253**	**4.206**

From the above deposits, there arose financial income for the Group amounting to € 21 k (2018: Group € 6 k) k).

Sight deposits per currency are analyzed as follows:

	THE GROUP		**THE COMPANY**	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sight deposits in €	25.120	8.215	11.172	4.115
Sight deposits in $	66	101	62	101
Sight deposits in RSD	3.653	121	2.973	118

5.10. Equity

The Group and the Company Equity is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Capital and reserves attributable to shareholders of the parent				
Share capital	23.928	23.928	23.928	23.928
Share premium	38.641	38.641	38.641	38.641
Treasury shares	(3.631)	(3.631)		
Other reserves	5.455	1.712	(6.161)	(9.905)
Retained earnings	37.334	38.758	20.586	20.690
Total	**101.728**	**99.408**	**76.993**	**73.354**
Non-controlling interest	-	71	-	-
Total Equity	**101.728**	**99.478**	**76.993**	**73.354**

As at 31 December 2019, the Company's share capital amounts to € 23.927.680, divided into 21.364.000 common registered shares of nominal value € 1,12 each. The Company's shares are listed on the Athens Stock Exchange, in the category of low dispersion and specific characteristics, are traded on the stock exchange in Athens Stock Exchange Security Market (Travel & Leisure Sector, Hotels).

There aren't at the end of the current year, shares of the parent Company held by it or by its subsidiaries or jointly controlled entities.

As for the subsidiaries in Serbia, BEOGRADSKO MESOVITO PREDUZECE holds 5.4% of its shares having paid the amount of € 2.5 million, while the subsidiary EXCELSIOR BELGRADE SOCIATE OWNED holds 17.1% of its shares. having paid the amount of € 1.08 million.

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.

Actuarial income reserves reflect actuarial gains and losses which are presented in a fiscal year and are recognized completely and directly in the Statement of Total Comprehensive income of the current year.

After the merger with the absorption of the former "TOURISTIKA THERETRA SA." (Sheraton Rhodes Resort Hotel), LAMPSA SA became the universal successor of the tax deduction right under Law 1892/1990, for the productive investments made by the former "TOURISTIKA THERETRA SA" (Sheraton Rhodes Resort Hotel) .

Under provisions of Law 1892/1990, the maximum amount of profits (after deducting non-actual profits, statutory reserves, plus the tax accounting differences, less the distributed dividends of the year), the company has the right to deduct tax as that of € 11,397 k, which is 90% of the deductible expenses of the investment. The tax deduction that resulted from the profits of the fiscal year 2018 (after deducting non-actual profits, statutory reserves, plus the tax accounting differences, less the distributed dividends of the year) amounted to € 3.8 million and the tax deduction to € 1.1 million. Respectively, the profits expected to arise in 2019 for the formation of the reserve amount to € 5.5 million and the tax deduction to € 1.3 million.

Changes in the "Statutory reserve" and the "Other reserves" of the Group and the Company are analyzed as follows:

THE GROUP						
Amounts in thousands €	**Statutory reserves**	**Extraordinary reserves**	**Actuarial results reserves**	**Reserves under Law 1892/90**	**Other reserves**	**Total**
Balance as at 31/12/2017	**1.251**	**404**	**(211)**	**-**	**127**	**1.571**
Changes within the FY	378	-	(237)	-	-	141
Balance as at 31/12/2018	**1.629**	**404**	**(448)**	**-**	**127**	**1.712**
Changes within the FY	164		(255)	3.834		3.744
Balance as at 31/12/2019	**1.793**	**404**	**(703)**	**3.834**	**127**	**5.455**

THE COMPANY							
Amounts in thousands €	**Statutory reserves**	**Extraordinary reserves**	**Actuarial results reserves**	**Reserves from subsidiary absorption**	**Reserves under Law 1892/90**	**Other reserves**	**Total**
Balance as at 31/12/2017	**1.251**	**404**	**(224)**	**-**		**127**	**1.557**
Changes within the FY	378		(237)	(11.603)		-	(11.462)
Balance as at 31/12/2018	**1.629**	**404**	**(461)**	**(11.603)**	**-**	**127**	**(9.905)**
Changes within the FY	164		(255)		3.834		3.744
Balance as at 31/12/2019	**1.793**	**404**	**(716)**	**(11.603)**	**3.834**	**127**	**(6.161)**

Detailed description of the change in the Equity of the Group and the Company is presented in the "Statement of Changes in Equity" of this report.

At the General Meeting of Shareholders, the Board of Directors is going to propose non-distribution of dividends from the profits recorded in 2019 for the purposes of improving the Company's liquidity.

5.11. Employee retirement benefit obligations

The change in the net obligation in the balance sheet of the Group and the company is as follows:

Employees end of service benefit obligations:

	THE GROUP		**THE COMPANY**	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Amounts in thousands €	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Defined benefits obligation	3.796	3.253	3.708	3.196
		3.253		**3.196**
Classified as:				
Long-tern liability	3.796	3.253	3.708	3.196
Short-tern liability	0	0	0	0

The change in the present value of the obligation for defined benefit plans is as follows:

	31/12/2019	**31/12/2018**		**31/12/2019**	**31/12/2018**
	Defined benefit plans (Non-financed)	**Defined benefit plans (Non-financed)**		**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Defined benefits obligation as at January 1	**3.253**	**2.711**		**3.196**	**2.711**
Defined benefits obligation from business combinations		340			340
Current employment cost	154	217		154	160
Interest expenses	59	45		59	45
Revaluation – actuarial loss/(profit) from change in experience	93	38		93	38
Revaluation – actuarial loss / (profit) from changes in demographic assumptions	(26)	-		(26)	-
Revaluation – actuarial loss /(profit) from changes in financial assumptions	259	(114)		259	(114)
Benefits payable	(129)	(108)		(129)	(108)
Cost of previous service	73	97		73	97
Settlements/ Curtails	60	27		29	27
Defined benefits obligation as at December 31st	**3.796**	**3.253**		**3.708**	**3.196**

The amounts recognised in the Income Statement are as follows:

	THE GROUP		THE COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Amounts in thousands €	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Current employment cost	154	217	154	160
Cost of previous service	73	97	73	97
Settlements/ Curtails	60	27	29	27
Net interest on benefit obligation	59	45	59	45
Total expenses recognized in the Income Statement	**345**	**386**	**314**	**329**

The amounts recognised in the Statement of Other Comprehensive Income are as follows:

	THE GROUP		THE COMPANY	
	31/12/2019		31/12/2019	31/12/2018
Amounts in thousands €	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**	**Defined benefit plans (Non-financed)**
Actuarial profit / (loss) from changes in demographic assumptions	(26)	-	(26)	-
Actuarial profit /(loss) from changes in financial assumptions	259	(114)	259	(114)
Revaluation – actuarial loss/(profit) from change in experience	93	38	93	38
Total profit /(loss) recognized in other comprehensive income	327	(76)	327	(76)

The Company has commissioned independent actuaries to create an estimation of Company obligation to pay retirement indemnities. The key actuarial assumptions on 31 December 2019 are as follows:

	THE GROUP		THE COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Discount rate as at December 31st	0,97%	1,88%	0,97%	1,88%
Future salary increases	1,40%	1,75%	1,40%	1,75%
Inflation	1,40%	1,75%	1,40%	1,75%
Liabilities maturity	17,97	16,32	17,97	16,32

Demographic assumptions:

The assumptions presented below pertain to various causes of employment termination.

1) Mortality

Swiss EVK2000 mortality table has been used for men and women.

2) Morbidity

Swiss EVK2000 mortality table for men and women has been used modified by 50%

3) Regular Employment Termination Ages

The terms of employment termination of the Social Insurance Fund were used regarding every employee considering recognition of average two years service under the provisions of the Insurance Act.

The above results depend on the assumptions (economic and demographic) generated under an actuarial study. Therefore, if a 0.5% lower discount rate had been applied, then the total liability would have been higher by approximately 8.15%. If salary increase assumption by 0.5% higher had been used, then the total liability would have been lower by approximately 7.33%. If a 0.5% higher discount rate had been applied, then the total liability would have been higher by approximately 6.90%. If salary increase assumption by 0.5% lower had been used, then the total liability would have been lower by approximately 6.33%.

5.12. Loan liabilities

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

Amounts in thousands €	THE GROUP		THE COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Long-term debt				
Bond Loans	96.507	22.265	96.507	21.632
Long-term bank loans	2.160	-		
Total long-term debt	**98.667**	**22.265**	**96.507**	**21.632**
Short-term debt				
Short-term bank loans	6.240	51.886	5.700	51.700
Short-term portion of bond and bank loans	4.916	22.121	4.916	21.921
Total short-term debt	**11.156**	**74.007**	**10.616**	**73.621**
Total	**109.822**	**96.272**	**107.122**	**95.253**

During the current year, the Parent company received an € 80 million Common Bond Loan of 10-year maturity, through which it repaid its short-term loan liabilities standing at € 71.6 million. Furthermore, a part of this Common Bond Loan was used for the establishment of the subsidiary “Kriezotou Touristiki Single Member SA".

On the property of the Group and the parent company there are liens amounting to € 134,400 k and $ 25.500 k versus loan liabilities.

Financial liabilities of the Group and the Company are analyzed as follows:

	THE GROUP			
	Long-term loan liabilities	Short-term loan liabilities	Loan lease liabilities	Total
Opening balance as at 1/1/2019	**22.261**	**74.011**	**12**	**96.284**
Cash flows:				
Repayments	(629)	(72.011)	(75)	(72.715)
Withdrawals/Deposits	81.922	4.240	-	86.162
Non-cash changes:				
Recognition of Lease Liabilities	-	-	22.674	22.674
Interest for the period	-	-	811	811
Reclassifications	(4.916)	4.916	-	-
Foreign currency translation differences	28	-	-	28
Closing balance as at 31/12/2019	**98.667**	**11.156**	**23.422**	**133.244**

	THE COMPANY			
	Long-term loan liabilities	Short-term loan liabilities	Loan lease liabilities	Total
Opening balance as at 1/1/2018	**3.841**	**64.698**	**8**	**68.547**
Cash flows:				-
Repayments	-	(3.308)	-	(3.308)
Withdrawals/Deposits		6.000	4	6.004
Non-cash changes:				-
Additions through business combinations	20.198	4.700	-	24.898
Reclassifications	(1.921)	1.921	-	-
Foreign currency translation differences	143	-	-	143
Closing balance as at 31/12/2018	**22.261**	**74.011**	**12**	**96.284**

Amounts in thousand Euro, unless otherwise mentioned

	THE COMPANY			
	Long-term loan liabilities	Short-term loan liabilities	Loan lease liabilities	Total
Opening balance as at 1/1/2019	**21.632**	**73.621**	**-**	**95.253**
Cash flows:				-
Repayments		(71.621)	(67)	(71.688)
Withdrawals/Deposits	79.762	3.700		83.462
Non-cash changes:				
Recognition of Lease Liabilities			168	168
Interest for the period			5	5
Reclassifications	(4.916)	4.916		-
Foreign currency translation differences	28			28
Closing balance as at 31/12/2019	**96.507**	**10.616**	**106**	**107.228**

	THE COMPANY			
	Long-term loan liabilities	Short-term loan liabilities	Loan lease liabilities	Total
Opening balance as at 1/1/2018	3.012	64.343	-	67.356
Cash flows:				
Repayments		(3.143)		(3.143)
Withdrawals/Deposits		6.000		6.000
Non-cash changes:				
Additions through business combinations	20.198	4.700		24.898
Reclassifications	(1.721)	1.721		-
Foreign currency translation differences	143			143
Closing balance as at 31/12/2018	**21.632**	**73.621**	**-**	**95.253**

The effective weighted average interest rates of the Group, on the balance sheet date are:

	31.12.2019	31.12.2018
Bank loans	3,14%	3,43%

5.13. 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. to 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 2020 while no fixed or variable rentals have been paid.

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

	THE GROUP	THE COMPANY
Long-term lease liabilities	23.354	42
Short-term lease liabilities	68	64
Total	**23.422**	**106**

Changes in lease liability for the Group and they Company are analyzed as follows:

Amounts in thousand Euro, unless otherwise mentioned

	THE GROUP	THE COMPANY
Balance as at 1/01/2019	**12**	**-**
Recognition of Lease Liabilities	22.674	168
Interest for the period	811	5
Payments	(75)	(67)
Balance as at 31/12/2019	**23.422**	**106**

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

THE GROUP			
Minimum future payments	**Payments**	**Financial cost**	**Net Present Value as at 31/12/2019**
Within 12 months	711	(831)	(120)
From 1 to 5 years	5.045	(4.067)	979
Over 5 years	37.501	(14.938)	22.563
Total	**43.258**	**(19.835)**	**23.422**

The subsidiary KRIEZOTOU TOURISTIKI SINGLE MEMBER S.A. recognised finance lease liability amounting to 23.3 million for lease agreement with the AUXILIARY FUND OF FORMER EMPLOYEES OF THE AGRICULTURAL BANK OF GREECE ("ATPPEATE"). It is to be noted that the total lease payments in the first two years (2019-2020) fall short of the financial costs for those years as the hotel is under construction and no lease payment are paid until its opening. Therefore, the financial lease liability has been fully recognized as long-term.

THE COMPANY			
Minimum future payments	**Payments**	**Financial cost**	**Net Present Value as at 31/12/2019**
Within 12 months	67	(3)	64
From 1 to 5 years	43	(1)	42
Over 5 years	0	0	0
Total	**110**	**(5)**	**106**

Short-term leases amounting to 226 k € for the Group and the Company were recognized in the income statement.

5.14. Deferred tax assets and obligations

Deferred income tax is calculated on temporary differences using the tax rates expected to apply in the countries where the Group companies operate. The amounts shown in the balance sheet are expected to be recovered or settled after December 31, 2019.

In December 2019, a law was passed on a reduction in the income tax rate to 24% in 2019 onwards, while as at 31/12/2018 the effective tax rate was 28% for 2019 decreasing till 25% in 2022, i.e. a reduction of percentage point per year. The effect of the reduction in the tax rate on deferred tax of the Company and the Group is presented in note 5.22.

Tax rate for 2019 regarding the companies operating abroad are as follows:

Country	Tax Rate
SERBIA	15%
CYPRUS	12,5%

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.

Changes in deferred tax assets and obligations of the Group are as follows:

	31.12.2019		31.12.2018	
Amounts in thousands €	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	1.084	(2.961)	3.991	(6.045)
Intangible Assets	82	-	123	-
Other non-current assets	-	-	1.004	(455)
Trade receivables	108	-	112	-
Employees termination benefit obligations	890	-	799	-
Bond loans	-	(57)	-	-
Government grants	-	(343)	-	(326)
Provisions – obligations	186	-	159	-
Tax discount under Development Law 1892/90	486	-	2.193	-
Total	**2.836**	**(3.361)**	**8.382**	**(6.826)**
Offsetting	(576)	576	(4.061)	4.061
Net deferred tax asset / (liability)	**2.260**	**(2.785)**	**4.321**	**(2.764)**

Amounts in thousand Euro, unless otherwise mentioned

Changes in deferred tax assets and obligations of the Group for FYs 2019 & 2018 are as follows:

Deferred tax assets (liabilities)	**1.1.2019**	**Recognized in Other Comprehensive Income**	**Recognized in Income Statement**	**31.12.2019**
Property, plant and equipment	(2.054)		177	(1.877)
Intangible Assets	123		(41)	82
Other non-current assets	549		(549)	-
Trade receivables	112		(4)	108
Employees termination benefit obligations	799	72	18	890
Bond loans	-		(57)	(57)
Government grants	(326)		(18)	(343)
Tax losses to offset	-		-	-
Provisions – obligations	159		27	186
Tax discount under Development Law 1892/90	2.193		(1.707)	486
Total	**1.556**	**72**	**(2.154)**	**(526)**
Recognized as:				
Deferred tax asset	4.321			2.260
Deferred tax liability	(2.764)			(2.785)

Amounts in thousand Euro, unless otherwise mentioned

Deferred tax assets (liabilities)	1.1.2018	Subsidiary Absorption	Recognized in Other Comprehensive Income	Recognized in Income Statement	31.12.2018
Property, plant and equipment	3.358	(1.918)	(3.617)	123	(2.054)
Intangible Assets	137	8	-	(22)	123
Other non-current assets	667	-	-	(117)	549
Trade receivables	12	144	-	(44)	112
Employees termination benefit obligations	786	99	(47)	(39)	799
Government grants	(9)	(364)	-	47	(326)
Provisions – obligations	(42)	-	-	201	159
Tax discount under Development Law 1892/90	-	3.305	-	(1.112)	2.193
Total	**4.909**	**1.273**	**(3.664)**	**(962)**	**1.556**
Recognized as:					
Deferred tax asset	7.800				4.321
Deferred tax liability	(2.891)				(2.764)

Analysis of deferred tax assets and obligations of the Company for FYs 2019 & 2018 is are as follows:

	31.12.2019		**31.12.2018**	
Amounts in thousands €	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipment	3.931		3.991	
Intangible Assets	82		123	
Investments	472		1.004	
Trade receivables	108		112	
Employees termination benefit obligations	890		799	
Bond loans		(57)		
Government grants		(343)		(326)
Provisions – obligations	10		24	
Tax discount under Development Law 1892/90	486		2.193	
Total	**5.980**	**(400)**	**8.247**	**(326)**
Offsetting	(400)	400	(326)	326
Net deferred tax asset / (liability)	**5.580**	**-**	**7.921**	**-**

Amounts in thousand Euro, unless otherwise mentioned

Analysis of deferred tax assets and obligations of the Company for FYs 2019 & 2018 is are as follows:

	1.1.2019	Recognized in Other Comprehensive Income	Recognized in Income Statement	31.12.2019
Property, plant and equipment	3.991		(60)	3.931
Intangible Assets	123		(41)	82
Investments	1.004		(532)	472
Trade receivables	112		(4)	108
Employees termination benefit obligations	799	72	18	890
Bond loans	-		(57)	(57)
Government grants	(326)		(18)	(343)
Provisions – obligations	24		(14)	10
Tax discount under Development Law 1892/90	2.193		(1.707)	486
Total	**7.921**	**72**	**(2.414)**	**5.580**

Amounts in thousand Euro, unless otherwise mentioned

	1.1.2018	Deferred tax from Subsidiary absorption	Recognized in Other Comprehensive Income	Recognized in Income Statement	31.12.2018
Property, plant and equipment	6.380	(1.918)		(471)	3.991
Intangible Assets	137	8		(22)	123
Investments	851			153	1.004
Trade receivables	12	144		(44)	112
Employees termination benefit obligations	786	99	(47)	(39)	799
Government grants	(9)	(364)		47	(326)
Provisions – obligations	(174)			198	24
Tax discount under Development Law 1892/90	-	3.305		(1.112)	2.193
Total	**7.984**	**1.273**	**(47)**	**(1.289)**	**7.921**

5.15. Other long-term liabilities

Other Long-term Liabilities	THE GROUP			THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**		**31.12.2019**	**31.12.2018**
Grants	1.095	1.229		1.095	1.229
Long-term suppliers liabilities	632	389		632	389
Guarantees	19	23		-	14
Other liabilities	-	56		-	56
Total long-term liabilities	**1.747**	**1.697**		**1.727**	**1.688**

5.16. Other provisions

Provisions, made by the Group and the Company, are analyzed as follows:

	THE GROUP			
	Loss from shares	**Legal claims**	**Total**	**Customers provisions**
31.12.2017	**9**	**965**	**974**	**42**
Adjustments to discount rate	-	-	-	82
Additional provisions	-	759	759	39
Unused amounts reversed	-	-	-	(29)
31.12.2018	**9**	**1.725**	**1.734**	**134**
Additional provisions		271	271	22
31.12.2019	**9**	**1.995**	**2.005**	**156**

	THE COMPANY			
	Loss from shares	**Legal claims**	**Total**	**Customers provisions**
31.12.2017	**9**	**62**	**71**	**42**
Additional provisions from absorption of subsidiary	-		-	82
Additional provisions	-	759	759	39
Unused amounts reversed	-		-	(29)
31.12.2018	**9**	**822**	**831**	**134**
Additional provisions				22
31.12.2019	**9**	**822**	**831**	**156**

The table above presents provisions for bad debts less receivables.

5.17. Suppliers and other liabilities

Analysis of suppliers and other short-term payables of the Group and the Company is presented below as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Suppliers	4.974	4.273	4.262	4.170
Total Suppliers and Other Liabilities	**4.974**	**4.273**	**4.262**	**4.170**

5.18. Income tax

The current tax and other obligations of the Group and the Company are as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current tax obligations				
Income tax	1.278	1.970	1.168	1.968
Total current tax obligations	**1.278**	**1.970**	**1.168**	**1.968**

5.19. Other short-term liabilities

Other Current Liabilities	**THE GROUP**			**THE COMPANY**	
Amounts in thousands €	**31.12.2019**	**31.12.2018**		**31.12.2019**	**31.12.2018**
Social insurance	947	935		942	935
VAT and other taxes	779	678		618	576
Accrued expenses for the period	2.203	2.505		1.861	2.226
Short-term portion of grants	134	134		134	134
Other short-term liabilities	5.171	4.562		4.888	4.459
Total	**9.234**	**8.815**		**8.444**	**8.331**

The fair values of trade and other liabilities are not presented separately as, due to their short-term maturity, the Management considers that the accounting values, recognized in the Statement of Financial Position, are approximately the same as their fair values.

The other short-term liabilities mainly concern liabilities to the Management Company.

The Group and the Company receive advance payments from clients and recognize a contractual obligation equal to the amount of the advance payment for settling the obligation to transfer goods or services in the future. These advance payments are recognized in the item "Contractual Obligations" as follows:

	THE GROUP			**THE COMPANY**	
	31.12.2019	**31.12.2018**		**31.12.2019**	**31.12.2018**
Long-term Contractual Obligations	402	-		402	-
Short-term Contractual Obligations	3.073	1.454		2.856	1.355
Total Contractual Obligations	**3.475**	**1.454**		**3.259**	**1.355**

Due to suspension of hotel units operation as from 22/03/2020, regarding the reservations with advance payment, which cannot be executed, vouchers have been granted to the customers for a period of eighteen months.

5.20. Analysis of Income Statement

In 2019, the tourism segment in Greece recorded a trend of stabilization and several local slight decrease, after six years of recording an ongoing upward trend. The increase in arrivals at Greek airports was not reflected, however, in the financial sizes of the hotels, most probably due to the spread of AIRBNB type platforms.

Serbian hotel market is stabilizing after a two-year increase due to a recovery in demand, aided by new EU integration infrastructure (airport, airline privatization, etc.), but no revenue improvement was recorded, as a result of extensive competition from a high number of new hotels located in the city of Belgrade, which adversely affects the average room price.

Rhodes hotel market records signs of recession, with a decrease in flights at Diagoras Airport by 3.2% compared to the respective period in the previous year. The hotels on the island showed a drop in occupancy and average room price by approximately 3% -5%. Additionally, one shoul;d take into account the factors such as instability of major tour operators (Thomas Cook collapse, TUI records losses, etc.), Brexit and the decline in consumer confidence in key markets such as Germany.

Based on the above, the most significant items of the Financial Statements have changed as follows:

- The Group's **turnover** amounted to € 77,815k versus € 66,710k in 2018, recording an increase of 16,65%. The parent company respectively ("Grand Bretagne", "King George" and "Sheraton Rhodes Resort" hotels) amounted to € 65,075k versus € 54,667k in 2018, an increase of 19,04% due to full incorporation in the current year of Sheraton Rhodes Resort hotel, whose sales amounted to € 10.04 m, while in the previous year only € 43k were incorporated. King George's participation amounted to € 11.2 m, versus € 11.5 m in 2018.

- Consolidated **gross profit** amounted to € 32,790k versus € 28,739k in 2018, recording an increase of 14.1%, while the gross profit margin stood at 42.14% in 2019 versus 43.08% in 2018. Gross profit for the parent company amounted to € 29,069k versus € 25,375k in 2018, recording an increase of approximately 14.56%. The gross profit margin of the Company amounted to 44.67% in 2019 versus 46.42% in the previous year. This increase is mainly due to the full integration of the Sheraton Rhodes Resort hotel, those gross profit amounts to € 3,092k, versus gross loss of € 456k incorporated in the previous year.

- The **Group's operating profit – EBITDA -** amounted to € 23,085k versus € 19,981k in 2018, recording an increase of 15.54%. The parent company EBITDA amounted to € 19,649k compared to € 15,681k in 2018, recording an increase of 25.3%, mainly due to full incorporation of Sheraton Rhodes Resort Hotel, whose EBITDA amounts to € 2,359k, while in the previous year a loss of € 1,602k had been incorporated as only the last two months of 2018 had been incorporated. It is to be noted that Serbia's hotels also record positive EBITDA.

- **Other financial results** of the parent include profits from a reversal of impairment of participation in the company Excelsior amounting to € 2.05 m.

- The Group's **Results before tax** amounted to € 10,700k profit versus € 15,671k in 2018. The Company's profit before tax amounted to € 11,729k versus € 12,469k profit in 2018.

- **As a consequence of the aforementioned, the Group's net results (after tax and before rights of non-controlling interests)** amounted to € 6,931k profit versus € 12,392k profit in 2018.

Turnover

The following table presents an analysis of the Group's revenues and the Company per major category:

	THE GROUP		THE COMPANY	
	01/01-31/12/2019	**01/01-31/12/2018**	**01/01-31/12/2019**	**01/01-31/12/2018**
Room Revenues	52.383	44.759	44.088	36.918
Sales of food and beverage	21.561	18.659	18.045	15.332
SPA-Health Club income	1.550	1.339	1.145	950
Telephone income	30	26	25	15
Other income	2.292	1.927	1.773	1.452
TOTAL	**77.815**	**66.710**	**65.075**	**54.667**

The sales of the parent are performed in Greece.

Gross Profit for the Group was as follows:

	CONSOLIDATED		CORPORATE	
Amounts in thousands €	**1/1-31/12/2019**	**1/1-31/12/2018**	**1/1-31/12/2019**	**1/1-31/12/2018**
Gross profit	32.790	28.762	29.069	25.397
Gross profit percentage	42%	43%	45%	46%

Amounts in thousand Euro, unless otherwise mentioned

- ***Expenses per category***

The Group and the Company expenses per category are as follows:

	THE GROUP			THE COMPANY		
1.1 - 31.12.2019	**Cost of sales**	**Administ. expenses**	**Distrib. expenses**	**Cost of sales**	**Administ. expenses**	**Distrib. expenses**
Inventory consumption	9.534	47	13	7.494	-	-
Employee fees and expenses	18.698	4.227	1.226	15.133	4.067	1.202
Third parties fees and expenses	1.188	5.072	4.036	1.202	3.654	3.667
Utilities	4.218	1.215	60	3.618	1.214	60
Taxes-duties	441	608	20	441	603	12
Miscellanneous expenses	2.961	737	1.206	2.546	661	852
Depreciation	7.979	1.048	84	5.566	1.048	84
Operating provisions	5	33	0	5	33	0
Total	**45.025**	**12.987**	**6.646**	**36.006**	**11.280**	**5.878**

Miscellaneous expenses mainly concern supply of consumables (room consumables, cleaning and decoration materials) as well as promotion and advertising expenses regarding hotel units.

In FY ended as at 31/12/2019, the Group's and Company's management expenses include statutory auditors' fees of € 16 k relating to services apart from those rendered in connection with the audit of financial statements.

	THE GROUP			THE COMPANY		
1.1 - 31.12.2018	**Cost of sales**	**Administ. expenses**	**Distrib. expenses**	**Cost of sales**	**Administ. expenses**	**Distrib. expenses**
Inventory consumption	8.128	43	17	6.079		
Employee fees and expenses	15.750	2.770	1.016	12.325	2.581	992
Third parties fees and expenses	652	4.744	4.941	642	3.496	4.447
Utilities	3.322	971	38	2.748	863	23
Taxes-duties	317	637	18	317	628	5
Miscellanneous expenses	3.169	396	897	2.658	325	803
Depreciation	6.580	497	-	4.472	497	-
Operating provisions	52	-	-	52	-	-
Total	**37.971**	**10.058**	**6.927**	**29.293**	**8.390**	**6.269**

Other **income and expenses** of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
Other income	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**
Income from grants	196	89	196	89
Other similar activities income	103	174	103	174
Income from rentals	767	788	340	334
Commissions- Brokerage	102	110	102	110
Income from previous years unused provisions	-	42	-	42
Invoiced expenses	109	122	418	122
Other income	309	104	214	26
Total other income	**1.586**	**1.429**	**1.373**	**898**

Amounts in thousand Euro, unless otherwise mentioned

	THE GROUP		THE COMPANY	
	1.1 - 31.12.2019	1.1 - 31.12.2018	1.1 - 31.12.2019	1.1 - 31.12.2018
Other expenses				
Loss from write off of unrecorded receipts	-	6	-	6
Provision for bad receivables and legal case compensations	271	-	-	811
Loss from damaged – disposed assets	10	48	-	-
Loss from inventory theft	14	-	14	-
Fines and surcharges	33	70	12	23
Previous year taxes	77	-	70	-
Other previous years expenses	31	-	29	-
Previous years foreign exchange translation differences	1	-	1	-
Other expenses	200	133	74	41
Total Other Expenses	**636**	**257**	**199**	**880**

5.21. Financial income / expenses & other financial results

The analysis of the financial results of the Group and of the Company was as follows:

	THE GROUP		THE COMPANY	
Interest income from:	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**
- Bank deposits	21	6	2	1
- Intracompany interest	-		41	-
- Customers interest	59	51	0	-
Financial income	**79**	**57**	**44**	**1**

	THE GROUP		THE COMPANY	
Interest expenses from:	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**
Employees compensation obligation	59	44	59	44
-Bank loans	3.236	2.826	3.202	2.754
-Finance lease obligations	5	1	5	-
-Other bank expenses & commissions	59	86	55	48
-Letter of Guarantee commissions	33	51	33	51
-Other financial expenses	28	-	-	-
Financial Cost	**3.420**	**3.007**	**3.354**	**2.897**

	THE GROUP		THE COMPANY	
Other financial results	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Profit from impairment reversal	-	5.892	2.050	5.892
Loss from investments impairment	-	-	-	(1.082)
Profit from foreign currency translation differences	197	121	197	121
Loss from foreign currency translation differences	(273)	(317)	(273)	(301)
Other	8	-	-	-
Total	**(68)**	**5.696**	**1.974**	**4.630**

5.22. Income tax

The amount of tax on profit before tax of the Group and the Company, differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of consolidated companies. The relationship between the expected tax expense, based on an effective tax rate of the Group, and the tax expense that was actually recognized in the income statement, is as follows:

Amounts in thousand Euro, unless otherwise mentioned

	THE GROUP		THE COMPANY	
	01/01-31/12/2019	01/01-31/12/2018	01/01-31/12/2019	01/01-31/12/2018
Current tax expenses	1.615	2.319	1.168	1.968
Deferred income tax	2.154	962	2.414	1.289
Total	**3.769**	**3.281**	**3.582**	**3.257**

THE GROUP	01/01-31/12/2019		01/01-31/12/2018
Earnings before tax	**10.700**		**15.671**
Tax rate	24%		29%
Expected tax expense/income under the statutory tax rate	**2.568**		**4.545**
Effect of change in tax rate	460		48
Effect of different tax rates in other countries	(168)		(213)
Non-taxed revenue	1		(1.709)
Non-exempted expenses	187		630
Items for which deferred tax is not recognized	491		-
Discount recognition under Development Law 1892/90	1.329		1.112
Use of discount under Development Law 1892/90	(1.329)		(1.112)
Non-recognizable loss for future offsetting	248		(15)
Other	(11)		(6)
Realized tax expenses, net	**3.775**		**3.281**
Weighted tax rate	35,28%		20,93%

THE COMPANY	01/01-31/12/2019		01/01-31/12/2018
Earnings before tax	**11.749**		**12.469**
Tax rate	24%		29%
Expected tax expense/income under the statutory tax rate	**2.820**		**3.616**
Effect of change of tax rate	601		547
Non-taxed revenue	-		(1.709)
Non-exempted expenses	143		825
Items for which deferred tax is not recognized	18		-
Discount recognition under Development Law 1892/90	1.329		1.112
Use of discount under Development Law 1892/90	(1.329)		(1.112)
Other	-		(22)
Realized tax expenses/ (revenue), net	**3.582**		**3.257**
Weighted tax rate	30,49%		26,13%

5.23. 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 within the accounting period.

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

Amounts in thousand Euro, unless otherwise mentioned

Amounts in thousands €	THE GROUP		THE COMPANY	
	01/01-31/12/2019	01/01-31/12/2018	01/01-31/12/2019	01/01-31/12/2018
Profit attributable to the shareholders of the parent	6.931	12.392	8.166	9.211
Weighted average number of shares	21.364	21.364	21.364	21.364
Basic earnings/loss per share (in €)	**0,324**	**0,580**	**0,382**	**0,431**

5.24. Transactions with related parties

None of the transactions incorporate special terms and conditions and no guarantee was given or received.

Amounts in thousands €	THE GROUP		THE COMPANY	
Sales of services	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Subsidiaries/jointly controlled	0	72	351	72
Other related parties	105	52	105	52
Total	**105**	**124**	**456**	**124**
Purchases of services	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**	**01/01 - 31/12/2019**	**01/01 - 31/12/2018**
Subsidiaries/jointly controlled	0	9	0	9
Other related parties	1.823	439	1.823	439
Total	**1.823**	**448**	**1.823**	**448**
Balance of receivables	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Subsidiaries/jointly controlled	0	0	384	0
Other related parties	27	2	27	2
Total	**27**	**2**	**412**	**2**
Balance of liabilities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**1/12/2018**
Subsidiaries/jointly controlled	0	0	0	0
Other related parties	3.410	2.118	3.410	2.118
Total	**3.410**	**2.118**	**3.410**	**2.118**

The outstanding balances at year's end are unsecured and are settled in cash. No guarantees were provided or received for the above receivables.

It is also noted that between the Parent Company and its subsidiaries there are no special agreements or collaborations and any transactions carried out between them are within the usual terms and conditions effective in every market.

For the fiscal year that ended in 31 December 2019, the Company hasn't made a provision for doubtful debt relating to amounts owed by affiliated companies.

From the above transactions, transactions and balances with subsidiaries have been eliminated from consolidated financial statements of the Group. Among subsidiaries of the Group there are receivables/borrowing liabilities of € 2.1 m. The interest income/expense stood at € 106 k, while other income/expense of 24 k have been written off. Moreover, receivables/liabilities of € 634 k have been written off.

Fees of directors and members of management were as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**01.01-31.12.2019**	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Key executives and BoD members				
Salaries-Fees	1.367	1.121	811	582
Social insurance cost	156	91	156	91
Bonus	211	282	211	282
Total	**1.735**	**1.493**	**1.178**	**954**

The provision made for compensation of the Group's and Company's staff includes an amount of € 276k (2018: 146 k) pertaining to executives and BoD members, while in the income statement the recorded amounts are € 9,6 k (2018: 7,5 k).

No loans have been granted to members of the Board of Directors or the Group or management personnel and their families.

5.25. Employee benefits

The employee benefits of the Company and the Group are as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**01.01-31.12.2019**	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Employee salaries-Bonus	19.175	14.946	16.221	12.072
Social insurance cost	4.212	3.712	3.822	3.318
Other employee benefits	478	644	104	332
Provision for employee compensation	287	233	256	176
Total	**24.151**	**19.536**	**20.402**	**15.898**

The number of employees occupied on daily wages basis and salaried employees is as follows:

	THE GROUP		THE COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Salary employees	514	510	263	264
Daily wages employees	409	401	409	401
Total	**923**	**911**	**672**	**665**

The aforementioned table depicts the employees of the company as at 31 December. The branch of the company operating in Rhodes discloses as representative period the 30th of September due to seasonality. On 30 September 2019, this branch employs 232 employees. However, on 31 December 2019, the number of its employees amounted to 22 employees, who are included in the aforementioned table.

5.26. Contingent assets – liabilities

- **Operating leases – Income**

The Group leases certain offices and shops under lease agreements. The analysis of contractual rentals to be collected in the coming years is presented below as follows:

	CORPORATE	
Amounts in thousands €	**31/12/2019**	**31/12/2018**
Operating leases collectable in 1 year	361	304
Subtotal 1: Short-term operating leases	**361**	**304**
Operating leases collectable in 2 to 5 years	1.541	526
Subtotal 2	**1.541**	**526**
Operating leases collectable after 5 years	604	354
Subtotal 3	**604**	**354**
Subtotal 4 (=2+3): Long-term operating leases	2.145	880
TOTAL (=1+4)	**2.507**	**1.184**

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 constructed. Given the new data regarding the case and the lawyer's representation letter, the company has calculated that the estimated value of the provision shall amount to a total of € 1.169 k.

b) Court cases filed against the subsidiary company BEOGRADSKO MESOVITO PREDUZECE standing at 1.1 m (less interest and surcharges) referring to the former employees demanding compensation due to termination of the employment relationship. The Group's Management estimates that there are no reasons for compensation concerning the termination of the employment relationship, given that both plaintiffs voluntarily resigned. The Management of the Subsidiary has also acted against the plaintiffs, and interrogations for both conflicts have not yet started. As the cases are still at an early stage, the final outcome cannot presently be determined, and no provision has been made in the financial statements of the Group.

c) Finally, Municipality of Rhodes has issued tax notice for Municipal Fees for the FY 2009 to 2019 for a total amount of € 1.075 k. From this amount the company paid € 96 k and for the remaining, considered to be reduced by at least 20%, a relative provision of 759 k has been recognised, while, at the same time, an appeal has been made.

Apart from the aforementioned, there are no other litigation or arbitration disputes of courts or arbitration bodies that may have a significant influence on the financial statements or operations of the Group and the Company beyond the provisions that have already been made (§ 5.11).

Unaudited tax years

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

Company	Unaudited Years
LAMPSA HELLENIC HOTELS S.A.	2018-2019
LUELLA ENTERPRISES LTD	2011 - 2017
HARVARD INVESTMENTS CORPORATION	2007 - 2015
WORLD SPIRIT S.A.	2007 - 2015
TOURISTIKA THERETRA S.A. (BEFORE ABSORPTION)	2014-2018 (10month)
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	2007 - 2017
BEOGRADSKO MESOVITO PREDUZECE	2011 - 2017
NORTH HAVEN LTD	2000 - 2015
MARKELIA LTD	2011 - 2017

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

For the FYs 2011-2019, the parent company and TOURISTIKA THERETRA S.A. were subject to tax audit of the Certified Public Accountants as provided by Article 82, par.5, Law 2238/1994 and Article 65a, Law

4174/2013. Regarding the companies audited by Statutory Auditors and Auditing Firms in respect of tax provisions, the issues are selected for tax inspection in compliance with Article 26, Law 4174/2013, as effective. The tax inspection in question can be conducted within the FY, during which the Tax Authorities are entitled to issue tax identification acts.

For the fiscal years 2015-2017, tax authorities audited the parent company based on the audit order dated 14/05/2019 for all tax items. During the final phase of the audit, the findings of the tax authorities were disclosed to the company and accepted. Regarding these findings, the Parent has submitted amending statements to Income and Stamp Duties under the favorable provisions of Law 4512/18. The total amount of additional taxes and fines paid amounted to € 61 k for all three years and was charged to the Income Statement for the year. The Tax Authorities delivered the Final Audit File (KEMEP) on 18/05/2020.

In addition, the audit order on 10/06/2019 was disclosed regarding 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 audit has not started yet while it might be conducted as till 31/12/2021.

It is estimated that no significant additional tax liabilities will arise for the unaudited tax years of the other companies of the Group and, therefore, no relevant provision has been made.

5.27. 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:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Liens on land plots and building for provision of loans	134.400	48.850	134.400	48.850
Liens on land plots and building for provision of loan in of subsidiary loans	-	38.400	-	38.400
Liens on land plots and building for provision of loan in $	25.500	25.500	25.500	25.500
Guarantees to ensure liabilities and Letters of Credit	3.527	2.044	3.527	2.044
Guarantees to ensure liabilities of the absorbed subsidiary	2.750	1.480	2.750	1.480

6. Risk management policies objectives

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 mainly include 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 Group's risk management program aims to limit the negative impact on the financial results of the Group caused by unpredictability of financial markets and fluctuation in the variables of cost and sales.

The risk management procedure 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.

6.1. Currency risk

The Group operates in Greece, Cyprus and Serbia and its functional currency is Euro. However, there is a certain limited exposure to currency translation risk regarding US Dollar, mainly arising from loan and other liabilities in Dollars. The exchange rate risk of this kind arises from the rate of these currencies against Euro, partially offset by corresponding liabilities (e.g. loans) of the same currency.

Financial assets and liabilities in foreign currency converted into Euro at the closing rate are as follows:

	2019	2018
Amounts in thousands		
Nominal amounts	**US$**	**US$**
Financial assets	173	300
Financial liabilities	935	4.156
Short-term exposure	762	3.857
Financial assets		
Financial liabilities	1.642	2.088
Long-term exposure	1.642	2.088
Total	**2.404**	**5.944**

The following tables show the sensitivity of the result for the financial year as well as the equity in relation to financial assets and financial liabilities and Euro/Dollar exchange rate.

We assume a change of 2.25%% in as 31 December 2019 exchange rate of EUR / USD (2018: 1.88%). These percentages were based on the average market volatility in exchange rates for a period of 3 months from the end of each year (31/12).

In case € increases compared to the above currency, with the percentages mentioned above, the impact on the income statement for the year and equity will be as follows:

Amounts in thousands	**2019**	**2018**
	US$	**US$**
Earnings before tax	56	109
Equity	43	78

In case € decreases compared to the above currency, with the percentage mentioned above, the impact on the income statement for the year and equity will be as follows:

Amounts in thousands	**2019**	**2018**
	US$	**US$**
Earnings before tax	(54)	(105)
Equity	(41)	(75)

The exposure of the Group to foreign exchange risk varies during the year depending on the volume of transactions in foreign currency. However, the above analysis is considered representative of the Group's exposure to currency risk.

6.2. Sensitivity analysis of interest rate risk

Long-term financing is related to leasing contracts with variable interest rates (mainly Euribor and Libor).

The Group's policy is to minimize its exposure to cash flow interest rate risk on long-term financing. On 31 December 2019, the Company is exposed to changes in market interest rates, with regard to its bank loans, which are subject to variable interest rate.

The following table shows the sensitivity of the income statement for the year and equity to a reasonable change in interest rate of +1.0% or -1.0% (2018: + / -1%). The changes in interest rates are estimated to be reasonable compared to market conditions.

	01/01-31/12/2019		01/01-31/12/2018	
Amounts in thousands €	**1,0%**	**-1,0%**	**1,0%**	**-1,0%**
Earnings before tax	(1.031)	1.031	(824)	824
Equity	(783)	783	(585)	585
Tax rate	**24%**		**29%**	

6.3. Credit risk analysis

The Group's exposure to credit risk is limited to financial assets (instruments) which, at the balancer sheet date, are as follows:

Amounts in thousands €	**THE GROUP**		**THE COMPANY**	
Financial assets categories	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Cash and cash equivalents	25.885	8.310	11.253	4.206
Trade receivables	6.365	7.934	5.066	5.988
Total	**32.250**	**16.243**	**16.319**	**10.194**

The majority of the Group’s sales are performed through credit cards, the credit sales though are made to customers with evaluated credit history.

Regarding trade and other receivables, the Group is not exposed to significant credit risk. The credit risk in respect of liquidation receivables and other short term financial assets is considered limited.

The Group's management considers that all the above financial assets that are not impaired at the financial statements prep ration date are of high credit quality, including those owed.

None of the financial assets of the Group has been mortgaged or committed to any other form of credit insurance.

6.4. Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring the long-term financial liabilities as well as the daily payments. Liquidity needs are monitored in various time zones, on a daily and weekly basis and on a rolling 30-day period. The liquidity needs for the next 12 months are determined monthly.

The maturity of the Group and the Company liabilities to be settled on a cash basis is as follows:

THE GROUP	**31.12.2019**			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank debt	544	5.700	2.160	-
Bond loan	1.877	3.039	41.994	54.512
Finance lease liabilities	672	32	791	22.563
Other long-term liabilities	-	-	1.726	20
Trade liabilities	3.203	1.770	-	-
Other short-term liabilities	9.234	-	-	-
Total	**14.891**	**10.541**	**46.672**	**77.096**

	31.12.2018			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank debt	51.900	190	22.122	143
Bond loan	20.061	1.862	-	-
Finance lease liabilities	8	-	9	-
Other long-term liabilities	-	-	670	1.018
Trade liabilities	4.273	-	-	-
Other short-term liabilities	8.814	-	-	-
Total	**85.056**	**2.052**	**22.801**	**1.161**

THE COMPANY	**31.12.2019**			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank debt		5.700		
Bond loan	1.877	3.039	41.994	54.512
Finance lease liabilities	32	32	42	-
Other long-term liabilities	-		1.707	20
Trade liabilities	2.492	1.770	-	-
Other short-term liabilities	8.444	-	-	-
Total	**12.845**	**10.541**	**43.743**	**54.533**

THE COMPANY	**31.12.2018**			
Amounts in thousands €	**Short-term**		**Long-term**	
	within 6 months	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank debt	51.700		21.489	143
Bond loan	20.061	1.862	-	-
Finance lease liabilities	-	-	-	-
Other long-term liabilities	-	-	670	1.018
Trade liabilities	4.170	-	-	-
Other short-term liabilities	8.330	-	-	-
Total	**84.261**	**1.862**	**22.159**	**1.161**

The above contractual maturities reflect the gross cash flows, which may differ from the carrying amounts of liabilities at the balance sheet date.

As at 31/12/2019, the Company had negative working capital, as current liabilities exceed current assets by € 9,806k. The Company's current liabilities include revolving credit accounts amounting to € 5,700k and current instalments of bond loans amounting to € 4,916k of which the company paid the amount of € 439 thousand in the first half of 2020 and will pay € 444k in the second half, while all the remaining amount, following the agreement with the financial institutions, will be paid after 31/12/2020. Finally, short-term contractual obligations amounting to € 2,856k which relate to prepayments for 2020 bookings are not expected to be refunded, instead, the beneficiaries have received vouchers effective for 18 months, which are estimated to be redeemed by 2021. Taking into account the above, the company's working capital becomes positive by € 2,783k.

Moreover, regarding the impact of health crises caused by COVID-19, analytical information is provided in Unit C Risks and Uncertainties of the Board of Directors Report.

Finally, two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED" (61,86%), although it is estimated that it will not be necessary, are committed to covering working capital needs for at least the following twelve months from the date of approval of the annual financial statements of 31/12/2019.

6.5. Risks & effects of Covid 19 pandemic

Countries around the world, in an effort to limit the spread of the pandemic, are implementing a series of restrictive measures, including suspension of hotel operations, which has a direct impact on the Group's operations.

Suspension of hotels operations: In particular, Grande Bretagne and King George hotels remain closed from March 22, 2020, following a government order and are expected to gradually resume operations in July. The Sheraton Rhodes Hotel (seasonal) is expected to open in the summer of 2020 as soon as the flights arriving at Rhodes Airport are normalized. The company's hotels in Serbia ("Hyatt Regency Belgrade" and "Excelsior Mercure Belgrade") did not cease operations, but operated at almost zero turnover, but without significant losses due to extremely low payroll costs and local state incentives.

Reduction of revenue in the second half of the year: The effect of the pandemic in the second half of the year cannot be accurately determined at this stage as it depends on factors such as any additional measures taken, time required to invent the drug and the vaccine, the recovery time of the countries (USA, Great Britain, France, Spain, Italy, Central and Northern Europe) that constitute the main clientele of hotels operating in Greece, the mentality of travelers during the second half of the year.

Conference tourism has also been hit by the ban on large gatherings, and cruises, that also supplied hotels, operated at zero occupancy.

The pandemic is expected to change the habits of both corporate and private customers and revenue from events and catering is expected to decline.

Restrictions on the Group's operations have further adverse effect on the Group's financial sizes:

- The Management estimates that in the first half of the year, the Group has lost revenues of approximately € 25 m, while the Company of approximately € 20 m, while on an annual basis, the Group's turnover is expected to decline by 65% - 70%, and regarding three hotels of Lampsa SA (Grande Bretagne, King George and Sheraton Rhodes) the decrease is expected to be approximately 70% -75% compared to the fiscal year 2019.
- Impairment of non-current assets (including goodwill):
  Due to the impact of the pandemic on the world economy, on our country and consequently on the financial performance of the Group and depending on its duration and final quantitative and temporal effect, there is a risk that the Group's its assets, i.e. hotels, recognized goodwill as well as investments in subsidiaries will ne measured in subsequent years at lower values and potential impairments may arise, which will burden the results and financial position of the Group.
- Financial structure - liquidity:
  The consequences of the pandemic are expected to be significant for the Group resulting in generating losses in 2020, however the Company's capital adequacy is expected to remain strong. In addition, a direct consequence of the aforementioned reduction in the Group's turnover is its limited liquidity. The Group Management has already taken actions in order to ensure liquidity and the Group's going concern.

The Management's actions to address the effects of Covid-19 and ensure the Group's going concern.

Based on the aforementioned procedure of assessment and identification of risk areas and always with the aim of ensuring the health of employees and customers, protection of public health in view of the hotels reopening as well as the Group's going concern, the Management took the following actions:

- Expenditure of approximately € 500k on equipment and constructions, required for the hotels reopening applying all the necessary hygiene protocols for customers and staff.
- The Management of the parent company received a verification of the representative of the Bondholding Creditors stating their consent to exempting the financial rations measurement regarding the dates 30.6.2020 and 31.12.2020 due to the effects of the pandemic.
- The company agreed with creditor banks to transfer the payment of debts of € 3,900k, of which € 2,700k was payable in 2020, to the loans maturity, which is after 2021.

- Given the solvency of LAMPSA Group, the Management has already secured pre-approval from financial institutions for loans, in case they are needed, amounting to € 25 m for the Group and € 18 m for the parent company, through the business support program "Guarantee Fund for granting guarantees on new loans to companies affected by COVID 19 through the Hellenic Development Bank (HDB).
- The company participates in the labor subsidy programs for employees implemented by the government (suspension, "cooperation", etc.). This achieves a reduction in wage costs for the period when hotels are closed or operating at low occupancy. Moreover, to ensure further savings, the fixed-term employee contracts that expire in the near future are not expected to be renewed. Finally, synergies are expected among the Group's hotels, with staff lending, for more cost-effective management. It is expected that after the implementation of the aforementioned actions, the company will reduce its payroll costs by approximately € 8 m or 50% compared to the payroll costs in 2019.
- Finally, the company has sent credit vouchers, amounting to approximately € 450k to customers who have prepaid their future reservation, in order to avoid an immediate outflow of money through refunds, while as far as the remaining prepayments are concerned, the company has already proceeded with postponing scheduled visits implementing them in 2021.

The financial statements of the Parent and its subsidiaries have been prepared on the basis of the going concern principle as the Group's Management considers that given the currently available data and its estimates of the impact of Covid-19 pandemic on the Group's financial sizes for the following 12 months and in line with the aforementioned actions that have been planned, there will be sufficient liquidity in order to ensure the Group's ability to continue as a going concern. Moreover, in case the Company's liquidity needs to be strengthened, its two main shareholders "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES" (61.86%) as well as their final beneficiaries are committed to and have the financial capacity to cover the contingent needs at least for the next twelve months from the date of approval of its annual financial statements.

7. Capital management policies and procedures

The objectives of the Group in order to manage the capital are:

- to ensure the ability of the Group to continue as a going-concern, and
- to provide an adequate return to shareholders by pricing products according to the risk level.

The Group monitors capital on the basis of the amount of equity, less cash and cash equivalents as reflected in the Statement of Financial Position. The capital for the years 2019 and 2018 is analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in thousands €	**2019**	**2018**	**2019**	**2018**
Total equity	101.728	99.478	76.993	73.354
Plus: Subordinated loans				
Less: Cash and cash equivalents	(25.885)	(8.310)	(11.253)	(4.206)
Capital	**75.842**	**91.169**	**65.740**	**69.148**
Total equity	101.728	99.478	76.993	73.354
Plus: Loans	109.822	96.284	107.122	95.253
Total capital	**211.550**	**195.763**	**184.116**	**168.608**
Capital to Total capital	**4/10**	**5/10**	**4/10**	**4/10**

A medium term objective of the Group regarding capital management, and until the negative climate is reversed, it to maintain the ratio at the same level.

The Group sets the amount of capital in relation to its overall capital structure, for example equity and financial liabilities. The Group manages its capital structure and makes adjustments at the time when the economic situation and the risk characteristics of existing assets change. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable, return capital to shareholders, issue share capital or sell assets to reduce debt.

Amounts in thousand Euro, unless otherwise mentioned

In March 2020, the World Health Organization (WHO) declared coronavirus COVID-19 pandemic, whose rapid spread has adversely affected business and economic operations globally and has slowed down or put on hold activities of major segments of the economy.

The Group operates mainly in the hotel segment, which has been affected since the beginning of March by the unprecedented crisis, which in the first months of the year arose from significant travel restrictions and quickly deteriorated through the rapid spread of the virus, its emergence in our country and finally though the imposition of the suspension of operation of the Group's three hotels in Greece. The Management of the Group from a very early stage monitors all developments and is in constant contact with the hotel owners' association, the Hotel Chamber and all the competent bodies, as well as with the special unit of the management company, regarding any action deemed necessary to facilitate taking measures to protect the health of the employees and the broader public. Moreover, the Management records the risks and evaluates the impact of COVID-19 pandemic at its every stage on the income statement and future cash flows of the Group, taking measures based on adequacy of liquidity and ensuring the Group's going concern.

8. Post Balance Sheet Date events

In January 2020, the sale of 100% of shares in the company EXCELSIOR BELGRADE AD was completed to another subsidiary BMP AD NOVI BEOGRAD – the owner of "Hyatt Regenecy Belgrade" hotel versus a consideration of 5.620 k €.

On December 31, 2019, the World Health Organization (WHO) was informed about the detection of limited cases of pneumonia, of unknown cause, in Wuhan, Hubei, China. On January 7, 2020, the Chinese authorities identified a new type of coronavirus as the cause (COVID-19). As of December 31, 2019, the development and spread of COVID-19 has led to the emergence of a number of related events around the world. In Europe, its rapid spread dates back to the end of February. In March 2020, the WHO declared the COVID-19 pandemic. The COVID-19 pandemic is an unprecedented global health crisis with economic and social consequences. In the context of the measures taken to slow down the spread of the virus threatening public health and in order to prevent the collapse of the national health system, the Greek government has decided, among other things, to suspend the operation of seasonal and 12-month operating hotels. The risks, actions of the Management and the effects of the pandemic are analytically described in Note 6.5 " Risks & effects of Covid 19 pandemic ".

Apart from the aforementioned, there are no other significant events as from 2019 closing till currently.

Athens, 29 June 2020

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	FINANCIAL DIRECTOR
GEORGE GALANAKIS I.D. No Ξ 282324	ANASTASIOS HOMENIDIS I.D. No AI 506406	KOSTAS KYRIAKOS I.D. No AZ 512473 A' Class License 0010932

E. Annual Financial Statements publication website

The Company annual financial statements, the Independent Auditor's Report and the Report of the Board of Directors for FY ended as at December 31st, 2019, have been posted on the Company website www.lampsa.gr.

The aforementioned Financial Statements will remain at the disposal of the investors for at least five (5) years following the preparation date.