EXCELSIOR A.D., BEOGRAD

Financial Statements
Year Ended December 31, 2017 and
Independent Auditors' Report

Translation of the Auditors' Report issued in the Serbian language

CONTENTS

Translation of the Auditors' Report issued in the Serbian language

INDEPENDENT AUDITORS' REPORT

To the Shareholders of the Shareholding Company Excelsior a.d., Beograd

We have audited the accompanying financial statements (pages 2 to 32) of Excelsior a.d., Beograd (the "Company"), which comprise the balance sheet as of December 31, 2017, and the related income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the with the Law on Accounting of the Republic of Serbia, as well as for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Law on Audit of the Republic of Serbia and standards on auditing applicable in the Republic of Serbia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Excelsior a.d., Beograd, as of December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with the accounting regulations of the Republic of Serbia.

Emphasis of Matter

The accompanying financial statements have been prepared on a going concern basis. As of December 31, 2017, the Company's current liabilities exceeded its current assets by RSD 15,541 thousand. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from this uncertainty. Our opinion is not modified in respect of this matter.

Report on Other Regulatory Requirements

Management is responsible for preparation of an annual business report in accordance with the requirements of the Law on Accounting of the Republic of Serbia, which is not an integral part of the accompanying financial statements. In accordance with the Law on Audit of the Republic of Serbia, our responsibility is to express an opinion on the compliance of the Company's annual business report for the year 2017 with its financial statements for the same financial year. In our opinion, the financial information disclosed in the annual business report for 2017 is consistent with the audited financial statements of the Company for the year ended December 31, 2017.

Report on Other Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements performed in accordance with accounting regulations of the Republic of Serbia. The additional information in Appendices relate to presentation of the statutory financial statements (originally denominated into Serbian Dinar) into EUR and are not part of the statutory financial statements. This additional information is the responsibility of the Company's management. Such information has been subject to the auditing procedures applied in our audit of the statutory financial statements and, in our opinion, has been prepared, in all material respects in relation to the financial statements prepared in accordance with accounting regulations of the Republic of Serbia.

Belgrade, April 30, 2018

Žarko Mijović
Certified Auditor

INCOME STATEMENT
Year Ended December 31, 2017
(Thousands of RSD)

	Note	2017	2016
Operating income		**135,068**	**113,548**
Sales of products and services			
Sales of products and services to other related parties in domestic market	5	197	51
Sales of products and services in domestic market	5	133,201	111,424
		133,398	111,475
Other operating income	6	1,670	2,073
Operating expenses		**(125,341)**	**(108,073)**
Cost of materials	7	(17,022)	(15,955)
Cost of fuel and energy	8	(7,871)	(7,249)
Staff costs	9	(34,685)	(26,122)
Cost of production services	10	(10,306)	(9,444)
Depreciation/amortization charge	11	(25,181)	(24,559)
Non-material costs	12	(30,276)	(24,744)
Profit from operations		**9,727**	**5,475**
Finance income	13	6,901	1,734
Interest income (from third parties)		693	861
Foreign exchange gains and positive currency clause effects (third parties)		6,208	873
Finance expenses	13	(7,843)	(11,477)
Interest expenses (to third parties)		(5,864)	(8,560)
Foreign exchange losses and negative currency clause effects (to third parties)		(1,979)	(2,917)
Loss from financing activities		**(942)**	**(9,743)**
Losses on value adjustment of other assets carried at fair value through profit and loss		-	(127)
Other income	14	1,267	1,278
Other expenses	14	(3,092)	(182)
Profit/(loss) from continuing operations before taxes		**6,960**	**(3,299)**
Net loss from discontinued operations, effects of changes in accounting policies and prior years' error adjustment		(18)	(407)
Profit/(loss) before taxes		**6,942**	**(3,706)**
Current income tax expense	16	(2,967)	(1,551)
Deferred tax benefits	16	1,733	1,841
NET PROFIT/(LOSS) FOR THE YEAR		**5,708**	**(3,416)**
Earnings per share (in RSD)	15	73,83	(44,18)

Notes on the following pages form
an integral part of these financial statements.

The accompanying financial statements were approved by the management of the Company on April 30, 2018.

Signed on behalf of Excelsior a.d., Beograd by:

Statutory Representative

Zafiris Lampadaridis

STATEMENT OF OTHER COMPREHENSIVE INCOME
Year Ended December 31, 2017
(Thousands of RSD)

	2017	2016
Net operating result		
Net profit/(loss) for the year	**5,708**	**(3,416)**
a) Items that will not subsequently be reclassified to the income statement	-	-
Increase/(decreases) in revaluation reserves	-	(44,922)
Actuarial gains/(losses) per defined benefit plans	-	-
Gains/(losses) on investments in equity instruments	-	-
Gains/(losses) from the share in the other comprehensive income of associates	-	-
	-	-
b) Items that may subsequently be reclassified to the income statement		
Foreign exchange gains/(losses) on translation of foreign operations	-	-
Gains/(losses) on hedging instruments designated in hedges of the net assets of foreign operations	-	-
Gains/(losses) on hedging instruments designated in hedges of the cash flows	-	-
Gains/(losses) on securities available for sale	-	-
Other positive/(negative) comprehensive income, gross	-	(44,922)
Taxes payable on other comprehensive income	-	-
Other positive/(negative) comprehensive income, net	-	(44,922)
Total positive/(negative) comprehensive income for the year, net	**5,708**	**(48,338)**

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BALANCE SHEET
As of December 31, 2017
(Thousands of RSD)

	Note	December 31, 2017	December 31, 2016
ASSETS			
Non-current assets		**693,106**	**719,359**
Intangible assets		**5,367**	**566**
Concessions, patents, licenses, trademarks, software and other rights	17	5,367	566
Property, plant and equipment		**668,309**	**686,196**
Land	17	147,937	147,937
Buildings	17	504,106	524,521
Plant and equipment	17	16,094	13,566
Other property, plant and equipment	17	110	110
Advances paid for property, plant and equipment	17	62	62
Long-term financial investments		**19,430**	**32,597**
Other long-term investments	18	19,340	32,597
Current assets		**37,005**	**23,521**
Inventories	19	**3,798**	**2,270**
Materials, spare parts, small tools and fixtures		2,702	1,375
Advances paid for inventories and services		1,096	895
Trade receivables	20	**5,228**	**3,432**
Domestic – other related parties		237	-
Domestic		1,609	1,894
Foreign		3,382	1,538
Other receivables	21	5,109	4,366
Cash and cash equivalents	22	22,460	12,644
Value added tax receivable	23	-	728
Prepayments		410	81
TOTAL ASSETS		**730,111**	**742,880**

(Continued)

BALANCE SHEET (Continued)
As of December 31, 2017
(Thousands of RSD)

	Note	December 31, 2017	December 31, 2016
EQUITY AND LIABILITIES			
Equity		**521,388**	**515,680**
Share capital	24	77,311	77,311
Revaluation reserves arising from revaluation of intangible assets, property, plant and equipment	24	411,955	411,955
Retained earnings		32,122	71,518
Current year's retained earnings	24	5,708	-
Prior years' retained earnings	24	26,414	71,518
Accumulated losses		-	45,104
Prior years' accumulated losses	24	-	41,688
Current year's loss	24	-	3,416
Non-current provisions and liabilities		**98,739**	**98,908**
Long-term provisions	25	**525**	**525**
Provisions for litigations – labor disputes		525	525
Long-term liabilities	26	**98,214**	**98,383**
Long-term borrowings, foreign		98,383	98,383
Deferred tax liabilities	16	57,438	59,171
Current liabilities		**52,546**	**69,121**
Short-term financial liabilities	27	**42,012**	**61,320**
Short-term borrowings, domestic		22,582	10,125
Other short-term financial liabilities		19,430	51,195
Advances, deposits and retainers received		790	572
Trade payables	28	**8,759**	**5,900**
Domestic – other related parties		253	320
Domestic		3,334	4,740
Foreign		3,387	300
Other account trade payables		1,785	540
Other current liabilities		13	840
Value added tax payable		967	-
Other taxes, contributions and duties payable		5	489
TOTAL EQUITY AND LIABILITIES		**730,111**	**742,880**

Notes on the following pages form
an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year Ended December 31, 2017
(Thousands of RSD)

	Equity Components				
	Issued (Share) Capital	**Accumulated Losses**	**Retained Earnings**	**Revaluation Reserves**	**Total Equity**
Opening balance at January 1, 2016					
a) debit balance	-	41,688	-	-	
b) credit balance	77,311	-	71,518	456,877	564,018
Movements in the previous year – 2016					
a) debit turnover	-	3,416	-	52,849	
b) credit turnover	-	-	-	7,927	48,338
Closing balance at December 31, 2016					
a) debit balance	-	45,104	-	-	
b) credit balance	77,311	-	71,518	411,955	515,680
Movements in the current year - 2017					
a) debit turnover	-	-	45,104	-	
b) credit turnover	-	45,104	5,708	-	5,708
Closing balance at December 31, 2017					
a) debit balance	-	-	-	-	
b) credit balance	77,311	-	32,122	411,955	521,388

Notes on the following pages form
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STATEMENT OF CASH FLOWS
Year Ended December 31, 2017
(Thousands of RSD)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflows from operating activities		
Cash receipts from customers	148,115	126,724
Interest received from operating activities	693	861
Other cash receipts from operating activities	842	1,843
	149,650	**129,428**
Cash outflows from operating activities		
Cash paid to suppliers	(60,761)	(51,926)
Cash paid to and on behalf of employees	(35,996)	(25,942)
Interest paid	(5,864)	(8,560)
Income taxes paid	(3,351)	(5,265)
Other public duties paid	(15,231)	(11,863)
	(121,203)	**(103,556)**
Net cash generated by operating activities	***28,447***	***25,872***
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities		
Other financial investments, net inflows	13,167	-
	13,167	**-**
Cash outflows from investing activities		
Purchases of, intangible assets, property, plant and equipment	(12,095)	(6,804)
Other financial investments, net outflows	-	(487)
	(12,095)	**(7,291)**
Net cash used in investing activities	***1,072***	***(7,291)***
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities		
Short-term borrowings, net inflows	-	10,125
	-	**10,125**
Cash outflows from financing activities		
Short-term borrowings, net outflows	(19,380)	(30,693)
Long-term borrowings, net outflows	(169)	-
	(19,549)	**(30,693)**
Net cash used in financing activities	***(19,549)***	***(20,568)***
Net increase in cash and cash equivalents	**9,970**	**-**
Net decrease in cash and cash equivalents	**-**	**(1,987)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,644	15,661
Foreign exchange gains on translation of cash	55	872
Foreign exchange losses on translation of cash	(209)	(1,902)
CASH AND CASH EQUIVALENTS, END OF YEAR	**22,460**	**12,644**

Notes on the following pages form
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1. FOUNDATION AND ACTIVITY

The Hotel Shareholding Company involved in hotel, accommodation and tourist services Excelsior a.d., Beograd (hereinafter: the "Company") was established on November 2, 1993.

Under the Agreement on the Acquisition of Socially-Owned Capital via Public Auction dated February 27, 2008, 70% of the socially-owned capital was sold to the entity Eteria Ellinikon Ksenodohion Lampsa AE, Athens, Greece.

On April 24, 2017, the Company executed the Management Agreement with Orbis S.A., Warsaw, Poland, a licensed representative of Accor Group, France in Serbia. Pursuant to the aforesaid Agreement, Orbis S.A., Warsaw, Poland, undertakes to manage all the hoteling activities under the protected Mercure brand in line with all the brand standards for a period of ten years as from September 1, 2017, when the Hotel was opened under the new name of the Mercure Belgrade Excelsior Hotel.

The primary business activity of the Company includes hotel, accommodation and tourist activities. The Company's registered office is in Belgrade, at no. 5, Kneza Milosa Street.

The Company's tax identification number (fiscal code) is 100279522, and its corporate ID is 06934218.

As of December 31, 2017, the Company had 36 employees (December 31, 2016: 29 employees).

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION

2.1. Basis of Preparation and Presentation of Financial Statements

Legal entities and entrepreneurs incorporated in the Republic of Serbia are required to maintain their books of account, to recognize and value assets and liabilities, income and expenses, and to present, submit and disclose financial statements in conformity with the Law on Accounting (hereinafter: the "Law", Official Gazette of the Republic of Serbia no. 62/2013) and other effective bylaws and regulations. As a public shareholding entity, the Company is required to apply International Financial Reporting Standards ("IFRS"), which, as per the aforementioned Law, comprise the following: the Framework for the Preparation and Presentation of Financial Statements (the "Framework"), International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS"), as well as the related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and subsequent amendments to those standards and related interpretations approved by the International Accounting Standards Board ("IASB"), the translations of which to the Serbian language were approved and issued by the competent Ministry of Finance.

The Ministry's Decision dated March 13, 2014, published in the Official Gazette of the Republic of Serbia no. 35 on March 27, 2014 ("Decision on Adoption of the Translations") adopted the translation of the basic texts of the IFRS and IAS, the Conceptual Framework for Financial Reporting (the "Conceptual Framework") issued by IASB, and the related interpretations issued by IFRIC. The aforesaid translations, adopted by the Decision on Adoption of the Translations, do not include the bases for closure, illustrating examples, guidelines and comments, contrary opinions, elaborated examples or other additional explanatory materials that can be adopted as associated with the standards and interpretations unless it is expressly stated that such materials form an integral part of the standards and interpretations. Based on this Decision on Adoption of the Translations, the Conceptual Framework, IAS, IFRS, IFRIC and related interpretations that have been translated shall be applied to the financial statements prepared as of December 31, 2014.

In addition to the foregoing, some legislative and other regulations applicable in the Republic of Serbia define certain accounting procedures resulting in further departures from IFRS, as follows:

- The Company has prepared these financial statements in line with the requirements of the Rules on the Chart of Accounts and Contents of Accounts within the Chart of Accounts for Companies, Cooperatives and Entrepreneurs (Official Gazette of RS nos. 95/2014 and 144/2014), which depart from the format defined by IAS 1 (revised) – "Presentation of the Financial Statements and IAS 7 – "Statement of Cash Flows".

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.1. Basis of Preparation and Presentation of Financial Statements (Continued)

- Decision of the Republic of Serbia Ministry of Finance no. 401-00-896/2014-16 dated March 13, 2014 (Official Gazette of the Republic of Serbia no. 35/2014) stipulates that official standards comprise the official translations of the International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as well as interpretations of the standards issued by the International Financial Reporting Interpretations Committee ("IFRIC") until July 31, 2013. after July 31, 2013 IASB and IFRIC issued a significant number of amendments, annual improvements and supplements to the existing or revised standards and interpretations and pronounced new IFRS and replaced some of the existing IAS, which have not been translated and official adopted in the Republic of Serbia..

- Certain bylaws effective in the current period require recognition, measurement and classification of assets, liabilities and equity, as well as revenues and expenses, that depart from the requirements of the translated and adopted IFRS and IAS.

In accordance with the foregoing, and given the potentially material effects, which the departures of accounting regulations of the Republic of Serbia from IFRS and IAS may have on the fairness of presentations made in the Company's financial statements, the accompanying financial statements cannot be treated as a set of financial statements prepared in accordance with IFRS and IAS.

In the preparation of the accompanying financial statements, the Company did not apply IFRS and IAS the provisions of which permit early adoption.

These financial statements were prepared at historical cost principle unless otherwise stipulated in the accounting policies presented hereunder.

In the preparation of the accompanying financial statements, the Company adhered to the accounting policies described in Note 3.

In accordance with the Law on Accounting, the Company's financial statements are stated in thousands of dinars (RSD), dinar being the official reporting currency in the Republic of Serbia.

These financial statements were approved by the Company's management on April 30, 2018.

2.2. Comparative Information

Comparative information in these financial statements comprises the Company's financial statements as of and for the year ended December 31, 2016, which were subject to independent audit.

2.3. Going Concern

As of December 31, 2017, the Company's current liabilities exceeded its current assets by RSD 15,541 thousand.

The Company's ability to continue as a going concern is dependent on the continued financial support of its majority owner. The Company's management expects that the Company will achieve stable income and cut-down on costs or increase in costs below the increase in revenues in the forthcoming period. Furthermore, the Company's expectations are that the Management Agreement executed with Orbis S.A., Warsaw, Poland, which will be management all the hoteling activities under the protected Mercure brand, will contribute to stabilization and profitable operation of the Company. Accordingly, the accompanying financial statements have been prepared on a going concern basis, assuming that the Company will continue to operate in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company consistently applied the following accounting policies in all periods presented in these financial statements.

3.1. Income

Income from Service Sales and Rendering

Income from service sales and rendering as well as revenues from sales of products and goods is recognized when the substantial risk and rewards associated with the right of ownership are transferred to the customer. Revenues from sales of products and goods are stated at the amounts billed net of approved discounts and value added tax.

Income from service rendering is recognized in the period in which a relevant service is rendered and stated at the amounts invoiced net of approved discounts and value added tax.

Finance Income

Finance income includes interest income, foreign exchange gains and other finance income.

Interest income is recognized on an accrual basis in the income statement of the period it relates to.

Other Income

Other income includes: reversal of long-term provisions, surpluses and other income.

3.2. Expenses

Expenses are recognized in the income statement as per “matching principle,” i.e. on an accrual basis and are determined for the period when incurred.

Operating Expenses

Operating expenses include costs incurred in generating sales revenues and comprise cost of commercial goods sold, cost of materials, fuel and energy, costs of gross wages and salaries, depreciation and amortization charge and services rendered by third parties. Operating expenses also include general expenditures such as rental costs, costs of marketing and advertising, insurance, bank charges, taxes payable and other costs incurred in the current accounting period.

Finance Expenses

Finance expenses encompass interest expenses, foreign exchange losses and other finance expenses. Interest expenses comprise interest accrued on borrowings, which is recorded within the income statement of the period it relates to as per the “matching principle.”

Other Expenses

Other expenses include costs of damages caused by hotel guests and miscellaneous other expenses.

3.3. Foreign Currency Translation

Transactions denominated in foreign currencies are translated into dinars at the official middle exchange rates as determined in the interbank foreign exchange market and effective at the date of each transaction.

Monetary assets, receivables and liabilities denominated in foreign currencies are translated into dinars by applying the official exchange rates as determined in the interbank foreign exchange market and prevailing at the balance sheet date. Non-monetary items are translated into dinars at the official middle exchange rate effective as at the transaction date.

Foreign exchange positive or negative effects arising upon the translation of transactions performed during the year, and assets and liabilities in foreign currencies as of the balance sheet date, are credited or charged to the income statement as foreign exchange gains or losses within the items of finance income or expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3. Foreign Currency Translation (Continued)

Receivables with a currency clause index are translated into dinars at the middle exchange rate effective as at the balance sheet date. Foreign exchange positive or negative effects arising thereof are stated in the income statement, as gains or losses on the risk hedges within other income or expenses.

3.4. Employee Benefits

Short-Term Employee Benefits - Taxes and Contributions Made to the Employee Social Security Funds

In accordance with regulatory requirements effective in the Republic of Serbia, the Company is obligated to pay contributions to tax authorities and to various state social security funds, which guarantee social security insurance benefits to employees. These obligations involve the payment of taxes and contributions on behalf of the employee, by the employer, in an amount computed by applying the specific, legally prescribed rates. The Company is also legally obligated to withhold contributions from gross salaries to employees, and on behalf of its employees, to transfer the withheld portions directly to government funds. These taxes and contributions payable on behalf of the employee and employer are charged to expenses in the period in which they arise.

Long-Term Employee Benefits - Obligations for Retirement Benefits

Pursuant to the Collective Bargaining Agreement, the Company is obligated to pay retirement benefits in an amount equal to two gross average salaries of the vesting employee earned in the month preceding the month of retirement benefit payment, which cannot be lower than two average gross salaries paid in the Republic of Serbia in the month preceding the month of retirement benefit payment.

In the Company's assessment, the amount of liabilities for retirement benefits as of December 31, 2017 was immaterial. Accordingly, the Company did not provide for the aforesaid liabilities as at the reporting date.

Short-Term Compensated Absences

Accumulating compensated absences (annual vacation leaves) can be carried forward and used in future periods if the current period's entitlement is not used in full. Expenses for compensated absences are recognized at the amount the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. In the case of non-accumulating compensated absences, an obligation or expense is recognized when the absences occur.

In the Company's assessment, the amount of liabilities for unused annual leaves as of December 31, 2017 was immaterial. Accordingly, the Company did not provide for the aforesaid liabilities as at the reporting date.

3.5. Income Taxes

Current Income Tax

Current income tax is payable at the legally prescribed rate of 15% (2016: 15%) on the tax base determined within the tax statement and reported in the annual corporate income tax return. The taxable base includes the profit before taxation shown in the statutory statement of income, as adjusted for differences that are specifically defined under statutory tax rules of the Republic of Serbia, less any prescribed tax credits.

The Corporate Income Tax Law of the Republic of Serbia does not envisage that any tax losses of the current period be used to recover taxes paid within a specific carryback period. However, current period tax losses may be used to reduce or eliminate taxes to be paid in future periods for duration of no longer than five ensuing years. Tax losses incurred before January 1, 2010 are available for carryforward for duration of ten ensuing years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5. Income Taxes (Continued)

Deferred Income Taxes

Deferred income taxes are provided using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax credits and losses available for carryforward, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the tax loss/credits of the carryforwards can be utilized. Deferred tax assets and liabilities are determined at the tax rate expected to be applied in the period of the relevant asset realization/liability settlement. As at December 31, 2017, deferred tax assets and liabilities were provided at the rate of 15% (December 31, 2016: 15%).

Deferred income taxes are either charged or credited to the income statement, except in so far as they relate to items that are directly credited or charged to equity, in which case deferred taxes are also recognized under equity.

3.6. Intangible Assets

Intangible assets can be identified as non-monetary assets without physical features.

Intangible assets are recognized and amortized as such if they meet the requirements prescribed by IAS 38 “Intangible Assets” and have useful economic lives over a year. Unless an intangible asset fulfills the aforesaid criteria, it is recognized as an expense of the period in which the related investment was made.

Intangible assets are initially recognized at cost or purchase price. Subsequently, intangible assets are carried at cost decreased by any allowance for accumulated amortization and impairment losses.

Acquired software licenses are capitalized in the amount of expenses incurred in acquisition and placement into use and amortized over a period of 10 years.

3.7. Property and Equipment

Items of property and equipment are initially recognized at cost or purchase price and carried at cost less allowance for accumulated depreciation and impairment losses, if any. Cost includes any costs directly attributable to the acquired assets.

Items of property and equipment are subsequently stated at revalued amounts. A revalued amount is an asset’s fair value at the revaluation date decreased by any subsequent accumulated depreciation and aggregate impairment losses.

Expenditure such as modification or adaptation to assets is recognized as an asset, when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Company and if reliably measured. Additions to the items of property and equipment during the year are stated at cost, which comprises the amount billed by suppliers increased by direct acquisition-related costs and any costs directly attributable to bringing the assets to working condition for their intended use.

Gains on the sales of property and equipment are recognized as other income. Losses on the sales or disposal of property and equipment are included within other expenses.

Depreciation of property and equipment is computed on a straight-line basis by applying depreciation rates determined in such a manner that cost of property and equipment items is depreciated in equal annual amounts in order to fully write off the cost of the assets over their estimated useful lives. Depreciation of assets activated during the year commences upon the asset placement in use, i.e. in the month following the month in which a respective assets became available for its intended use.

All amounts expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7. Property and Equipment (Continued)

Useful lives and depreciation rates applied in the current and previous accounting periods are summarized below:

Assets	Useful life (years) 2017	Useful life (years) 2016
Buildings	33	33
Computer equipment	4.16	4.16
Motor vehicles	6.6	6.6
Furniture and other equipment	6.6	6.6

3.8. Impairment of Assets

At each balance sheet date, the Company's management reviews the carrying amounts of the Company's tangibles in order to determine the indications of impairment loss. If there is any indication that such assets have been impaired, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. In cases where it is impossible to assess the recoverable amount of an individual asset, the Company assesses the recoverable value of the cash generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of its costs to sell and its value in use. For the purpose of assessing value in use, estimated future cash flows are discounted to the present value by applying the discount rate prior to taxation reflecting the present market estimate of time value of cash and risks specifically related to the asset in question.

If the estimated recoverable amount of assets (or cash generating unit) is below their carrying value, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense of the current period under operating expenses, except in case of land and buildings that are not used as investment property which is stated at revalued amount in which case impairment loss is presented as a loss on revaluation of assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable value. However, this is performed so that the increased carrying amount does not exceed the carrying value that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

A reversal of an impairment loss is recognized as income immediately, unless the respective asset is carried at a revalued amount, in which instance, the reversal of the impairment loss is treated as a revaluation increase.

As of December 31, 2017, in the assessment of the Company's management, there were no indications that the Company's tangible assets, i.e., property, plant and equipment had suffered impairment. On the other hand, as of December 31, 2016, the Company assessed the recoverable amount of tangible assets and recorded impairment losses in respect of land by decreasing the value of land determined by the previous revaluation.

3.9. Inventories

Inventories are primarily stated at the lower of cost and net realizable value. The net realizable value is the price at which inventories may be realized throughout the normal course of business, after allowing for the costs of realization.

The cost of raw material is comprised of the amount billed by suppliers and is determined using the weighted-average cost method.

Inventories found to be damaged or of a substandard quality are written off in full. Impairment of inventories via impairment allowance accounts is performed for materials and raw materials.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Financial Instruments

Financial Assets

The Company classifies its financial instruments into the following categories: loans and receivables and financial assets held to maturity. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and Cash Equivalents

For the purposes of cash flow statement, cash and cash equivalents include cash on hand and balances on accounts held with commercial banks.

Loans and Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included within current assets unless their maturities are longer than 12 months from the balance sheet date, in which case they are classified as non-current assets.

Receivables comprise domestic and foreign trade receivables and other receivables.

Trade receivables are stated at their nominal value, i.e. invoiced amounts less discounts approved and net of allowance for impairment of receivables deemed irrecoverable based on the individual recoverability assessment. Impairment allowances are made for the receivables for which there is objective evidence of impairment, i.e. for those assessed by the management as uncollectable in full. Impairment allowances are recorded under expenses within the income statement of the period in which the assessment was made.

Financial Assets Held to Maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has intention and the ability to hold to maturity. In the event the Company decides to sell the significant portion of held-to-maturity financial assets, the entire category will be reclassified as available for sale. Held-to-maturity investments are classified as non-current assets unless they mature within less than 12 months from the balance sheet date, in which case they are classified as current assets.

Recognition of Financial Assets

Purchase or sale of a financial asset is accounted for on a trade date.

Measurement of Financial Assets

Financial instruments are initially measured at market value which includes transaction costs for all types of financial assets and liabilities.

Loans and receivables, as well as held-to-maturity investments are carried at amortized cost using the effective interest method.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are ceded. Each entitlement over financial assets created or retained by the Company is recognized as a separate asset or a liability.

Amortized Cost Measurement

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Financial Instruments (Continued)

Financial Assets (Continued)

Fair Value Measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value is determined using the available market information as at the reporting date and other valuation models used by the Company.

Fair values of certain financial instruments stated at nominal value approximate their carrying amounts. Such instruments include cash and cash equivalents and receivables and liabilities without defined maturities or fixed interest rates.

Other receivables and liabilities are written down to the present values by discounting the future cash flows using current interest rates. The management holds that, due to the nature of the Company's business and its general policies, there are no significant differences between the carrying values and fair values of the financial assets and liabilities.

Impairment of Financial Assets

Impairment for bad and doubtful receivables is calculated based on estimated losses resulting from the inability of customers to settle the liabilities to the Company when due. The management estimates are based on the aging of trade receivables balance and historical write-off experience, customer credit-worthiness and changes in customer payment terms when evaluating the adequacy of the impairment allowance of doubtful receivables. This involves assumptions about future customer behavior and the resulting future collections in cash. The actual amount of collected receivables may differ from the estimated collection amounts, which may have positive or negative effects on the financial performance of the Company.

All receivables assessed as irrecoverable are provided for in the full amounts matured and uncollected.

Decisions on forming impairment allowances of receivables via the impairment allowance account are made by the Company's Director.

Trade receivables are written off if they were previously included in the Company's income and derecognized from the Company's books as irrecoverable and the Company was unable to collect such receivables through litigation. Decisions on write-off of receivables are made on the Company's Director.

Financial Liabilities

Financial liabilities are initially recognized at cost being the fair value of consideration received. After initial recognition financial liabilities are stated at amortized cost by applying the effective interest rate, except for financial liabilities at fair value through profit and loss. Amortized cost of a financial liability is an amount at which liabilities are initially measured decreased by the principal repaid and increased or decreased by the accumulated amortization using the effective interest method.

Financial liabilities comprise borrowings obtained from banks and related parties. A liability per borrowing is classified as current if expected to be settled in the regular business cycle, i.e. if it matures within 12 months after the balance sheet date. All other liabilities are classified as non-current.

Borrowings with currency clause index are determined in the RSD equivalent of the foreign currency outstanding loan amount. Gains and losses arising from the currency clause application are included in the income statement as finance income and finance expenses for revaluation effects using consumer price index.

Financial liabilities cease to be recognized when the Company fulfills the respective obligations, or when the contractual repayment obligation has either been cancelled or has expired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Financial Instruments (Continued)

Financial Liabilities (Continued)

Trade Payables

Trade payables and other operating liabilities are measured at their nominal value.

3.11. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4. SUMMARY OF KEY ACCOUNTING ESTIMATES

Presentation of the financial statements requires the Company's management to make the best estimates and reasonable assumptions that influence the assets and liabilities amounts, as well as the disclosure of contingent liabilities and receivables as of the date of preparation of the financial statements, and the income and expenses arising during the accounting period. These estimations and assumptions are based on information available as of the date of preparation of the financial statements. Actual results may vary from these estimates.

What follows are the key assumptions in respect of the future events and other sources of estimations, uncertainties as of the balance sheet date which represent risk from material adjustments to the amounts of balance sheet items in the following fiscal year.

4.1. Depreciation and Amortization Charge and Rates Applied

The calculation of depreciation and amortization, as well as depreciation and amortization rates are based on the economic useful lives of buildings, equipment and intangible assets. At least once a year, the Company assesses the economic useful lives based on the current estimates.

In addition, due to the significance of the non-current assets within the total assets of the Company, any change in the aforesaid assumptions may result in materially significant effects on the financial position and performance of the Company. For example, should the Company shorten the average useful life of assets by 10%, this would have resulted in the additional depreciation/amortization charge for the year ended December 31, 2017 by approximately RSD 2,773 thousand (2016: RSD 2,717 thousand).

4.2. Allowance for Impairment of Receivables

Impairment allowance of bad and doubtful receivables is calculated based on estimated losses resulting from the inability of customers to settle the liabilities to the Company when due. The management estimates are based on the aging of trade receivables balance and historical write-off experience, customer credit-worthiness and changes in customer payment terms when evaluating the adequacy of the impairment allowance of doubtful receivables. This involves assumptions about future customer behavior and the resulting future collections. The management believes that no additional impairment allowance is required in excess of the allowance already recognized in these financial statements.

4.3. Provisions for Litigations

Generally, provisions are highly judgmental. The Company estimates the likelihood of unfavorable events happening as a result of past events and assesses the amount necessary to settle such liability. Although the Company acts prudently in making such estimates, given the great extent of uncertainty, in certain cases actual results may depart from these assessments.

All amounts expressed in thousands of RSD, unless otherwise stated.

4. SUMMARY OF KEY ACCOUNTING ESTIMATES (Continued)

4.4. Fair Value

It is a policy of the Company to disclose the fair value information of those components of assets and liabilities for which published or quoted market prices are readily available, and of those for which the fair value may be materially different from their carrying amounts. In the Republic of Serbia, sufficient market experience, stability and liquidity do not exist for the purchase and sale of receivables and other financial assets or liabilities, for which published market prices are presently not readily available. As a result, fair value cannot readily or reliably be determined in the absence of an active market.

The Company's management assesses its overall risk exposure, and in instances in which it estimates that the value of assets stated in its books may not be realized, it recognizes a provision. In the opinion of management, the reported carrying amounts are the most valid and useful reporting values under the present market conditions.

Estimation of fair value of tangible assets

Fair values of tangible assets are estimated by qualified valuers. In the absence of current prices in an active market for similar properties, the Company considers information from a variety of sources, including:

a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the management's plans and expectations regarding the market fluctuations, such as prices, number of overnight stays, average income per room, occupancy and the like, using discount rates that reflect current market assessments of the uncertainty as to the amount and timing of the cash flows.

The Company's management believes that the net carrying values correspond to the fair values of property, plant and equipment as of the balance sheet date.

5. SALES OF PRODUCTS AND SERVICES

	Year Ended December 31, 2017	2016
Income from the sales to a related party (Note 29)	197	51
Accommodation	101,639	82,526
Food	25,880	24,849
Daily rest	524	752
Other	5,158	3,297
	133,398	111,475

6. OTHER OPERATING INCOME

	Year Ended December 31, 2017	2016
Rental income	1,666	1,995
Other operating income	4	78
	1,670	2,073

All amounts expressed in thousands of RSD, unless otherwise stated.

7. COST OF MATERIALS

	Year Ended December 31, 2017	2016
Food, beverages and other restaurant goods	11,665	9,826
Maintenance materials	4,287	4,545
Write-off of tools and fixtures	1,070	1,584
	17,022	15,955

8. COST OF FUEL AND ENERGY

	Year Ended December 31, 2017	2016
Electricity bills	4,413	3,770
Heating bills	3,438	3,479
Fuel bills	20	-
	7,871	7,249

9. STAFF COSTS

	Year Ended December 31, 2017	2016
Gross salaries	22,945	14,673
Payroll taxes and contributions charged to the employer	3,980	2,625
Considerations payable per service contracts	3,818	5,358
Remunerations to the Supervisory Board and Executive Board members	2,270	2,653
Other staff costs	1,672	813
	34,685	26,122

10. COST OF PRODUCTION SERVICES

	Year Ended December 31, 2017	2016
Telecommunications, postage and transportation services	2,824	2,513
Maintenance	2,408	3,145
Rental costs	646	257
Marketing and advertising	100	70
Utilities	1,056	947
Laundry (Note 29)	2,703	2,413
Cost of other services	569	99
	10,306	9,444

11. DEPRECIATION, AMORTIZATION AND PROVISIONS

	Year Ended December 31, 2017	2016
Depreciation and amortization charge:		
- property and equipment (Note 17)	24,956	24,457
- intangible assets (Note 17)	225	102
	25,181	24,559

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017
All amounts expressed in thousands of RSD, unless otherwise stated.

12. NON-MATERIAL COSTS

	Year Ended December 31, 2017	2016
Building maintenance	1,740	1,714
Consultant services	1,994	686
Security services	1,048	869
IT network maintenance	798	799
Lawyer fees	1,141	794
Other non-production services	6,647	6,683
Entertainment	1,887	2,153
Insurance premiums	351	355
Bank charges	5,152	5,855
Membership fees	58	118
Taxes and contributions payable	3,355	3,702
Fees payable to Orbis S.A. under the Management Agreement (Note 29)		
- trademark fees	299	-
- base management fees	367	-
- marketing fees	150	-
- management incentive fees	562	-
- distribution fees	3,520	-
- “Le Club“ fees	256	-
Other non-material costs	951	1,016
	30,276	24,744

13. FINANCE INCOME AND EXPENSES

Finance Income

	Year Ended December 31, 2017	2016
Interest income (from third parties)	693	861
Foreign exchange gains and positive currency clause effects (from third parties)	6,208	873
	6,901	1,734

Finance Expenses

	Year Ended December 31, 2017	2016
Interest expenses (to third parties):		
- per borrowings	5,689	8,111
- other interest expenses	175	449
	5,864	8,560
Foreign exchange losses and negative currency clause effects (to third parties)	1,979	2,917
	7,843	11,477

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017
All amounts expressed in thousands of RSD, unless otherwise stated.

14. OTHER INCOME AND EXPENSES

Other income

	Year Ended December 31, 2017	2016
Surpluses	1,018	70
Reversal of long-term provisions (Note 25)	-	1,195
Recovery of receivables previously provided for	47	-
Write-off of liabilities	69	7
Other income, elsewhere not mentioned	133	6
	1,267	1,278

Other expenses

	Year Ended December 31, 2017	2016
Shortages of materials	1,681	55
Penalties and fines paid	161	95
Prior years' expenses	6	-
Other expenses, elsewhere not mentioned	1,244	32
	3,092	182

15. EARNINGS PER SHARE

	Year Ended December 31, 2017	2016
Net profit/(loss)	5,708	(3,416)
Weighted average number of shares outstanding	77,311	77,311
Basic earnings per share (in RSD)	73.83	(44.19)

In the official form of the income statement of the Serbian Business Registers Agency, it is not possible to present the Company's earnings per share in accordance with IAS 33 – *Earnings per Share,* since those amounts are below RSD 1,000.

16. INCOME TAXES

a) Components of income taxes

	Year Ended December 31, 2017	2016
Current income tax expense	(2,967)	(1,551)
Deferred tax benefits	1,733	1,841
	(1,234)	290

b) Numerical reconciliation between tax expense and the product of the accounting result multiplied by the statutory tax rate

	2017	2016
Profit/(loss) before taxes	6,942	(3,706)
Income tax at the statutory rate of 15%	1,041	(556)
Tax effects of expenses not recognized for tax purposes	193	266
	1,234	(290)

All amounts expressed in thousands of RSD, unless otherwise stated.

16. INCOME TAXES (Continued)

c) Deferred tax liabilities

Deferred tax liabilities of RSD 57,438 thousand, net as of December 31, 2017 (December 31, 2016: RSD 59,171 thousand) relate to the temporary difference between the amount at which property, equipment and intangible assets are recognized for the tax statement purposes and the carrying amounts of these assets.

Movements on the net deferred tax liabilities were as follows:

	2017	2016
Balance, January 1	59,171	68,939
Recognized within other comprehensive income		
- effect of impairment of land (Notes 17 and 24)	-	(7,927)
Recognized in the income statement		
- temporary differences on property, equipment and intangible assets	(1,733)	(1,841)
Balance, December 31	57,438	59,171

17. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Movements on property, equipment and intangible assets are provided in the following table:

	Land	Buildings	Equipment and Other Assets	Investments in Progress; Advances Paid	Total	Intangible Assets
Cost						
Balance at January 1, 2016	200,786	680,486	34,133	62	915,467	1,173
Additions	-	-	6,803	-	6,803	-
Impairment (Notes 16 and 24)	(52,849)	-	-	-	(52,849)	-
Balance, December 31, 2016	147,937	680,486	40,936	62	869,421	1,173
Balance at January 1, 2017	147,937	680,486	40,936	62	869,421	1,173
Additions	-	-	7,069	-	7,069	5,026
Balance, December 31, 2017	147,937	680,486	48,005	62	876,490	6,199
Accumulated Depreciation/Amortization						
Balance at January 1, 2016	-	135,550	23,218	-	158,768	505
Charge for the year (Note 11)	-	20,415	4,042	-	24,457	102
Balance, December 31, 2016	-	155,965	27,260	-	183,225	607
Balance at January 1, 2017	-	155,965	27,260	-	183,225	607
Charge for the year (Note 11)	-	20,415	4,541	-	24,956	225
Balance, December 31, 2017	-	176,380	31,801	-	208,181	832
Net book value						
- December 31, 2017	147,937	504,106	16,204	62	668,309	5,367
- December 31, 2016	147,937	524,521	13,676	62	686,196	566

In 2016 the Company's operating performance deteriorated comparing to 2015, mainly due to decrease in the number of overnights stays, as well as decrease in the room rates due to intensified competition and less favorable economic situation in the market.

All amounts expressed in thousands of RSD, unless otherwise stated.

17. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Accordingly, in accordance with IAS 36, the Company engaged an independent appraiser to determine the recoverable values of property, plant and equipment as of the balance sheet date. The recoverable amount is determined as the value in use, calculated based on the projected cash flows in accordance with the following assumptions:

- average room rate per day in the basis year in the amount of EUR 48.70;
- normalized room rate per day in the amount of EUR 71.70;
- utilization of the accommodation capacity in the basis year of 29.79%;
- normalized utilization of accommodation capacities of 58.96%; and
- discount rate of 12%,

Based on the aforementioned analysis, the recoverable amount of land was determined in the amount of RSD 147,937 thousand, which is by RSD 52,849 thousand below the carrying value of land. Accordingly, the Company recorded impairment losses in respect of land as a decrease in the value of land resulting from the previous revaluation. According to the fair value assessibility, applied method of the fair value measurement of land corresponds to Level 3 in accordance with IFRS 13.

As a collateral for the loan approved by the National Bank of Greece SA, London Branch, the Company placed under first class mortgage its building at no. 5, Kneza Miloša Street, with the net book value of RSD 504,106 thousand as at December 31, 2017.

18. LONG-TERM FINANCIAL INVESTMENTS

Other long-term financial investments totaling RSD 19,430 thousand as of December 31, 2017 (December 31, 2016: RSD 32,597 thousand or EUR 264,000) relate to cash funds deposited with Vojvođanska banka a.d., Novi Sad (EUR 164,000) acting as an agent regarding the loan approved by the National Bank of Greece SA, London Branch (Note 26).

The Supplementary Loan Agreement executed by and between Excelsior a.d., Beograd (the borrower), National Bank of Greece S.A., London Branch (the lender) and Vojvođanska banka a.d., Novi Sad (the agent for security and the payment agent) on June 30, 2017 stipulates that the originally deposited cash funds, the amount of EUR 100,000 shall be used for investment (the required capital expenditures for software update and upgrade and rebranding of the Hotel) and that the amount of EUR 164,000 shall be retained as the guarantee deposit that shall accrue interest at the rate equal to 50% of the loan's interest rate.

19. INVENTORIES

	December 31, 2017	December 31, 2016
Materials	1,449	1,263
Spare parts	61	61
Tools and fixtures	1,192	51
	2,702	1,375
Advances paid to suppliers	1,096	895
	3,798	2,270

20. TRADE RECEIVABLES

	December 31, 2017	December 31, 2016
Domestic trade receivables – other related parties (Note 29)	237	-
Domestic trade receivables	1,609	1,894
Foreign trade receivables	3,461	1,664
	5,307	3,558
Less: Impairment allowance of foreign trade receivables	(79)	(126)
	5,228	3,432

All amounts expressed in thousands of RSD, unless otherwise stated.

21. OTHER RECEIVABLES

	December 31, 2017	December 31, 2016
Receivables from employees	32	27
Receivables for prepaid income taxes	4,099	3,715
Other current receivables	978	624
	5,109	4,366

22. CASH AND CASH EQUIVALENTS

	December 31, 2017	December 31, 2016
RSD current account	4,596	2,881
Cash on hand in RSD	-	51
Cash on hand in foreign currencies	-	114
Foreign currency accounts	17,864	9,598
	22,460	12,644

23. VALUE ADDED TAX RECEIVABLE AND PAYABLE

As of December 31, 2017, the Company reported value added tax payable in the amount of RSD 967 thousand (December 31, 2016: a receivable for prepaid value added tax in the amount of RSD 728 thousand).

24. ISSUED CAPITAL AND REVALUATION RESERVES

The Company's share capital as recorded in the books of account amounted to RSD 77,311 thousand as of December 31, 2017 and entirely comprised common stock shares. As of December 31, 2017, the share capital was divided into 77,311 common shares with individual par value of RSD 1,000. All shares issued are fully paid in.

The Company's majority owner is Lampsa AE, Athens, Greece, holding 80.33% of shares and voting power. The Company's shareholder structure at December 31, 2017 was as follows:

Shareholder	Share Count	RSD '000	%
Lampsa AE Athens, Greece	62,104	62,104	80.33%
Other shareholders – private individuals	14,626	14,626	18.92%
Collective, i.e., custody account	581	581	0.75%
	77,311	77,311	100.00%

All amounts expressed in thousands of RSD, unless otherwise stated.

24. ISSUED CAPITAL AND REVALUATION RESERVES (Continued)

The Company's revaluation reserves totaling RSD 411,955 thousand relate to revaluation reserves resulting from the appraisal of property and equipment.

P Changes in equity during 2017 and 2016 were as follows:

	Permanent Investments	Accumulated Losses	Retained Earnings	Revaluation Reserves	Total
Balance, January 1, 2016	77,311	(41,688)	71,518	456,877	564,018
Loss for the year	-	(3,416)	-	-	(3,416)
Effects of impairment of land (Note 17)	-	-	-	(52,849)	(52,849)
Tax effects of impairment (Note 16)	-	-	-	7,927	7,927
Total comprehensive income, net	-	(3,416)	-	(44,922)	(48,338)
Balance, December 31, 2016	77,311	(45,104)	71,518	411,955	515,680
Balance, January 1, 2017	77,311	(45,104)	71,518	411,955	515,680
Profit for the year	-	-	5,708	-	5,708
Absorption of prior years' losses	-	45,104	(45,104)	-	-
Total comprehensive income, net	-	-	5,708	-	5,708
Balance, December 31, 2017	77,311	-	32,122	411,955	521,388

25. LONG-TERM PROVISIONS

As of December 31, 2017, the Company stated provisions for litigations in the amount of RSD 525 thousand (December 31, 2016: RSD 525 thousand) (Note 31). During 2017, the Company made no additional provisioning in this respect.

26. LONG-TERM LIABILITIES

			RSD '000
	EUR	December 31, 2017	December 31, 2016
National Bank of Greece S.A., London Branch	993,000	117,644	149,578
Current portion (Note 27)	(164,000)	(19,430)	(51,195)
		98,214	98,383

Long-term loans were approved to the Company (Original Loan Agreement dated April 1, 2009 was amended through execution of Supplementary Loan Agreements dated March 29, 2010, July 2012, July 18, 2013 and June 30, 2017) with the repayment due date up to June 30, 2022 (with a grace period from June 5, 2017 to December 22, 2017) at the higher of the minimum interest rate of 5% per annum increased by a 5.3% margin annually and a percentage rate that, added to the effective EURIBOR, equals the minimum interest rate. The loans shall be repaid in quarterly installments. The loans are securitized with mortgage liens instituted over the Company's building (Note 17).

Maturities of long-term borrowings are provided in the table below:

			RSD '000
	EUR	December 31, 2017	December 31, 2016
- matured liabilities	-	-	10,240
- up to 1 year	164,000	19,430	40,955
- from 1 to 2 years	436,000	51,654	98,383
- from 2 to 3 years	393,000	46,560	-
	993,000	117,644	149,578

All amounts expressed in thousands of RSD, unless otherwise stated.

27. SHORT-TERM FINANCIAL LIABILITIES

	December 31, 2017	December 31, 2016
Current portion of long-term borrowings (Note 26)	19,430	51,195
Short-term borrowings approved by AIK banka a.d., Beograd (former Alpha Bank a.d., Beograd):		
- principal	22,510	10,125
- interest	72	-
	42,012	61,320

In December 2016, AIK banka a.d., Beograd (former Alpha Bank a.d., Beograd) approved to the Company a short-term loan for working capital in the amount of EUR 82,000 in RSD equivalent at an interest rate of 12-month EURIBOR increased by 4.35% p.a. Annex to the Loan Agreement no. 2 dated July 25, 2017 extended the loan repayment due date to January 31, 2018.

On March 28, 2017, AIK banka a.d., Beograd approved the Company another short-term loan in the amount of EUR 108,000 in RSD equivalent. The loan was initially approved with a maturity up to July 25, 2017 and then Annex no. 1 to the Loan Agreement extended the repayment period up to January 31, 2018. The interest rate applied equals 12-month EURIBOR increased by 4.35% p.a..

Both loans are securitized with short-term foreign currency deposits of the Company's related party places with AIK banka a.d., Beograd.

28. TRADE PAYABLES

	December 31, 2017	December 31, 2016
Trade payables:		
- other domestic related parties (Note 29)	253	320
- domestic	3,334	4,740
- foreign	3,387	300
Other accounts payable	1,785	540
	8,759	5,900

29. RELATED PARTY DISCLOSURES

In its regular course of business, the Company enters into transactions with its related parties. The transactions between the Company and its related parties are governed by relevant contracts and performed at arm's length.

a) Balance Sheet

The Company had the following balances of receivables and payables arising from the related party transactions:

	December 31, 2017	December 31, 2016
Trade receivables (note 20)		
- BMP a.d., Beograd	237	-
Total receivables	**237**	**-**
Trade payables (Note 28)		
- BMP a.d., Beograd	253	320
Total liabilities	**253**	**320**
Liabilities, net	**(16)**	**(320)**

All amounts expressed in thousands of RSD, unless otherwise stated.

29. RELATED PARTY DISCLOSURES (Continued)

b) Income Statement

The breakdown of income and expenses arising from the related party transactions is presented in the following table:

	2017	2016
Sales of products and services (Note 5):		
- BMP a.d., Beograd	197	51
Total income	**197**	**51**
Cost of production services:		
- BMP a.d., Beograd	2,703	2,413
Non-material costs:		
- ORBIS S.A. (Note 12)	5,154	-
- BMP a.d., Beograd	-	10
Total expenses	**7,857**	**2,423**
Expenses, net	**(7,660)**	**(2,372)**

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

There is no formal framework delineating the Company's capital risk management. The Company manages capital risk and tries to relieve the risk effects in order to ensure the continuity of its business operations in the foreseeable future while maximizing return on equity to its owners through optimization of the capital structure and debt to equity ratio. The Company's equity includes cash and cash equivalents and equity attributable to owners, which include share capital, reserves, retained earnings, as well as accumulated losses.

Persons in control of finances on the Company level review the equity structure on an annual basis. As a part of the review at issue, Management considers the price of capital and risks related to each type of capital.

The Company's gearing ratios as of the year-end were as follows:

	December 31, 2017	December 31, 2016
Debt a)	140,226	159,703
Cash and cash equivalents	22,460	12,644
Net debt	117,766	147,059
Equity b)	521,388	515,680
Debt to equity ratio	0.23	0.29

a) Debt is related to long-term and short-term borrowings, other long-term liabilities, interest liabilities and cost of financing;
b) Equity includes share capital, reserves, retained earnings and accumulated losses

Significant accounting policies with reference to financial instruments

Details of significant accounting policies, as well as criteria and basis for the recognition of income and expenses for all types of financial assets and liabilities are disclosed in Note 3 of these financial statements.

All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Categories of Financial Instruments

	December 31, 2017	December 31, 2016
Financial assets		
Other long-term financial investments	19,430	32,597
Trade receivables	5,228	3,432
Cash and cash equivalents	22,460	12,644
	47,118	48,673
Financial liabilities		
Long-term borrowings, foreign	98,214	98,383
Short-term borrowings, domestic	22,582	10,125
Trade payables	6,974	5,360
Other short-term financial liabilities	19,430	51,195
	147,200	165,063

Basic financial instruments held by the Company comprise cash and cash equivalents, trade receivables and trade payables primarily used to finance the Company's current operations. In the regular course of business, the Company is exposed to the risk enumerated and delineated in the following passages.

Financial Risk Management

Financial risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks are considered on time basis and are diminished by decreasing relevant exposures. The Company does not make use of derivative financial instruments so as to avoid the adverse effect of these risks on the Company's business operations, due to the fact that such instruments are not commonly used on the Republic of Serbia market, nor is there an organized market for such instruments in the Republic of Serbia.

Market Risk

In its business operations, the Company is exposed to financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposure is measured by means of sensitivity analysis. There have been no changes in the manner in which the Company alleviates and measures the exposure.

Foreign Currency Risk

The Company is exposed to foreign currency risks inherent in cash and cash equivalents, other long-term financial investments, long-term foreign and short-term domestic borrowings and trade payables denominated in foreign currency. It does not make use of any special hedging instruments given that such instruments are uncommon in the Republic of Serbia.

The stability of economic environment in which the Company operates is greatly dependent upon the economic measures taken by the Republic of Serbia's Government including the establishment of an adequate legal and legislative framework.

The carrying values of the Company's foreign currency denominated monetary assets and liabilities as of the reporting date were as follows:

RSD '000

	Assets		Liabilities	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
EUR	40,675	43,847	143,613	160,003
	40,675	43,847	143,613	160,003

All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market Risk (Continued)

Foreign Currency Risk (Continued)

The Company is sensitive to the movements in the EUR exchange rates. The following table provides details on the Company's sensitivity to the increase and decrease of 10% in the RSD to foreign currency exchange rate. The 10% sensitivity rate was used in internal reporting on the foreign currency risk and it represents the management's best estimate of reasonably expected fluctuations in exchange rates. The sensitivity analysis includes only the outstanding foreign currency assets and liabilities and it adjusts their translation at the period end for the 10% fluctuation in foreign exchange rates. The positive figures in the table indicate a decrease in the result of the current period, being the case when RSD depreciates against the currency at issue. In case of RSD 10% appreciation against the foreign currency at issue, the impact on the profit for the current period would be the exact opposite of the one calculated in the previous case.

		RSD '000
	December 31, 2017	December 31, 2016
EUR	10,294	11,616
Impact on the current period's profit or loss	10,294	11,616

Interest Rate Risk

The Company is exposed to the risk of changes in interest rates on assets and liabilities for which the interest rate is variable. This risk depends on the financial markets and the Company does not have available instruments that would mitigate its impact.

The carrying values of financial assets and liabilities at the end of the period under review and grouped by the level of interest rate risk are presented in the following table:

	December 31, 2017	December 31, 2016
Financial assets		
Non-interest bearing		
Trade receivables	5,228	3,432
Cash and cash equivalents	22,460	12,644
	27,688	16,076
Variable interest rate		
Other long-term financial investments	19,430	32,597
	47,118	48,673
Financial liabilities		
Non-interest bearing		
Trade payables	6,974	5,360
	6,974	5,360
Variable interest rate		
Long-term borrowings, foreign	98,214	98,383
Short-term borrowings, domestic	22,582	10,125
Other short-term financial liabilities	19,430	51,195
	140,226	159,703
	147,200	165,063

All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market Risk (Continued)

Interest Rate Risk (Continued)

The sensitivity analysis presented in the following text has been established based on the Company's exposure to interest rate risk inherent in non-derivative instruments as of the balance sheet date. For liabilities with variable interest rate, the analysis has been prepared under the assumption that the outstanding balance of assets and liabilities as of the balance sheet date remained constant throughout the year. The increase or decrease in interest rates of 1 percentage point represents the fluctuation reasonably anticipated by the management. Had interest rate been 1 percentage point higher/lower and all the other variables remained unchanged, the Company's profit for the year ended December 31, 2017 would have decreased/increased by RSD 1,208 thousand (December 31, 2016: by RSD 1,271 thousand). Such situation is attributed to the Company's exposure to the variable interest rates applied to long-term borrowings and other long-term liabilities.

Credit Risk

Managing Trade Receivables

Credit risk relates to the exposure inherent in the possibility that the counterparty fails to act upon its contractual commitments and causes the Company to suffer loss. The Company's exposure to this risk is primarily related to receivables from customers as of the balance sheet date.

The most significant customers are as follows:

	December 31, 2017	December 31, 2016
Kuoni Global Travel Services	194	878
Telenor	299	163
Travco House	382	190
JacTravel Limited	1,166	236
Chryssa Travel	522	-
Other customers	2,665	1,965
	5,228	3,432

Breakdown of the trade receivables as of December 31, 2017 is presented in the following table:

	Gross Exposure	Impairment Allowance	Net Exposure
Trade receivables, matured and provided for	79	(79)	-
Trade receivables, not matured	5,228	-	5,228
	5,307	(79)	5,228

Breakdown of the trade receivables as of December 31, 2016 is presented in the following table:

	Gross Exposure	Impairment Allowance	Net Exposure
Trade receivables, matured and provided for	126	(126)	-
Trade receivables, not matured	3,432	-	3,432
	3,558	(126)	3,432

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017
All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Managing Trade Receivables (Continued)

Trade receivables, not matured

Trade receivables, not matured at December 31, 2017 in the amount of RSD 5,228 thousand mainly relate to receivables from the sales of services in the last week of 2016. These receivables mainly mature within 8 days from the invoice date, depending on the contractual terms of payment. The average days sales outstanding in 2017 counted12 days (2016: 14 days).

Trade receivables, matured and provided for

In prior periods the Company made impairment allowance of overdue receivables in the amount of RSD 79 thousand (December 31, 2016: RSD 126 thousand) due from customers whose creditworthiness was determined to have changed and which were assessed as unlikely to be collected in full.

Managing Trade Payables

Trade payables as of December 31, 2017 were stated as amounting to RSD 6,974 thousand (December 31, 2016: RSD 5,360 thousand). Suppliers do not charge penalty interest on outstanding liabilities, whereby the Company settled its dues to suppliers within the agreed terms, in accordance with the financial risk management policies. The average days payable outstanding in 2017 counted 34 days (2016: 50 days).

Liquidity Risk

The ultimate responsibility for liquidity risk management resides with the Company's management, which is also responsible for managing the Company's short-term, medium-term and long-term financing and liquidity management. The Company manages liquidity by maintaining the necessary level of cash reserves, based on continued monitoring over the planned and actual cash flows, as well as by adequately matching the maturities of financial assets and liabilities.

Liquidity Risk Tables

The following tables detail the Company's remaining contractual maturity of its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets based on the earliest date on which the Company may be able to collect such receivables.

Maturities of Financial Assets

December 31, 2017

	Within 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Years	Total
Non-interest bearing	27,688	-	-	-	-	27,688
Variable interest rate						
- principal	-	-	-	19,430	-	19,430
- interest	-	-	-	486	-	486
	27,688	-	-	19,916	-	47,604

December 31, 2016

	Within 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Years	Total
Non-interest bearing	16,076	-	-	-	-	16,076
Variable interest rate						
- principal	-	-	-	32,597	-	32,597
- interest	-	-	-	1,304	-	1,304
	16,076	-	-	33,901	-	49,977

All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

Liquidity Risk Tables (Continued)

Maturities of Financial Assets (Continued)

The following tables detail the Company's remaining contractual maturity of its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be able to make payments based on such liabilities.

Maturities of Financial Liabilities

December 31, 2017

	Within 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Years	Total
Non-interest bearing	6,974	-	-	-	-	6,974
Variable interest rate						
- principal	-	-	42,012	98,214	-	140,226
- interest	-	-	5,421	8,635	-	14,056
	6,974	-	47,433	106,849	-	161,256

December 31, 2016

	Within 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Years	Total
Non-interest bearing	5,360	-	-	-	-	5,360
Variable interest rate						
- principal	-	-	61,320	98,383	-	159,703
- interest	-	-	1,335	6,474	-	7,809
	5,360	-	62,655	104,857	-	172,872

Fair Value of Financial Instruments

The following table provides the present values of the Company's financial assets and liabilities and their fair values as of December 31, 2017 and 2016:

	December 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Other long-term financial investments	19,430	19,430	32,597	32,597
Trade receivables	5,228	5,228	3,432	3,432
Cash and cash equivalents	22,460	22,460	12,644	12,644
	47,118	47,118	48,673	48,673
Financial liabilities				
Long-term borrowings, foreign	98,214	98,214	98,383	98,383
Short-term borrowings, domestic	22,582	22,582	10,125	10,125
Other short-term financial liabilities	19,430	19,430	51,195	51,195
Trade payables	6,974	6,974	5,360	5,360
	147,200	147,200	165,063	165,063

All amounts expressed in thousands of RSD, unless otherwise stated.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Fair Value of Financial Instruments (Continued)

Assumptions for the Assessment of the Current Fair Value of Financial Instruments

Given that the sufficient market experience, stability and liquidity do not presently exist for the purchase and sale of financial assets or liabilities, and given that the quoted prices, which could be used for the purposes of disclosing fair value of financial assets and liabilities are unavailable, the method here applied is that of discounted cash flows. In using this method of measurement, interest rates for financial instruments with similar characteristics have been used, with the aim to arrive at the relevant assessment of market values of financial instruments as of the balance sheet date.

31. LITIGATION

As of December 31, 2017, the Company was involved in several legal suits on different grounds. Based on the opinion of the Company's attorney at law and the management's estimates from prior years, the Company accrued a liability in respect thereof in the amount of RSD 525 thousand (Note 25).

32. CONTINGENT LIABILITIES

Land and building property stated as of December 31, 2017 in the amount of RSD 652,043 are in the Company's ownership based on denationalization of property performed in a prior period. Pursuant to the Agreement on Acquisition of the Socially-Owned Capital executed with the Serbian Privatization Agency, the majority owner is also aware that the Company's assets include nationalized property and agrees to treat such property pursuant to the relevant law provisions. The Company's management holds that the Company will not suffer adverse effects arising from resolution of the nationalized property issue or incur outflows of resources in this respect.

33. EVENTS AFTER THE REPORTING PERIOD

At its extraordinary session held on February 26, 2018, the Company's Shareholder Assembly enacted Decision on withdrawal of the Company's shares from the regulated market, i.e. MTP, and termination of its capacity of a public shareholding company. The said Decision was registered with the Serbian Business Registers Agency on March 8, 2018.

In accordance with the Shareholder Assembly's Decision dated February 26, 2018, in April 2018 the Company commenced purchase of shares from minority shareholders.

34. TAXATION RISKS

The Republic of Serbia tax legislation is subject to varying interpretations and changes occur frequently. The interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not coincide with that of the management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest. The periods remain open to review of tax liabilities by the tax and customs authorities for five years. This virtually means that tax authorities could determine payment of outstanding liabilities within the period of five years from the origination of the liability.

35. EXCHANGE RATES

The official middle exchange rates for the major currency as determined in the interbank foreign exchange market and used in the translation of the balance sheet components denominated in foreign currencies into dinars were as follows:

		In RSD
	December 31, 2017	**December 31, 2016**
EUR	118,4727	123.4723

APPENDICES

Appendix 1

INCOME STATEMENT
Year Ended December 31, 2017
(Thousands of EUR)

	2017	2016
Operating income	**1,113**	**923**
Sales of products and services		
Sales of products and services to other related parties in domestic market	2	-
Sales of products and services in domestic market	1,097	906
	1,099	906
Other operating income	**14**	**17**
Operating expenses	**(1,032)**	**(879)**
Cost of materials	(140)	(130)
Cost of fuel and energy	(65)	(59)
Staff costs	(286)	(212)
Cost of production services	(85)	(77)
Depreciation/amortization charge	(207)	(200)
Non-material costs	(249)	(201)
Profit from operations	**81**	**44**
Finance income	**57**	**14**
Interest income (from third parties)	6	7
Foreign exchange gains and positive currency clause effects (third parties)	51	7
Finance expenses	**(64)**	**(93)**
Interest expenses (to third parties)	(48)	(70)
Foreign exchange losses and negative currency clause effects (to third parties)	(16)	(23)
Loss from financing activities	**(7)**	**(79)**
Losses on value adjustment of other assets carried at fair value through profit and loss	-	(1)
Other income	10	10
Other expenses	(25)	(1)
Profit/(Loss)/from continuing operations before taxes	**59**	**(27)**
		-
Net loss from discontinued operations, effects of changes in accounting policies and prior years' error adjustment	-	(3)
		-
Profit/(Loss)/ before taxes	**59**	**(30)**
Current income tax expense	(24)	(13)
Deferred tax benefits	14	15
NET PROFIT/(LOSS) FOR THE YEAR	**49**	**(28)**
Earnings per share (in EUR)	1	-

Note:

In accordance with the majority shareholders requirements, the Company's financial statements prepared in accordance with the accounting regulations of the Republic of Serbia and presented in the Company's Serbian dinar (functional currency) were translated into EUR (presentation currency).

Translation of Income Statement for the year ended December 31, 2017 and 2016 was performed the following average exchange rates:

- 2017: 121.4027
- 2016: 123.1015

Appendix 2

BALANCE SHEET
As of December 31, 2017
(Thousands of EUR)

	December 31, 2017	December 31, 2016
ASSETS		
Non-current assets	**5,850**	**5,826**
Intangible assets	**45**	**5**
Concessions, patents, licenses, trademarks, software and other rights	45	5
Property, plant and equipment	**5,641**	**5,557**
Land	1,249	1,198
Buildings	4,255	4,248
Plant and equipment	136	110
Other property, plant and equipment	1	1
Long-term financial investments	**164**	**264**
Other long-term investments	164	264
Current assets	**313**	**191**
Inventories	**32**	**18**
Materials, spare parts, small tools and fixtures	23	11
Advances paid for inventories and services	9	7
Trade receivables	**45**	**28**
Domestic - other related parties	2	
Domestic	14	15
Foreign	29	13
Other receivables	43	35
Cash and cash equivalents	190	102
Value added tax receivable	-	7
Prepayments	3	1
TOTAL ASSETS	**6,163**	**6,017**

Appendix 2
(Continued)

BALANCE SHEET (Continued)
As of December 31, 2017
(Thousands of EUR)

	December 31, 2017	December 31, 2016
EQUITY AND LIABILITIES		
Equity	**4,401**	**4,176**
Share capital	979	979
Revaluation reserves arising from revaluation of intangible assets, property, plant and equipment	5,159	5,159
Net profit for the year	49	-
Retained earnings - prior years	220	615
Accumulated losses - prior years	-	(367)
Loss for the year	-	(28)
Translation reserves	(2,006)	(2,182)
Non-current provisions and liabilities	**833**	**801**
Long-term provisions	**4**	**4**
Provisions for litigations – labor disputes	4	4
Long-term liabilities	**829**	**797**
Long-term borrowings, foreign	829	797
Deferred tax liabilities	485	479
Current liabilities	**444**	**561**
Short-term financial liabilities	**355**	**497**
Short-term borrowings, domestic	191	82
Other short-term financial liabilities	164	415
Advances, deposits and retainers received	7	5
Trade payables	**74**	**48**
Domestic – other related parties	2	3
Domestic	28	38
Foreign	29	2
Other account trade payables	15	5
Other current liabilities	-	7
Value added tax payable	8	-
Other taxes, contributions and duties payable	-	4
TOTAL EQUITY AND LIABILITIES	**6,163**	**6,017**

Note:

In accordance with the majority shareholder requirements, the Company's financial statements prepared in accordance with the accounting regulations of the Republic of Serbia and presented in the Company's Serbian dinar (functional currency) were translated into EUR (presentation currency).

Translation of Balance Sheet as at December 31, 2017 and 2016 was performed using the following rates:

- Balance Sheet items at December 31, 2017 except for the share capital, revaluation reserves and net profit were translated using the closing rate: 118.4727
- Balance Sheet items at December 31, 2016 except for the share capital, revaluation reserves and net profit were translated using the closing rate: 123.4723
- Share capital at December 31, 2017 and December 31, 2016 was translated using the historical exchange rate: 81.2203
- Revaluation reserves at December 31, 2017 and December 31, 2016 were translated using the exchange rate at the date of revaluation of property, plant and equipment: 83.8286.
- Net profits for the years ended December 31, 2017 and December 31, 2016 were translated using the average exchange rate for 2017 and 2016: 121.4027 and 123.1015.