

# **Madison Point Holdings S.A.**

*Société Anonyme*

## **Annual accounts As at 31 December 2017**

4, rue Lou Hemmer  
L-1748 Luxembourg-Findel  
**R.C.S. Luxembourg: B187.914**

# **Madison Point Holdings S.A.**

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## Report of the Statutory Auditor

To the attention of the Shareholders of

Madison Point Holdings S.A.  
4, rue Lou Hemmer  
L-1748 Luxembourg-Findel

In conformity with the Luxembourg legal and statutory requirements, we are pleased to advise you that we have carried out, for the year ended December 31, 2017, the mandate of Statutory Auditor of Madison Point Holdings S.A. ("the Company") which you entrusted to us.

We have carried out our mandate based on Article 443-2 to the amended Law of August 10, 1915, which does not require the Statutory Auditor to give an opinion on the annual accounts. Accordingly, we have not examined the annual accounts in accordance with International Standards on Auditing.

We have noted that the annual accounts at December 31, 2017 which show a balance sheet total of EUR 57,992,952 and a loss for the year of EUR 116,778,679 are in agreement with the accounting records and related documents which were provided to us.

However, we draw your attention to the fact that, as disclosed in the Note 3 to the annual accounts, the Company fully owns in particular the Luxembourg entity Madison Point Investment S.à r.l., acquired for EUR 160,216,003. This subsidiary has been impaired during the year for an amount of EUR 116,730,001, leading to a net book value amounting to EUR 43,761,002. However, in the absence of valuation report of the said entity, we are unable to comment on the fair carrying value of this investment.

Except for the matters mentioned in the preceding paragraph, we have no other comments on the accounts for the year ended December 31, 2017. We propose you to approve them and give discharge to the Board of Directors, after due consideration of this paragraph.

Alter Domus Luxembourg S.à .r.l.  
Statutory Auditor  
Represented by

Luxembourg, June 13, 2018



Frank Przygodda

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Alter Domus Luxembourg S.à r.l. / Domiciliataire de sociétés, Expert-Comptable  
Autorisation gouvernementale N° 10015756/0 / Société à responsabilité limitée au capital social de 31.752.500 euro  
R.C.S. Luxembourg B. 136 477 / TVA LU 25057742

 EUROPEAN  
SPECIALIST  
ADMINISTRATOR  
**WINNER**  
FUNDS EUROPE  
AWARDS 2013

**Annual Accounts Helpdesk :**

Tel. : (+352) 247 88 494  
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B187914 | Matricule : 2014 22 27429

**ABRIDGED BALANCE SHEET**

Financial year from <sup>01</sup> 01/01/2017 to <sup>02</sup> 31/12/2017 (in <sup>03</sup> EUR )

MADISON POINT HOLDINGS SA

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
<b>B. Formation expenses</b>	1107	693.43	1,386.85
<b>C. Fixed assets</b>	1109	57,248,833.50	193,658,293.50
I. Intangible assets	1111	111	112
II. Tangible assets	1125	125	126
III. Financial assets	1135	57,248,833.50	193,658,293.50
<b>D. Current assets</b>	1151	743,424.81	148,665.23
I. Stocks	1153	153	154
II. Debtors	1163	627,926.98	6,955.00
a) becoming due and payable within one year	1203	627,926.98	6,955.00
b) becoming due and payable after more than one year	1205	205	206
III. Investments	1189	189	190
IV. Cash at bank and in hand	1197	115,497.83	141,710.23
<b>E. Prepayments</b>	1199	199	200
<b>TOTAL (ASSETS)</b>		57,992,951.74	193,808,345.58

<b>CAPITAL, RESERVES AND LIABILITIES</b>
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	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
I. Subscribed capital	1301	42,968,420.45	159,747,099.53
II. Share premium account	1303	125,000.00	125,000.00
III. Revaluation reserve	1305	159,216,660.50	159,216,660.50
IV. Reserves	1307		
V. Profit or loss brought forward	1309	12,500.00	12,500.00
VI. Profit or loss for the financial year	1319	392,939.03	457,313.31
VII. Interim dividends	1321	-116,778,679.08	-64,374.28
VIII. Capital investment subsidies	1323		
	1325		
<b>B. Provisions</b>	1331	88,831.33	107,656.35
<b>C. Creditors</b>	1435	14,935,699.96	33,953,589.70
a) becoming due and payable within one year	1453	1,992,903.96	831,334.70
b) becoming due and payable after more than one year	1455	12,942,796.00	33,122,255.00
<b>D. Deferred income</b>	1403		
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	57,992,951.74	193,808,345.58

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**ABRIDGED PROFIT AND LOSS ACCOUNT**

Financial year from <sup>01</sup> 01/01/2017 to <sup>02</sup> 31/12/2017 (in <sup>03</sup> EUR )

MADISON POINT HOLDINGS SA

**ABRIDGED PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. to 5. Gross profit or loss</b>	1651 _____	651 <u>-88,149.13</u>	652 <u>-48,065.18</u>
<b>6. Staff costs</b>	1605 _____	605 <u>-21,841.84</u>	606 <u>-27,406.58</u>
a) Wages and salaries	1607 _____	607 <u>-19,524.33</u>	608 <u>-24,421.09</u>
b) Social security costs	1609 _____	609 <u>-2,317.51</u>	610 <u>-2,985.49</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-2,317.51</u>	656 <u>-2,985.49</u>
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 <u>-693.42</u>	658 <u>-693.42</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>-693.42</u>	660 <u>-693.42</u>
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____	621 _____	622 _____

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667	668
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669	670

**Madison Point Holdings S.A.**  
**Notes to the annual accounts for the year ended 31 December 2017**

**Note 3 – Financial fixed assets (continued)**

Undertakings in which the Company holds at least 20% share capital are as follows:

2017					
	Register office	Ownership	Last balance sheet date	Net equity EUR	Profit (loss) for the financial year EUR
Madison Point Investment S.à r.l.	Luxembourg	100%	31 December 2017	43,590,429	(116,501,371)
Madison Point Investment II S.à r.l.	Luxembourg	100%	31 December 2017	2,305,829	1,182,830
Madison Point Hotels S.A.	Greece	100%	31 December 2017	(159,417)	(359,417)
2016					
	Register office	Ownership	Last balance sheet date	Net equity EUR	Profit (loss) for the financial year EUR
Madison Point Investment S.à r.l.	Luxembourg	100%	31 December 2016	160,091,800	(13,764)
Madison Point Investment II S.à r.l.	Luxembourg	100%	31 December 2016	1,122,999	333,450

The underlying net equity and result for the period are based on the unaudited annual accounts of the subsidiaries as of 31 December 2017 and 2016.

The Board of Directors of the Company agreed to adjust the value of its investments in Madison Point Investment S.à r.l. by an amount equivalent to the impairment on the underlying asset of EUR116,455,001 as 31 December 2017.

As of 31 December 2017, the Board of Directors of the Company agreed to adjust the value of its investments in MP Hotels by EUR125,000 and the value of the Tranche A bonds by EUR150,000 based on the recent offer that it received from an interested buyer.

**Note 4 - Debtors**

Debtors are mainly composed of:

in EUR	2017	2016
Interest advanced to Madison Point Partnership L.P.	619,698	-
Tax advance	7,490	6,955
Interest receivable from MPHotels	739	-
<b>Total</b>	<b>627,927</b>	<b>6,955</b>

The roll forward of interest derived from affiliated undertakings is as follows:

in EUR	2017	2016
Balance as at 1 January	-	467,460
Interest income for the year	44,251,199	40,059,934
Collections during the year	(45,728,495)	(40,635,110)
Overpayment from MPI II	1,478,035	107,716
<b>Balance as at 31 December</b>	<b>739</b>	<b>-</b>
Overpayment from MPI II - reclassification to Creditors	1,585,751	107,716

**Madison Point Holdings S.A.**  
**Notes to the annual accounts for the year ended 31 December 2017**

**Note 5 - Capital and reserves**

**5.1 Subscribed capital**

The subscribed capital amounts to EUR 125,000 and is divided into 1,250,000 A shares fully paid with a nominal value of EUR 0.01, 1,250,000 B shares fully paid with a nominal value of EUR 0.01, 1,250,000 C shares fully paid with a nominal value of EUR 0.01, 1,250,000 D shares fully paid with a nominal value of EUR 0.01, 1,250,000 E shares fully paid with a nominal value of EUR 0.01, 1,250,000 F shares fully paid with a nominal value of EUR 0.01, 1,250,000 G shares fully paid with a nominal value of EUR 0.01, 1,250,000 H shares fully paid with a nominal value of EUR 0.01, 1,250,000 I shares fully paid with a nominal value of EUR 0.01 and 1,250,000 J shares fully paid with a nominal value of EUR 0.01.

**5.2 Share premium and similar premiums**

On 27 October 2014, the Company increased its capital by EUR 100,000 by issuing 10,000,000 shares with a nominal value of EUR 0.01 plus a share premium of EUR 1,013,712.

Based on the Contribution Agreement effective on 15 December 2014 between the Company and Madison Point Partnership, L.P. (the "Parent Company"), it was agreed that the Parent Company shall contribute by a contribution in kind of an aggregate amount of EUR 158,202,949 of principal and accrued yield on the TPECs issued as a capital contribution on the existing shares of the Company to the Company, and to be allocated to the special reserve account relating to the existing shares of the Company.

There were no movements in the premium account as of 31 December 2017.

**5.3 Legal reserve**

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

**5.4 Movements for the year on equity accounts and profit and loss items**

Movements for the year are as follows:

in EUR	2017					
	Subscribed capital	Share premium account	Reserves	Profit or loss brought forward	Profit or loss for the year	Total
Balance as at 1 January	125,000	159,216,661	12,500	457,313	(64,374)	159,747,100
Movements for the year:						
- Allocation of previous year's profit or loss	-	-	-	(64,374)	64,374	-
- Profit or loss for the year	-	-	-	-	(116,778,679)	(116,778,679)
<b>Balance as at 31 December</b>	<b>125,000</b>	<b>159,216,661</b>	<b>12,500</b>	<b>392,939</b>	<b>(116,778,679)</b>	<b>42,968,421</b>

**Madison Point Holdings S.A.**  
**Notes to the annual accounts for the year ended 31 December 2017**

**Note 6 – Creditors (continued)**

During the period ended 31 December 2017 and 2016, the Company had the following movements in the amounts owed to affiliated undertakings:

2017		
in EUR	Principal	Interest
<b>Balance as at 01 January</b>	33,122,255	316,465
Additions during the year	-	-
Interest incurred during the year	-	44,184,378
Repayments during the year	(20,179,459)	(45,120,541)
<b>Balance as at 31 December</b>	<b>12,942,796</b>	<b>(619,698)</b>

  

2016		
in EUR	Principal	Interest
<b>Balance as at 01 January</b>	50,037,423	1,403,598
Additions during the year	-	-
Interest incurred during the year	-	40,044,867
Repayments during the year	(16,915,168)	(41,132,000)
<b>Balance as at 31 December</b>	<b>33,122,255</b>	<b>316,465</b>

**Note 7 – Provisions**

Provisions are made up as follows:

in EUR	2017	2016
Listing fees	51,407	66,676
Net wealth tax	8,090	3,275
Income tax	6,420	6,420
Other provisions	22,914	31,285
<b>Total</b>	<b>88,831</b>	<b>107,656</b>

Other provisions are composed of accrued professional fees and accrued operating expenses.

**Note 8 - Tax**

in EUR	Current tax	Total 2017	Total 2016
<b>Tax provisions - opening balance</b>	9,695	9,695	6,485
Movements for the year:			
- Tax expenses on ordinary activities	4,815	4,815	3,210
- Taxes paid	-	-	-
<b>Tax provisions - closing balance</b>	<b>14,510</b>	<b>14,510</b>	<b>9,695</b>

**Madison Point Holdings S.A.**  
**Notes to the annual accounts for the year ended 31 December 2017**

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**Note 9 - Staff**

During the year ended 31 December 2017, the Company had 3 part time employees.

**Note 10 – Emoluments granted to the members of the management and supervisory body and commitments in respects of retirement pensions for former members of those bodies**

During the year ended 31 December 2017, the Company did not grant any emoluments to the members of the management and supervisory body and did not took any commitments in respects of retirement pensions for former members of those bodies.

**Note 11 – Advances and loans granted to the members of the management and supervisory body**

During the year ended 31 December 2017, the Company did not grant any advances or loans to the members of the management and supervisory bodies.

**Note 12 – Related parties**

During the year ended 31 December 2017, the Company realized transactions with affiliated undertakings relating to financing activities (refer to note 3 and 6) and relating to shared corporate service for an amount of EUR 37,428. These have been concluded at arm's length.

**Note 13 – Subsequent events**

The Company has evaluated the events and transactions that have occurred after the balance sheet date and noted no items requiring adjustment to the annual accounts.