EPADYM S.A.

Board of Directors' Annual Report &
Annual Financial Statements
prepared in accordance with the International Financial Reporting Standards,
for the financial year ended 31 December 2016

EPADYM SA
INTEGRATED WASTE MANAGEMENT SYSTEM (IWMS) FOR THE REGION OF WESTERN MACEDONIA, PPC South Field
Lignite Center of Western Macedonia, 50100 Kozani
Tax ID No.: 800626510 TAX OFFICE: OF KOZANI
General Electronic Commercial Registry No. 132800036000

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MANAGEMENT REPORT BY THE "EPADYM SA" BOARD OF DIRECTORS ON THE CORPORATE FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM 1st JANUARY TO 31st DECEMBER 2016

This report by the Board of Directors pertains to the twelve-month period of fiscal year 2016 that ended (01/01-31/12/2016), and provides summary financial information about the corporate financial statements and results of EPADYM SA. The Report outlines the most important events which took place during 2016, and the effect that such events had on the financial statements, the main risks and uncertainties the Company is faced with, while it also sets out qualitative information and estimates about future activities.

1. FINANCIAL RESULTS

The company's total sales for 2016 amounted to 30.7 million euro compared to 5.6 million in 2015 and fully pertain to revenue from construction of the plant. This increase is due to the fact that the greatest part of the construction was realized within 2016 and in accordance with the project's time frame. In the meantime there was also an increase in the balance of the Receivable from the Financial Contribution by DIADYMA SA, resulting in the said balance standing at 36.7 million euro on 31/12/2016 (31/12/2015: 5.6 million euro).

The Company's results after taxes amounted to losses of 1.3 million compared to 0.5 million, mainly due to the Company's financial expenses.

During the fiscal period, the Company disbursed additional loans amounting to 13.6 million euro from the various financial institutions financing the project. On 31/12/2016 the Company's borrowing stood at 35 million (31/12/2015: 21.8 million euro). Finally cash and cash equivalents amounted to 254 thousand compared to 16.2 on 31/12/2015. The decrease is due to the project's construction costs during the fiscal year.

2. OVERVIEW

The company is active in Greece in the field of energy, and in particular in waste management. On 10/06/2015, a Public Private Partnership (PPP) agreement was signed for a 27-year term between the Private Operator (PO) EPADYM SA and DIADYMA SA for the project "Design, Financing, Construction and Operation of Infrastructures for the Integrated Waste Management System (IWMS) in the Region of West Macedonia on the basis of a PPP". The project includes the construction of New Infrastructures and the operation of New and Existing Infrastructures, relating to all Municipal Solid Waste in the Region of West Macedonia, i.e. with a capacity of 120.00 thousand tons per year.

The following entities have participated in financing the project: the European Investment Bank (EIB) with 12.72 million euro; the West Macedonia Urban Development Fund (Jessica) with 12.72 million euro; the National Bank of Greece, which finances the VAT paid for the construction of the Project, with 5.6 million euro; and the companies that participate in the share capital of EPADYM SA, i.e. AKTOR CONCESSIONS SA and HELECTOR SA, with own funds amounting to 16.96 million euro. The Shareholders increased the share capital by 4.23 million euro and issued a secondary bond loan amounting to 12.72 million euro.

Construction of the plant is at the final stage and is expected to be completed in June 2017, whilst its trial operation has already begun. Construction of the project is in progress in accordance with the approved timeframe of the project, which provides for the relevant services to be made available on 10/06/2017.

3. RISK MANAGEMENT

The Company is only exposed to the risks of liquidity and interest rates. Risk management is monitored by the finance division of the parent Company ELLAKTOR SA, and more specifically, by the Central Financial

Management Division, and is determined by instructions, directions and rules approved by the Board of Directors.

Given the current crisis of the Greek State and the Greek financial sector, the liquidity risk is higher and the management of cash flows is urgent. To manage the liquidity risk, the Company budgets and regularly monitors its cash flows and ensures that cash on hand is available, including the options of intra-company loans and unused credit lines to meet its needs (e.g. financing, guarantee letters, etc). The Company's liquidity is monitored by the Management at regular intervals.

The Company is exposed to risk from fluctuations of interest rates, mainly arising from bank loans. The Company is exposed to interest rate fluctuations seen on the market, which affect its financial position and cash flows. The cost of debt may increase as a result of these changes thus creating losses, or it can decrease on the occurrence of unexpected events. It should be noted that the fluctuation in interest rates in recent years has been caused primarily by the increase in spreads due to the lack of liquidity in the Greek banking market and the estimated risk of Greek companies, and to a lesser extent by the change to the base interest rates (e.g. Euribor).

The Company's Management monitors rate fluctuations systematically and on an ongoing basis and evaluates the need to assume hedging positions, if and when such risks are considered to be significant. Of all the Company's loans, only the one pertaining to the financing of construction VAT (amounting to a total of 5.6 million euro) has a floating interest rate.

4. SUBSEQUENT EVENTS

There are no events subsequent to the financial statements that substantially affect the Company's financial position, for which a report is required by the International Financial Reporting Standards.

Kozani, 19 May 2017

For the Board of Directors

The Chairman of the BoD and CEO

Leonidas G. Bobolas

Audit Report of Independent Certified Public Auditor-Accountant

To the Shareholders of "EPADYM SA"

Independent Auditor's Report

To the Shareholders of "EPADYM SA"

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of EPADYM SA which comprise the statement of financial position as of 31 December 2016 and the statement of income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 the EPADYM SA as of December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

b) Based on the knowledge we obtained from our audit for the Company "EPADYM SA" and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, 29 June 2017

Fotis Smirnis

Certified Auditor Accountant

SOEL Reg.: No 52861

Financial Position Statement

	Note	31-Dec-16	31-Dec-15
ASSETS			
Non-current assets			
Property, plant and equipment		-	610
Intangible assets		-	19
Financial Contribution from a Public Body (IFRIC 12)	**5**	36,686,185	5,557,436
Other non-current receivables	**6**	264	264
		36,686,448	**5,558,329**
Current assets			
Short-term receivables	**6**	4,861,392	6,202,245
Cash and cash equivalents	**7**	254,149	16,195,005
		5,115,541	**22,397,250**
Total assets		**41,801,989**	**27,955,579**
EQUITY			
Attributable to shareholders of the parent			
Share capital	**8**	4,251,000	4,251,000
Profit/(loss) carried forward		(1,883,809)	(543,179)
Total equity		**2,367,191**	**3,707,821**
LIABILITIES			
Non-current liabilities			
Long term loans	**14**	30,589,244	20,976,379
		30,589,244	**20,976,379**
Current liabilities			
Suppliers and other liabilities	**9**	4,519,901	2,412,062
Short-term borrowings	**14**	4,325,652	859,317
		8,845,553	**3,271,379**
Total payables		**39,434,797**	**24,247,758**
Total equity and liabilities		**41,801,989**	**27,955,579**

The notes on pages 13 to 35 form an integral part of these financial statements.

Income Statement and Total Income

	Note	1-Jan to 31-Dec-16	31-Dec-15
Sales		**30,719,019**	**5,555,237**
Cost of sales	**12**	(30,719,019)	(5,555,237)
Gross profit		**-**	**-**
Administrative expenses	**12**	(248,340)	(65,290)
Other profit/(loss)		(510)	(5,889)
Operating profit/(loss)		**(248,852)**	**(71,179)**
Financial income	**13**	498,565	34,368
Financial expenses	**13**	(1,590,343)	(459,870)
Net losses before taxes		**(1,340,630)**	**(496,681)**
Income tax	**11, 10**	-	(14,429)
Net losses for the year		**(1,340,630)**	**(511,110)**
Total Comprehensive Income/(Loss) for the year		**(1,340,630)**	**(511,110)**

The notes on pages 13 to 35 form an integral part of these financial statements.

Statement of Changes in Equity

	Note	Share capital	Results carried forward	Total
1 January 2015		**24,000**	**(5,487)**	**18,513**
Net losses for the year		-	(511,110)	**(511,110)**
Share capital increase	**8**	4,227,000	(26,582)	**4,200,418**
31 December 2015		**4,251,000**	**(543,179)**	**3,707,821**
1 January 2016		**4,251,000**	**(543,179)**	**3,707,821**
Net losses for the year		-	(1,340,630)	**(1,340,630)**
31 December 2016		**4,251,000**	**(1,883,809)**	**2,367,191**

The notes on pages 13 to 35 form an integral part of these financial statements.

Cash flow statement

	Note	1-Jan to 31-Dec-16	31-Dec-15
Operating activities			
Net losses for the period		(1,340,630)	(496,681)
Depreciation and amortization		822	-
Financial income	**13**	(498,565)	(34,368)
Financial expenses	**13**	1,590,343	459,870
Decrease/ (Increase) of receivables		1,750,583	(6,178,043)
(Decrease)/ Increase of liabilities		1,418,713	2,356,869
Debit interest and related expenses paid		(901,218)	(407,443)
Total Cash Inflows/(Outflows) from Operating Activities (a)		2,020,049	(4,299,796)
Investing activities			
Financial Contribution from a Public Body (IFRIC 12)		(31,128,748)	(5,557,436)
Acquisition of tangible and intangible assets		(193)	(629)
Interest received		88,836	34,368
Total inflows/(outflows) from investing activities (b)		(31,040,106)	(5,523,697)
Financing activities			
Issue of common shares	**8**	-	4,227,000
Proceeds from issued/utilised loans from third parties		13,610,730	9,117,564
Proceeds from issued/utilised loans from shareholders		-	12,718,132
Repayment of loans from third parties		(531,530)	-
Expenses for share capital increase	**8**	-	(44,198)
Total inflows/(outflows) from financing activities (c)		13,079,200	26,018,498
Net increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)		**(15,940,857)**	**16,195,005**
Cash and cash equivalents at year start	**7**	16,195,005	-
Cash and cash equivalents at year end	**7**	**254,149**	**16,195,005**

The notes on pages 13 to 35 form an integral part of these financial statements.

Notes to the financial statements

1 General information

EPADYM SA (hereinafter the "Company" or the "Private Operator" or "PO" or "Operator") carries out its activities in Greece, in the energy sector, focusing on the design, financing, construction, maintenance and operation of the infrastructures of the Integrated Waste Management System (IWMS) in the Region of West Macedonia on the basis of a Public Private Partnership (hereinafter "PPP"). DIADYMA SA (hereinafter the "Public Body" or the "Grantor") is the contracting authority for the project. The total investment amounts to 48 million euro and the total concession period is 27 years. The project is co-financed by the European Investment Bank with approximately 13 million euro, the West Macedonia Urban Development Fund (through Jessica) with approximately 13 million euro, the National Bank of Greece, which finances the VAT paid for the construction of the Project, with 5.6 million euro, and the participating companies with own funds amounting to 17 million euro.

The Company was incorporated and established in Greece with registered and central offices in Kozani, IWMS OF THE REGION OF WESTERN MACEDONIA, PPC South Field, Lignite Center of Western Macedonia, 50100.

The Company's financial statements are included, using the full consolidation method, in the consolidated financial statements of ELLAKTOR SA, which is listed on the Athens Stock Exchange. AKTOR CONCESSIONS SA and HELLECTOR SA participate in the company's share capital by 50% each.

These financial statements were approved by the Board of Directors on 19 March 2017 and are yet to be approved by the General Meeting to be held in 2017. They are available on the company's website at www.epadym.gr.

2 Summary of significant accounting policies

2.1 Basis of preparation of the financial statements

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

These company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as they have been endorsed by the European Union. The financial statements were prepared in accordance with the historical cost rule and on the going concern principles of the Company's activity.

The preparation of the financial statements under IFRS requires the use of accounting estimates and assumptions by the Management in implementing the accounting policies adopted. The areas involving extensive judgment or complexity, or where assumptions and estimates have a significant impact on the financial statements are mentioned in Note 4.

2.2 Going Concern

The financial statements of December 31, 2016 are prepared in accordance with the International Financial Reporting Standards (IFRS), and provide a reasonable presentation of the Company's financial position, profit and loss, and cash flows, in accordance with the principle of going concern.

2.3 Macroeconomic conditions in Greece

In 2016 the Greek Economy showed signs of resilience, despite the initial reservations about the development of macroeconomic figures.The first evaluation of the third economic adjustment programme was successfully completed in June 2016, leading to the release of a EUR 10.3 billion loan from the European Stability Mechanism, while Greece and its international creditors agreed to release an installment of EUR 8.5 billion on completion of the second evaluation in June 2017.

The capital controls imposed in the country on 28 June 2015 remain, although slightly eased, while in early 2017 a new wave of drain of deposits was seen in early 2017, and an increase in non-performing loans. Further, the effect on economic activity of the additional fiscal measures agreed upon in the first and second evaluation is not yet clear, while Greece also undertook the obligation, pursuant to the decision made by Eurogroup, to meet a primary surplus target of 3.5% of GDP for the next five years, aiming to adjust that target to just over 2% of GDP over the period 2023-2060, which could entail additional measures. Considering the current conditions, it is estimated that 2017 will be another challenging year for the Greek economy and, therefore, for the Company's domestic business activities.

The Management continually evaluates the situation and its possible consequences on the Company, in order to ensure that all necessary and possible measures and actions are taken on time to minimize any negative impact.

2.4 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 19R (Amendment) "Employee Benefits"

These narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service; for example, employee contributions that are calculated according to a fixed percentage of salary.

IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate, and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) "Separate financial statements"

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosure initiative"

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 13 "Fair value measurement"

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts, in cases where the impact of not discounting is immaterial.

IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets'

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 'Related party disclosures'

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 7 'Financial Instruments: Disclosures'

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 'Employee benefits'

The amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency in which the liabilities are denominated that is important, and not the country where they arise.

Standards and Interpretations effective for subsequent periods that have not entered in effect and have not been endorsed by the Company earlier

IFRS 9 'Financial Instruments' and subsequent amendments to IFRS 9, IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities, and also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Company is currently in the process of evaluating the impact of IFRS 9 on its financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 was issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers, in order to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company is currently in the process of evaluating the impact of IFRS 15 on its financial statements.

IFRS 16 'Leases' (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the essence of the lease-related transactions. IFRS 16 introduces a single model for the accounting treatment by the lessee, which requires that the lessee recognises assets and liabilities for all lease contracts with a term of over 12 months, except if the underlying asset has non-significant value. With regard to the accounting treatment by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor continues classifying lease contracts into operating and finance leases, applying different accounting treatment for each type of contract. The Company is currently in the process of evaluating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) 'Recognition of deferred tax assets on unrealised losses' (effective for annual periods beginning on or after 1 January 2017)

The amendments clarify the accounting treatment relating to the recognition of deferred tax assets on unrealised losses incurred from loans measured at fair value. The amendments have not yet been endorsed by the EU.

IAS 7 (Amendments) 'Disclosure initiative' (effective for annual periods beginning on or after 1 January 2017)

The amendments introduce mandatory disclosures that enable the users of financial statements to assess the changes in liabilities from financing activities. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of investment property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve an assessment of whether a property meets the definition of investment property and supporting evidence that a change in use has occurred. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction in applying the foreign currency transactions standard - IAS 21. The interpretation is applicable when an entity has received or paid advance consideration for contracts in a foreign currency. This interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014-2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosure of Interests in Other Entities"

The amendment clarifies that the disclosure requirement of IFRS 12 applies to interests in entities classified as held for sale except for summarised financial information.

2.5 Foreign exchange conversions

(a) Functional and presentation currency

The items in the company's financial statements are measured in the currency of the primary economic environment in which the Company operates (functional currency). The financial statements are reported in Euros, which is the functional currency and the reporting currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period exchange rates of monetary assets and liabilities denominated in foreign currencies, if any, are recognized in the income statement. Currency translation differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

2.6 Leases

Company as lessee

Leases under which the risks and rewards incident to ownership remain with the lessor are classified as operating leases. Operating lease expense is recognised in the income statement proportionally during the lease period and includes any restoration cost of the property if such clause is included in the leasing contract.

Leases of fixed assets where all the risks and rewards related to their ownership are maintained by the Group are classified as finance leases. Finance leases are capitalised at the leases inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The respective lease liabilities, net of finance charges, are included in liabilities. The part of the finance charge relating to finance leases is recognized in the income statement over the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

2.7 Property, Plant and Equipment

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent costs are posted to increase the tangible assets' carrying amount or recognised as a separate asset, only when it is probable that future economic benefits will flow to the Company and their cost can be measured reliably. The repair and maintenance cost is recorded in the results when it is realised.

Land is not depreciated. Depreciation of other tangible assets is calculated using the straight line method over their useful life.

The residual values and useful economic life of fixed assets are subject to reassessment at least at each balance sheet date.

Fixed assets under construction are included in property, plant and equipment, and their depreciation starts when complete and finished for their intended use.

When the book values of tangible assets exceed their recoverable value, the difference (impairment) is posted in the income statement as expense.

Upon the sale of fixed assets, any difference between the proceeds and the depreciable amount is recorded as profit or loss in the results.

Financial assets concerning the construction of assets are capitalised for the period needed until the completion of the construction. All other financial expenses are recognised in the income statement.

2.8 Intangible assets

Software: Software licenses are valued at acquisition cost less depreciation. Depreciation is accounted for using the straight line method over the useful lives of the assets concerned.

2.9 Impairment of non-financial assets

Assets with an indefinite useful life are not depreciated, and are subject to impairment testing on an annual basis, and when certain events or changes to the circumstances suggest that their carrying value may not be recoverable. Assets that are depreciated are subject to impairment audit when indications exist that their carrying value is not recoverable. Impairment loss is recognised for the amount by which the fixed asset's carrying value exceeds its recoverable value. The recoverable value is the higher between fair value, reduced by the cost required for the disposal, and the value in use (current value of cash flows anticipated to be generated, based on the management's estimates of future financial and operating conditions). For the calculation of impairment losses, assets are classified in the minimum cash generating units. Any non-financial assets, apart from goodwill, which have been impaired. are reassessed for possible impairment reversal on each balance sheet date.

2.10 Financial Assets

Classification

The financial instruments of the Company have been classified under the following categories according to the objective for which each investment was undertaken. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

(a) Financial instruments valued at fair value through the income statement

This class comprises financial assets held for trading. Derivatives are classified as held for trading, except when they are designated as hedges. Assets falling under this category are recorded in the current assets if they are held for trading purposes or are expected to be sold within 12 months from the balance sheet date.

(b) Borrowings and receivables

These include non-derivative financial assets with fixed or predefined payments which are not traded in active markets and there is no intention of selling them. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Borrowings and receivables are included in the trade and other receivables account in the Statement of Financial Position.

(c) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(d) Financial assets held to maturity

Financial assets held to maturity are non-derivative assets with fixed or determined payments and specific maturity, which the Company's Management intends to and is in position to hold until maturity. Should the Company sell a significant portion of financial assets held to maturity, the entire portfolio of assets classified as such will be considered unfit and will be reclassified under financial assets available for sale. Financial assets held to maturity are posted in non-current assets, with the exception of assets whose maturity is less than 12 months from the date of the financial report, in which case they are classified under current assets.

Recognition and determination

Purchases and sales of investments are recognised on the transaction date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at their fair value, plus expenses directly related to the transaction, with the exception of those assets, regarding expenses directly related to the transaction, which are valued at their fair value through profit and loss. Financial assets valued at fair value through profit and loss are initially recognised at fair value, and transaction expenses are recognised in results in the period they were incurred. Investments are written off when the right to cash flows from investments expires or is transferred and the Company has materially transferred all risks and rewards incident to ownership.

Subsequently, financial assets held for sale are valued at fair value and the relative gains or losses are recorded to an equity reserve till those assets are sold or characterized as impaired. Upon sale or when assets are characterised as impaired, the gains or losses are transferred to the income statement. Impairment losses recognised in results may not be reversed through profit and loss.

The loans and receivables are recognized at amortised cost by method of effective interest.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets, which are valued at fair value through the income statement, are recognized in the profit and loss of the period during which they occur.

The fair values of financial assets that are traded in active markets are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If impairment is demonstrated, accumulated loss in equity, which is the difference between the cost of acquisition and the fair value, shall be carried over to results. Impairment losses of equity instruments recognised in the income statement are not reversed through the income statement.

The impairment test for receivables is described in note 2.8.

2.11 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, except if the discount outcome is not important, less provision for impairment. Impairment losses for trade receivables arise when objective indications are in place that the Company is not in the position to collect all receivables under contractual terms.

Trade receivables comprise commercial paper and notes payable from customers.

Serious problems that the customer encounters, the possibility of bankruptcy or financial reorganisation and the inability of scheduled payments considered to be evidence that the receivable value must be impaired. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized as an expense in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, and short-term investments of up to 3 months, with high liquidity and low risk.

2.13 Share capital

The share capital includes the Company's ordinary shares. Direct expenses for the issue of shares appear net of any relevant income tax benefit, to the reduction of equity.

2.14 Trade and other payables

Trade liabilities are usually obligations to make payment for products or services obtained during performance of typical commercial activity by suppliers. The accounts payable are classified as short-term liabilities if the payment is due within not more than one year. If not, they are classified as long-term liabilities. Trade liabilities are recognised initially at fair value and are measured subsequently at net book cost by the use of the effective rate method.

2.15 Current and deferred taxation

Income tax for the fiscal year comprises current and deferred taxation. Tax is recognised in the income statement, unless relevant to amounts recognised in Other comprehensive income or directly in equity. In this case, tax is also recognized in Other comprehensive income or equity, respectively.

Income tax on profit is computed in accordance with the tax legislation established as of the balance sheet date, and is recognised as expense in the period during which profit was generated. The management regularly evaluates the cases where the applicable tax legislation requires interpretation. Where necessary, estimates are made for the amounts expected to be paid to tax authorities.

Deferred income tax is determined using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, as shown in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting or the taxable gains or losses. Deferred tax is determined using the tax rates and laws in force as of the date of the balance sheet, and expected to be in force when the deferred tax receivables will come due or deferred tax liabilities will be repaid.

Deferred tax receivables are recognised to the extent that there could be future taxable gains to use the temporary difference that gives rise to the deferred tax receivables.

Deferred tax receivables and liabilities are offset only if the offsetting of tax receivables and liabilities is permitted by law, and provided that deferred tax receivables and liabilities are determined by the same tax authority to the tax paying entity or different entities, and the intention has been expressed to proceed to settlement by way of offset.

2.16 Provisions

Provisions are recognized when an actual legal or assumed commitment exists as a result of past events, when settlement of such commitment will likely require an outflow of resources, and when the required amount can be reliably estimated.

Provisions are recognised on a discounted basis when the effect of the time value of money is significant, using a pre-tax rate which reflects current market assessments of the time value of money and the risk specific to the liability. When provisions are discounted, the increase in provisions due to the lapse of time is recognised as a financial expense. Provisions are reviewed on each date of financial statements and if an outflow of funds to settle the obligation is unlikely, they are reversed in the income statement.

2.17 Revenue recognition

Revenue is measured at the fair value of the collected or collectable price, after deduction of any discounts.

The Company recognises revenue when this can be reliably measured and it is probable that the economic benefits of the transaction will flow to the Company. Income is mainly generated from construction contracts, provision of operating services, sales of recyclable goods and credit interest from banks.

Revenue and profit from construction contracts are recognised according to IAS 11 as described in note 2.17 below.

Income from the provision of operating services are recorded in the period during which the services are rendered, based on the stage of completion of the service in relation to total services to be provided.

Interest income is recognised on an accrual basis using the effective rate method. In case of impairment of borrowings and receivables, interest income is recognised using the rate which discounts future flows for impairment purposes.

Revenue from the sales of recyclable goods is recognized when the Group has transferred material risks and the rewards of ownership to the purchaser.

2.18 Contracts for projects under construction

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Expenses associated with construction contracts are recognised in the period in which they are incurred.

When the result of a construction contract cannot be reliably assessed, only the expenses realized or expected to be collected are recognized as income from the contract.

When the result of a construction contract can be reliably assessed, such contract's income and expenses will be recognised during the term of contract as income and expenses, respectively. The Company uses the percentage of completion method to estimate the appropriate amount of income and expense to be recognised for a certain period. The stage of completion is calculated based on the expenses which have been realised up to the balance sheet date compared to the total estimated expenses for each contract. If it is possible that the total cost of the contract will exceed total income, then anticipated losses are directly recognised in profit and loss as expenses.

In order to determine the cost realised by the end of the period, any expenses relating to future tasks included in the contract are exempted and presented as work in progress. The total realised cost and recognised profit/loss for each contract is compared with sequential invoices till the end of the financial year.

Where the realised expenses plus the net profit (less losses) recognised exceed the sequential invoices, the occurring difference is presented as a receivable from construction contract customers in the 'Trade and other receivables' account. When the sequential invoices exceed the expenses incurred plus the net profit (less losses) recognised, the balance is presented as a liability towards construction contract customers in the 'Trade and other payables' account.

2.19 Public Private Partnership Agreements

Under a Public Private Partnership Agreement, where the Hellenic State cedes the provision of services to a private body, the Company applies IFRIC 12, provided that the following two conditions are met:

a) the grantor controls or determines which services the operator should provide to whom and at which price, and

b) the grantor controls any other significant interests in the infrastructure upon completion of the concession arrangement period.

In accordance with IFRIC 12, such infrastructures are not recognised under the assets of the operator (EPADYM SA) as property, plant and equipment, but are recognised under the financial assets as a financial asset with a receivable guaranteed by the Public Body (financial asset model), and/or under intangible assets as a Concession Right (intangible asset model), depending on the contractually agreed terms.

The Company, as an operator, recognizes a financial asset to the degree that it has the unconditional contractual right to receive cash, if the grantor contractually guarantees to pay the operator:

(a) specified or determinable amounts; or

(b) the shortfall, if any, between amounts received from users of the public service and the specified or determinable amount provided for in the Partnership Agreement.

The project shall service the entire Administrative Division of the Region of Western Macedonia, including 4 prefectures (Kozani, Grevena, Florina, Kastoria) and 12 municipalities, for a duration of 27 years, pursuant to the concession agreement. Throughout the contractual period the grantor (DIADYMA SA) and its member-local authorities do not have the right to conclude a contract or agreement with a third party for the provision of services in the area that are similar to the services provided by the project. Moreover, DIADYMA SA shall ensure that its member-local authorities will deliver the entirety of their Mixed Solid Waste to the collection points. The sale price is contractually determined and is calculated per ton of processed waste.

The minimum guaranteed quantity of waste that the grantor (DIADYMA SA) guarantees to deliver to the operator (EPADYM SA) is 90,000 tons per year throughout the term of the contract. In the event that the total quantity of contractual waste is smaller that the Minimum Guaranteed Quantity, then the calculated charge will be determined by taking as a fact that the quantity of contractual waste is equal to the minimum guaranteed quantity.

At the end of the concession period, the Company shall transfer all rights and titles pertaining to assets to the grantor (DIADYMA SA).

The Company's management, following due consideration of the contractual terms, decided that a financial asset with a receivable guaranteed by the grantor (DIADYMA SA) should be recognised in this case.

The financial assets resulting from application of IFRIC 12 are shown in the Statement of Financial Position as "Financing Contribution from a Public Body (IFRIC 12)" and are recognised at amortised cost using the effective interest rate method, less any impairment losses. The effective interest rate is equal to the average weighted capital cost of the Operator, unless specified otherwise in the Partnership Agreement.

The Company recognises and accounts for the revenues and costs associated with the construction or upgrading services in accordance with IAS 11 (note 2.18), while revenues and costs associated with operation services are recognised and accounted for in accordance with IAS 18 (Note 2.17).

2.20 Distribution of dividends

The distribution of dividends to the Company's shareholders is recognized as a liability at the date on which the distribution is approved by the General Meeting of the shareholders.

2.21 Rounding of accounts

The amounts contained in these financial statements have been rounded in Euros. Possible differences that may occur are due to rounding.

3 Financial risk management

3.1 Financial risk factors

The Company is only exposed to the risks of liquidity and interest rates. Risk management is monitored by the finance division of the parent Company ELLAKTOR SA, and more specifically, by the Central Financial Management Division, and is determined by instructions, directions and rules approved by the Board of Directors.

(a) Liquidity risk

Given the current crisis of the Greek State and the Greek financial sector, the liquidity risk is higher and the management of cash flows is urgent. To manage the liquidity risk, the Company budgets and regularly monitors its cash flows and ensures that cash on hand is available, including the options of intra-company loans and unused credit lines to meet its needs (e.g. financing, guarantee letters, etc).

The Company's liquidity is monitored by the Management at regular intervals. The table below presents an analysis of the Company's financial liability maturities as of 31 December 2016 and 2015 respectively (amounts in thousands of euro):

	31 December 2016				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Trade and other payables	4,391	-	-	-	**4,391**
Borrowings	5,077	1,538	5,081	46,017	**57,713**

	31 December 2015				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Trade and other payables	2,365	-	-	-	**2,365**
Borrowings	1,161	331	2,436	38,578	**42,507**

The above amounts are presented in the contractual, non-discounted cash flows and therefore are not equivalent to the respective amounts shown in the financial statements, with respect to the Supplier accounts and other liabilities and Loans.

The Trade and other liabilities breakdown is exclusive of Advances from customers and Social security and other taxes.

(b) Cash flow risk due to change in interest rates

The Company is exposed to risk from fluctuations of interest rates, mainly arising from bank loans. The Company is exposed to interest rate fluctuations seen on the market, which affect its financial position and

cash flows. The cost of debt may increase as a result of these changes thus creating losses, or it can decrease on the occurrence of unexpected events. It should be noted that the fluctuation in interest rates in recent years has been caused primarily by the increase in spreads due to the lack of liquidity in the Greek banking market and the estimated risk of Greek companies, and to a lesser extent by the change to the base interest rates (e.g. Euribor).

The Company's Management monitors rate fluctuations systematically and on an ongoing basis and evaluates the need to assume hedging positions, if and when such risks are considered to be significant.

Of all the Company's loans, only the one pertaining to the financing of construction VAT (amounting to a total of 5.6 million euro) has a floating interest rate. A reasonable and possible interest rate change by twenty five base points (0.25% increase/decrease) would lead to a decrease / increase in profit before tax for 2016, all other variables being equal, by 6.2 thousand euro (2015: 2.1 thousand euro). It should be noted that the aforementioned change in earnings before tax is calculated on the floating rate loan balances at year end and does not include the positive effect of interest income from cash deposits and cash equivalents.

3.2 Fair value determination

The financial instruments carried at fair value at the balance sheet date are classified under the following levels, in accordance with the valuation method:

- Level 1: for assets and liabilities traded in an active market and whose fair value is determined by the quoted prices (unadjusted) of identical assets or liabilities.

- Level 2: for assets and liabilities whose fair value is determined by factors related to market data, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates.

On 31 December 2015 the company does not have financial instruments at fair values.

3.3 Cash management

Capital management aims to ensure the Company's going concern, and achieve its development plans, combined with its creditworthiness.

For the evaluation of Company's credit rating, Company net debt must be evaluated (i.e. total long term and short term liabilities to financial institutions minus cash and cash equivalents). The Company's net debt on31.12.2016 and 31.12.2015, respectively, is detailed in the table below (amounts in thousands of euro):

	31-Dec-16	**31-Dec-15**
Short-term bank borrowings	4,326	859
Long-term bank borrowings	30,589	20,976
Total loans	34,915	21,835
Less: Cash and cash equivalents	254	16,915
Net Corporate Debt/Cash	**34,661**	**4,920**
Total Company Equity	**2,367**	**3,708**

Total Capital	**37,028**	**8,628**
Gearing Ratio	**0.94**	**0.57**

The gearing ratio as of 31.12.2016 for the Company is calculated at 93.61% (31.12.2015: at 57%). This ratio is calculated as the quotient of net debt to total employed capital (i.e. total equity plus net debt).

4 Significant accounting estimates of the management

Annual financial statements along with the accompanying notes and reports may involve certain assumptions and calculations that refer to future events regarding the Company's operations, development, and financial performance. Although such assumptions and calculations are based on the best knowledge of the Company's Management with regard to current conditions and actions, the actual results may be different from such calculations and assumptions taken into account in the preparation of the Company's annual financial statements.

4.1 Income tax

Estimates are required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Moreover, deferred tax assets are recognised for all tax losses to the extent that there may be sufficient tax gains to be offset against those tax losses. A considerable amount of judgment is requirement on the part of the management to determine the amount of deferred tax assets that can be recognised, on the basis of the possible timing and the level of future tax gains, as well as future tax planning strategies. Additional details on changing the useful life are included in Note 10 to the financial statements.

4.2 Classification of assets on the basis of IFRIC 12

In accordance with IFRIC 12, the infrastructures constructed by an operator are not recognised under its assets as property, plant and equipment, but are recognised under financial assets as a financial asset with a receivable guaranteed by the grantor (financial asset model), and/or under intangible assets as a concession right (intangible asset model), or partly as a financial asset and partly as an intangible asset (hybrid model) depending on the contractually agreed terms. The final classification of amounts based on the above methods/models, requires judgment on the part of the Company's management in respect of interpreting the terms of the partnership agreement and such other factors as financial parameters. The management decided, based on the information at hand, that those amounts should be allocated as financial assets.

5 Financial Contribution from a Public Body (IFRIC 12)

	1 January 2015	Increase in receivables	Unwind of discount (Note 13).	31 December 2015
Assets				
Financial Contribution from a Public Body (IFRIC 12)	-	5,557,436	-	5,557,436
Total	**-**	**5,557,436**	**-**	**5,557,436**

	1 January 2016	Increase in receivables	Unwind of discount (Note 13).	31 December 2016

Assets				
Financial Contribution from a Public Body (IFRIC 12)	5,557,436	30,719,020	409,729	**36,686,185**
Total	**5,557,436**	**30,719,020**	**409,729**	**36,686,185**

	31-Dec-16	31-Dec-15
Non-current assets	36,686,185	5,557,436
Total	**36,686,185**	**5,557,436**

6 Receivables

	31-Dec-16	31-Dec-15
Greek State: Debit VAT	4,312,981	1,116,174
Greek State: (withheld and pre-payable taxes)	13,325	5,155
Advances from subcontractors - Related parties (note 16)	292,805	4,963,275
Prepaid expenses	166,320	117,549
Other receivables	352	356
Other receivables from subcontractors - related parties (note 16)	75,873	-
Total	**4,861,656**	**6,202,509**

Non-current assets	264	264
Current assets	4,861,392	6,202,245
Total	**4,861,656**	**6,202,509**

7 Cash and cash equivalents

	31-Dec-16	31-Dec-15
Cash in hand	223	-
Sight deposits	253,926	16,195,005
Total	**254,149**	**16,195,005**

The following table shows the rates of deposits per credit rating class by Standard & Poor (S&P).

	Sight and time deposits %	
Financial Institution Rating (S&P)	**31-Dec-16**	**31-Dec-15**
AA-	3.6%	0.9%
CCC+	96.4%	99.1%
TOTAL	**100.0%**	**100.0%**

8 Share capital

	Number of Shares	Share capital	Total
1 January 2015	**2,400**	**24,000**	**24,000**
Issuance of shares	422,700	4,227,000	**4,227,000**
31 December 2015	**425,100**	**4,251,000**	**4,251,000**
1 January 2016	**425,100**	**4,251,000**	**4,251,000**
31 December 2016	**425,100**	**4,251,000**	**4,251,000**

On December 31, 2016 the total of the issued common shares amounted to 425,100 common shares of a nominal value of Euros 10 each.

9 Trade and other payables

	31-Dec-16	31-Dec-15
Suppliers	41,172	65,987
Trade payables– Related parties (note 16)	15,876	445,888
Accrued expenses	46,986	-
Social security and other taxes	128,760	47,228
Other payables	43,051	1,120
Subcontractors - Related parties (note 16)	3,502,503	1,799,411
Accrued interest on loans by related parties (note 16)	741,553	52,427
Total	**4,519,901**	**2,412,062**
Current	4,519,901	2,412,062
Total	**4,519,901**	**2,412,062**

10 Deferred taxation

Deferred tax receivables and liabilities are compensated when there is an applicable legal right to compensate the current tax receivables against the current tax liabilities and when the deferred income taxes involve the same tax authority. On 31.12.2016 and on 31.12.2015, the Company has no remaining balance from deferred taxation.

Total change in deferred income tax is presented below:

	31-Dec-16	31-Dec-15
Balance at period start	**-**	**(1,612)**
Debit/ (credit) through profit and loss	-	14,429
Equity debit/(credit)	-	(12,817)
Closing balance	**-**	**-**

Changes in deferred tax receivables and liabilities during the year, without taking into account offsetting of balances with the same tax authority, are the following:

Deferred tax assets:

	Provisions for receivables	Tax losses	Total
1 January 2015	**1,612**	**-**	**1,612**
Income statement debit/(credit)	(1,612)	836,982	**835,370**
Equity debit		12,817	**12,817**
31 December 2015	**-**	**849,799**	**849,799**
1 January 2016	**-**	**849,799**	**849,799**
Income statement debit/(credit)	-	211,597	**211,597**
31 December 2016	**-**	1,061,369	**1,061,369**

Deferred tax liabilities:

	Construction contracts	Borrowing Expenses	Total
1 January 2015	**-**	**-**	**-**
Income statement debit/(credit)	741,349	108,450	**849,799**
31 December 2015	**741,349**	**108,450**	**849,799**
1 January 2016	**741,349**	**108,450**	**849,799**
Income statement debit/(credit)	211,597	-	**211,597**
31 December 2016	**952,947**	**108,450**	**1,061,396**

In the current year, the Company did not recognise a deferred tax asset on all tax losses transferred, but did so up to such amount as the management felt that, given the current financial situation and performance, would satisfy the recognition criteria set out in the IFRS. The Company's management will re-examine the possibility of using all tax losses (or a lesser part thereof) on each reporting date and will, as appropriate, modify its estimate of the amount of tax losses that are expected to be recovered through future profit and, therefore, of the amount of the deferred tax asset that is recognised.

11 Income tax

	31-Dec-16	31-Dec-15
Deferred tax	-	(14,429)
Total	**-**	**(14,429)**

Since FY 2011, Greek Sociétés Anonymes and Limited Liability Companies whose annual financial statements are mandatorily audited by legally appointed auditors, are required to obtain an ‘Annual Certificate’ under Article 82(5) of Law 2238/1994, which is issued following a tax audit performed by the legally appointed auditor or audit firm that audits the annual financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a ‘Tax Compliance Report’ and then the statutory auditor or audit firm submits it to the Ministry of Finance electronically.

The Company’s fiscal years have not been audited by the tax authorities since incorporation (December 2014). The management of the company and the signatories of the financial statements do not foresee significant findings to emerge in a possible tax audit that could have a material effect on the financial statements.

Tax losses transferred from previous years, to the extent that they are accepted by the tax authorities, may be set off with the profits of the five following years.

Tax on profit before taxes of the company is different from the theoretical amount that would arise if we use the weighted average tax rate of the country from which the company originates, as follows:

	31-Dec-16	31-Dec-15
Accounting Losses before tax	**(1,340,630)**	**(496,681)**
Tax rate	**29%**	**29%**
Tax calculated in line with the applicable tax rate at the company’s registered office.	(388,783)	(144,038)
Expenses not deductible for tax purposes	-	298
Tax losses for which no deferred tax receivables were recognised	388,783	158,169
Taxes	**-**	**14,429**

12 Expenses per category

	1-Jan to 31-Dec-16		
	Cost of sales	Administrative expenses	Total
Operating lease rents	-	2,034	**2,034**
Premiums	116,978	-	**116,978**
Subcontractor fees	30,402,556	-	**30,402,556**
Other third party fees & expenses	199,485	228,751	**428,236**
Taxes and fees	-	2,401	**2,401**
Transportation and travelling expenses	-	2,081	**2,081**

Depreciation and amortization	-	822	**822**
Other	-	12,249	**12,249**
Total	**30,719,019**	**248,339**	**30,967,359**

	1-Jan to 31-Dec-15		
	Cost of sales	**Administrative expenses**	**Total**
Operating lease rents	-	996	**996**
Premiums	45,443	-	**45,443**
Subcontractor fees	3,001,059	-	**3,001,059**
Other third party fees & expenses	2,438,600	33,322	**2,471,922**
Taxes and fees	-	179	**179**
Transportation and travelling expenses	-	28,836	**28,836**
Other	-	1,957	**1,957**
Commissions paid for letters of guarantee (direct cost of project)	70,136	-	**70,136**
Total	**5,555,237**	**65,290**	**5,620,527**

13 Financial income / (expenses)

		1-Jan to	
	Note	**31-Dec-16**	**31-Dec-15**
Financial income			
Interest income		88,836	34,368
Unwind of guaranteed receipt discount	**5**	409,729	-
Total financial income		**498,565**	**34,368**
Financial expenses			
Interest expenses involving bank loans		(1,197,699)	(458,485)
Interest expenses		**(1,197,699)**	**(458,485)**
Miscellaneous bank expenses		(392,644)	(1,385)
Other financial expenses		**(392,644)**	**(1,385)**
Total financial expenses		**(1,590,343)**	**(459,870)**

14 Borrowings

	31-Dec-16	**31-Dec-15**
Long-term borrowings		
Bank borrowings	17,871,112	8,258,247

Bond loan from shareholders (note 16)	12,718,132	12,718,132
Total long-term borrowings	**30,589,244**	**20,976,379**

Short-term borrowings		
Bank borrowings	271,829	-
Bonds	4,053,823	859,317
Total short-term borrowings	**4,325,652**	**859,317**
Total borrowings	**34,914,896**	**21,835,696**

Exposure to interest rate changes is deemed to be low, as most of the loans were obtained on the basis of a fixed rate. Following is a breakdown of loans:

	Fixed rate	**Floating rate up to 6 months**	**Total**
31 December 2015			
Total loans	20,976,379	859,317	**21,385,696**
	20,976,379	**859,317**	**21,385,696**
31 December 2016			
Total loans	30,861,073	4,053,823	**34,914,896**
	30,861,073	**4,053,823**	**34,914,896**

Fair value on 31/12/2016 was 30,822,278 euro (31/12/2015: 17,587,848 euro)

The maturities of long-term borrowings are as follows:

	31-Dec-16	**31-Dec-15**
Between 1 and 2 years	1,001,035	203,496
2 to 5 years	3,710,092	405,720
Over 5 years	25,878,118	20,367,163
	30,589,244	**20,967,379**

Of total borrowings, an amount of 30.9 million euro pertains to fixed rate loans with an average interest rate of 4.45% (compared to 21 million euro with an average interest rate of 2.97%). All other borrowings, amounting to 4.1 million euro (compared to 859.3 thousand euro in 2015) are floating rate loans (Euribor plus spread).

To secure the loans obtained from the borrowing banks, the following guarantees were provided *inter alia:*

- the Company's bank accounts;

- the Partnership Agreement;

the Design & Construction Agreement;

- the Operation & Maintenance Agreement;

- the Independent Engineer Agreement.

All Company loans are expressed in Euro,

15 Potential liabilities and capital commitments undertaken

Contingent liabilities:

The Company has no disputes in litigation or in arbitration, nor are there any pending decisions by judicial or arbitration bodies that may have a significant impact on its financial standing or operation.

The Company did not employ any personnel during the year.

Finally, there are no other contingent liabilities relating to other issues arising out of its ordinary course of business.

Capital commitments undertaken

The contractual commitments for future capital costs relating to the construction of the project (in the context of the partnership agreement) as of the date of the financial position, which were not recognised in the financial statements as at 31.12.2016, related primarily to a project construction agreement, the non-implemented balance of which amounted to 2 million euro on 31.12.2016. (31.12.2015: 32.4 million euro).

16 Company transactions with affiliates

The aggregate amounts of sales and purchases from year start, as well as the closing balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

		1-Jan to	
		31-Dec-16	**31-Dec-15**
(a)	**Purchases of goods and services**	**31,147,261**	**5,460,016**
	- Purchases from shareholders	**31,141,682**	**5,459,620**
	Cost of sales	30,402,556	5,312,057
	Administrative expenses	50 000	25,000
	Financial expenses	689,126	122,563
	- Purchases from related parties	**5,579**	**396**
	Administrative expenses	5,579	396

		31-Dec-16	**31-Dec-15**
(b)	**Closing balance (Receivables)**	**368,678**	**4,963,275**
	- Receivables from shareholders	**368,678**	**4,963,275**
	Advances from subcontractors	292,805	4,963,275
	Other receivables	75,873	-
(c)	**Closing balance (Liabilities)**	**3,518,380**	**1,587,262**
	- Payables to shareholders	**3,518,003**	**1,587,262**
	Suppliers	15,500	445,888
	Subcontractors	3,502,503	1,141,374

- Payables to other related parties	**376**	**-**
Suppliers	376	-

Services from related parties, are performed in accordance with the price lists that apply to non-related parties. Amounts payable to and from related parties are not subject to securities, have no specific repayment terms and are interest-free.

(d) Loans from related parties

	31-Dec-16	31-Dec-15
Balance as of 1 January	**12,770,559**	**-**
Loans taken out (Capital)	-	12,718,132
Interest capitalized during the year	689,126	52,427
Balance as of 31 December	**13,459,685**	**12,770,559**

The repayment of borrowings taken out by Company shareholders including relevant interest will be realized in 2042, together with the end of the concession, according to the terms of the borrowing agreement between the parties. In the meanwhile however, the said borrowing agreement provides that the Company has the contractual right to early repayment of the borrowings and the corresponding interest, without however such repayment exceeding 1 million euro per year in capital.

17 Remuneration of members of the Board of Directors

During the year, no members of the Board of Directors have received any remuneration as representation expenses.

18 Other notes

The total fees of the Legal Auditors of the Company for the regular audit of the year 2016 amount to €15,000 (€13,500 in 2015).

19 Events after the date of the Statement of Financial Position

There are no events subsequent to the financial statements that substantially affect the Company's financial position, for which a report is required by the International Financial Reporting Standards.

Kozani, 19 May 2017

The Chairman of the BoD & CEO	The Chief Financial Officer	The Chief Accountant
Leonidas G. Bobolas	Marilena Nitsopoulou	Konstantinos Mertis