**ΟΜΙΛΟΣ ΗΛΕΚΤΩΡ**

# Board of Directors' Annual Report
# &
# Annual Financial Statements
# prepared in accordance with International Financial Reporting Standards
# for the fiscal year ended on 31 December 2018


**HELECTOR S.A.**
ENERGY &
ENVIRONMENTAL APPLICATIONS
25 ERMOU ST - 145 64 KIFISSIA
Tax ID No.: 094003954 TAX OFFICE: LARGE ENTERPRISES
No Registry No 000258501000

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# Annual Report of the Board of Directors OF HELECTOR SA ENERGY & ENVIRONMENTAL APPLICATIONS

## OVERVIEW

HELECTOR SA is a subsidiary of the ELLAKTOR SA Group, and the Group's branch in ENVIRONMENT & ENERGY. The Company specialises in the design, construction and operation of waste management projects and the generation of power using waste (Waste-to-Energy). The Company holds a leading position in Greece; it carries on significant activity in Germany, and it is currently executing projects and has signed contracts in six more countries.

It is noted that the company, acting via its German subsidiaries Herhof GmbH and Helector GmbH, has internationally recognised expertise in waste management, enabling it to offer fully vertical solutions to meet the most complex demands and needs of demanding markets/customers.

By expanding its activities and seeking new markets, the Company has demonstrated its significant expertise in the following sectors:

- Construction and operation of waste management plants, including hazardous waste. This includes, but is not limited to the following:
  - Design, Financing, Construction, Maintenance and Operation of Infrastructure of the Integrated Waste Management System (IWMS) of Western Macedonia with PPP
  - Construction & one (1) year trial operation of the waste management plant in the City of Sofia (Bulgaria);
  - Construction and operation of an Urban Solid Waste treatment plant in Larnaca-Famagusta;
  - Construction, financing and operation of an Urban Solid Waste treatment plant in Osnabrueck, Germany;
  - Construction of an Urban Solid Waste management plant in Trier, Germany;
  - Construction of an anaerobic treatment plant for the organic part of waste, with the total annual capacity exceeding 220 000 tons;
  - Construction of RSP in the Municipality of Fyli and Koropi;
  - Operation of the Mechanical Recycling Plant in Ano Liosia;
  - Operation of an incinerator for hospital waste in Attica;

- Construction and management of landfills and related projects. This includes, but is not limited to the following:
  - Construction of the Ano Liosia landfill;
  - Construction and operation of the Fyli landfill;
  - Construction of the Mavrorachi-Thessaloniki landfill;
  - Construction of the Tagarades landfill;
  - Construction of the Paphos landfill;
  - Construction and operation of Leachate Treatment Plant in Paphos;
  - Construction and operation of a Leachate Treatment Plant in Ano Liosia-Fyli;
  - Construction of a Leachate Treatment Plant in Tagarades;
  - Construction of a Leachate Treatment Plant in Mavrorachi.

- Development and operation of RES. This includes, but is not limited to the following:
  - Construction, financing and operation of an energy & heat cogeneration plant using biogas coming from the Ano Liosia and Fyli landfills, via subsidiary VEAL SA – Total Capacity 23.5 MW (the largest plant in Europe);
  - Construction, financing and operation of an energy and heat cogeneration plant using biogas coming from the Tagarades landfill – Total Capacity 5 MW;

The company's operation and growth is based on cooperation and complementarity rather than separated in the categories above, and this is always achieved through appropriate corporate schemes which are subject to the company's control and management. Therefore, the entire activity and growth is better depicted in the consolidated financial statements.

**EVENTS – RESULTS FOR 2018**

A. EVENTS

On 21.05.2018, and following long negotiations, the HELECTOR SA - ELLAKTOR SA - Cybarco Ltd Joint Venture, which operates the Integrated Waste Management Facility (OEDA) in Kosii, concluded an additional agreement with regard to this project. The Supplementary Contract provides for the diversion of up to 120,000 tonnes of mixed waste from the Nicosia District with the aim of shutting down the uncontrolled Kotsiatis landfill with a simultaneous discount on the price per tonne of incoming waste as well as a deduction on outstanding amounts accrued by an immediate agreement for payment thereof. For this contract, the Ministry of Agriculture, Rural Development and the Environment issued a communication stating that "*... the conclusion of the Supplementary Contract undoubtedly serves the public interest, as it provides for the transfer and management of waste from the Nicosia District to the OEDA in Kosii. As a result, the Kotsiatis landfill will be shut down, thus ensuring public health, compliance with the judgment of the Court of Justice of the European Union condemning the Republic of Cyprus and avoiding a possible unbearable fine...".*

It is noted that, under the intermediate unanimous ruling of the Nicosia Assize Court of March 18$^{th}$, 2019 on the criminal case 9357/16, HELECTOR Cyprus LTD was *prima facie* absolved of charges and acquitted as regards the offences of conspiracy to commit fraud. The proceedings are still in progress with regard to the other charges.

This year, under ruling no. 1333/2018 of the Multi-Member First-Instance Court of Athens, the Court ordered EDSNA to pay compensation to HELECTOR S.A. for works performed in previous years beyond the contractual scope, amounting to €5.8 million.

The following agreements were signed, either separately or through joint ventures, in 2018:

- Contract no. 8615/09.08.2018 with EDSNA on "Cell slopes configuration, arrangement and leveling works at the Fily Sanitary Landfill" with a contractual value of €3.05 million. The contract was signed via a joint venture and HELECTOR's participation share therein was 50%.
- Contract no. 9898/13.09.2018 with EDSNA on "Operational needs support works at the Fyli & Western Attica Integrated Waste Disposal Facilities" with a budget of €3.59 million, which was assumed and is being implemented independently by HELECTOR.
- Contract no. 238/02.01.2018 with the Municipality of Kalamata on "Operation of a mobile unit processing USW", with a budget of €3.36 million, which was assumed and is being implemented independently by HELECTOR.
- Contract dated 10.05.2018 with the Regional Administration of Epirus on "Operation of the Sanitary Landfill at the 1$^{st}$ management district of the Region of Epirus (Ioannina Prefecture) for a three-year period", with a budget of €2.96 million. The contract was signed via a joint venture and HELECTOR's participation share therein was 50%.
- Contract no. 11/02.10.2018 with D.E.T.E.P.A. on "Supply and installation of thermal power plants utilizing biomass for the Amynteon district heating of 30 MW".
- Contract no. 28639/27.08.2018 with the Municipality of Corinth on "Supply of urban solid waste management equipment".
- Contract no. 669/24.05.2018 with DIADYMA S.A. on "Provision of biogas collection and exploitation services at the Sanitary Landfill of the Central Integrated Waste Management Facilities of the Western Macedonia Region for the generation of electricity". The contract was signed via a joint venture and HELECTOR's participation share therein was 60%.

In 2018, the Company (either directly or through joint ventures it participates in), continued to perform the following construction projects whose contracts had been signed before 01.01.2018:

- Waste treatment plant in Croatia, region of Istria (Kastijun project), with an annual capacity of 90 000 tons;
- Construction of Cells B2-B3-B5-B6 of Phase B of the 2$^{nd}$ Western Attica landfill at the location 'Skalistiri', Municipality of Fyli;
- Thessaloniki Waste Transfer Station (completed in the 1$^{st}$ half of 2018);

- The 2nd phase of the project "Design, Build and operate a solid waste disposal facility: A landfill gas recovery and power generation system in the existing Ghabawi Landfill, Amman, Jordan (23.1.2010)"
- Biogas Collection and Exploitation Unit at the Mavrorachi Landfill Site.

The contracts for the following projects (either through the parent company or through subsidiaries or joint ventures) which were signed before 01.01.2018 were continued:

- Operation of the "Integrated Waste Management System of the Western Macedonia Region" (in the form of a PPP) which was implemented by HELECTOR in 2016-2017. The operation is carried out by EDADYM S.A., an 100% subsidiary;
- Operation of the Waste Treatment Plant in Osnabrueck;
- Operation of Waste Treatment and Disposal Facilities of the Larnaca - Famagusta Districts;
- Services of Support, Operation, Maintenance and Repair of the Recycling and Composting Plant in Ano Liosia, Attica, with an annual capacity of 253 800 tons;
- Operation of the co-generation plant using biogas from the landfills of Ano Liosia & Fyli, with a capacity of 23.5 MW;
- Operation of the co-generation plant using biogas from the landfill of Tagarades, with a capacity of 5 MW;
- Operation of an incinerator for hospital waste in Ano Liosia;
- Operation of the medical waste sterilising unit in Volos, Magnesia.

The following service contracts expired in 2018:

- Operational needs support works at the Fyli & Western Attica Integrated Waste Disposal Facilities;
- Operation-maintenance services for the Drainage Plants at the Fyli and Western Attica Integrated Waste Disposal Facilities;

Subsequently to the date of the Financial Statements, the Company signed the following contracts, either independently or through joint ventures:

- Signing (9.5.2019) of a 1st supplementary contract for the project "CELL CONFIGURATION PHASE B WORKS" with a value of €0.59 million.
- Signing of a contract for the project "Establishment of a Waste Transfer Station for Athens and the adjacent Municipalities in Eleonas"
- Signing of a contract (11.06.2019) for the implementation of Phase D of the project "Design, build and operate a solid waste disposal facility: A landfill gas recovery and power generation system in the existing Ghabawi Landfill, Amman, Jordan (23.1.2010)", with a budget of €8.2 million, which is executed through the joint venture JV HELECTOR SA - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS (HELECTOR participation 49%);
- Signing of a contract for the project "Services for the operation of the Residues Landfill in Lefkimmi"
- Signing of a contract for the project "Restoration of 3 Cells at the Sanitary Landfill in Tembloni" via a joint venture where HELECTOR holds a 52% share.

In addition to the above, the Company has submitted offers for the following projects (only the main projects are listed), the outcome of which is pending:

- Provision of biogas exploitation services at the Rhodes Sanitary Landfill
- Request for proposal for the selection of a strategic partner in the field of electricity production from geothermal power plants. In that tender, the company has been declared Highest Bidder and is expected to be named Provisional Contractor.
- Construction of a waste processing unit and a residues landfill in Amari.
- Lease, operation and maintenance of 2 new leachate processing units at the Mavrorachi Sanitary Landfill, and repair, operation and maintenance of the 2 existing evaporation units.
- Construction of an organic fraction mechanical sorting and composting unit in the Municipality of Hersonisos - Operation of the unit.

All amounts are in EUR thousand, unless stated otherwise

- Operation of a mobile mechanical recycling & composting unit in the Prefecture of Ileia, for the period 2018-2020.
- Extension to the WWTP for the purpose of receiving wastewater from the Priority C settlements of Agria and N. Aghialos.
- The 2nd supplementary contract for the project "CELL CONFIGURATION PHASE B WORKS" is to be signed.

## B. RESULTS – FINANCIAL FIGURES

Despite the adverse conditions in Greece, 2018 was a relevantly good year for HELECTOR, taking into account the negative economic environment.

The financial figures for the Group and the Company are analysed as follows:

- The Group's consolidated income stood at €89.17 million, up by 13.33% compared to consolidated income of €78.68 million for 2017. The increase is mainly due to the implementation of new contracts concluded in the current and previous years and, to a great extent, to non-recurrent income, i.e. accounting for revenue from prior period works, amounting to €5.8 million, as a result of the relevant ruling no. 1333/2018 of the Multi-Member First-Instance Court of Athens.

- Operating results at Group level stood at €1 3.85 million, up by 104.25% compared to €6.78 million last year. The results for 2018 have been negatively affected by a provision for an amount of €1.1 million, consisting of interest and capital, as a result of a provision for compensation under arbitration proceedings on which an appeal has been brought before administrative courts, and have been positively affected by an amount of €5.8 million, which was awarded to the company by courts for works executed in prior years beyond the contractual scope, as mentioned above.

- Profit before tax for the Group stood at €14.85 million, up by 159.60% compared to €5.72 million in 2017.

- Net operating profit (after tax) stood at €8.62 million (2017: profit of €1.72 million) for the Group and €8.89 million (2017: loss of €4.34 million) for the Company. Please note that the loss for 2017 resulted from reversal of profitability of construction contracts and the recording of a provision for compensation as a result of arbitration proceedings against which an appeal has been brought before administrative courts, while the profit for 2018 is increased by the amount of €5.8 million awarded to the company by courts for prior period works executed beyond the contractual scope, as cited above.

- Equity at Company level, as a result of the profits gained in the current year 2018, increased from €79.76 million to €88.64 million. The Group's equity (except for the amount attributable to non-controlling interests) increased from €91.78 million to €98.28 million. This increase is mainly attributable to the profitability of the financial year, as discussed above, as well as to adjustments to net worth from exchange and other differences.

- Short-term borrowings on a consolidated basis increased from €1.96 million to €2.38 million and comprises instalments payable over the next 12 months under long-term loans received for the individual subsidiaries to pursue their investment plans. Long-term borrowings were reduced from €3.63 million to €2.85 million, due to the repayment of regular instalments under loans entered into for the implementation of investment plans of subsidiaries.

  The Group's net borrowings as at 31.12.2018 and 31.12.2017 are detailed in the following table:

| | **Consolidated figures** | |
|---|---|---|
| | **31-Dec-18** | **31-Dec-17** |
| Total borrowings | 5,232 | 5,585 |
| Less: Cash and cash equivalents | (47,402) | (26,996) |

All amounts are in EUR thousand, unless stated otherwise

| | | |
|---|---|---|
| **Net Debt/(Cash)** | **(42,170)** | **(21,411)** |
| **Total Equity** | **106,817** | **101,867** |
| **Total Capital Employed** | **64,647** | **80,456** |
| | | |
| **Gearing ratio** | **-** | **-** |

Given that the Group holds net cash, the gearing ratio calculation as of 31.12.2018 and 31.12.2017 is not applicable. This ratio is defined as the quotient of net debt (i.e. total long and short-term bank borrowings less cash and cash equivalents) to total capital (i.e. total equity plus net debt).

- Net cash flows from operating activities at parent company level stood at €0.47 million (outflows), and at €23.42 million on a consolidated basis (inflows). The respective amounts for 2017 were €3.44 million (outflows) for the Parent and €5.94 million (inflows) for the Group.

## EVENTS AFTER 31.12.2018

1. On May 21st, 2019 the Company acquired the remaining 50% share in the group company EPADYM S.A. from the affiliated company AKTOR CONCESSIONS S.A at the price of €9,565,001.05 in total.

2. On May 28th, 2019, the Company acquired a 75% share in Urban Solid Recycling S.A., its distinctive title being ASA RECYCLE, at the price of €4,275,000.

3. According to the Board of Directors' Minutes of June 28th, 2019 the Company is a bondholder in a bond loan issued by the affiliated company AKTOR TECHNICAL SOCIETE ANONYME, of a total amount of €5,000,000.

## FUTURE ACTIONS - ESTIMATES

A. OUTLOOK

The environment remains a segment of particular interest, both in Greece and abroad. The obligation of Greece to adapt to EU requirements regarding waste management, the fines imposed on it for keeping illegal landfills, and atypical and high-cost solutions adopted in absence of an overall design, are factors that require the application of modern waste management methods, and, hence, the development of the sector in the country.

In terms of activities abroad, HELECTOR aims to expand its operations in the greater geographical area of interest, which includes, in addition to Germany, the Eastern Europe, Middle East and North Africa countries.

The current backlog of HELECTOR from construction projects and contracts (including those signed after 31.12.2018) amounts to €68.2 million.

B. Risks and uncertainties

It is incontestably necessary to upgrade the domestic waste management infrastructure, but changes to the planning for the implementation of new waste management projects in Greece have adversely affected the time schedule for awarding new project in Greece. However, please note that the available funds from the NSRF 2014-2020 for waste management projects are clearly below the total required investment level, assessed at approximately €1.5 billion, without any clear indication as to how that financing gap is to be covered.

In addition, the current dire straits and the limited liquidity from banks have made the funding of co-financed environmental projects more expensive and difficult.

Finally, another major risk for the sector can be identified in reactions of local communities and petitions filed with the Council of State in relation to landfills and waste treatment plants, as well as in the time-consuming procedures for the issue of permits and the approval of environmental conditions.

## BUSINESS MODEL DESCRIPTION

The objective of the Group's Management is to become one of the leading regional groups in the field of construction, with an emphasis on environmental technical projects (landfills) and waste management with the production of quality projects and services.

The Group's assets to achieve its strategic goals are its long-term experience and extensive know-how in the areas where it operates, innovation, its qualified and skilled human resources, and the trust placed in the Group by clients, associates and shareholders.

## HUMAN RESOURCES

The Group relies heavily on its human resources to pursue its objectives. The Group has created a safe and equitable working environment, in line with labour law, offering satisfactory remunerations and benefits, as well as additional hospitalisation insurance.

With a view to ensuring that we employ staff of the highest possible calibre, the Group has established selection, training, evaluation and reward procedures for its personnel.

On 31.12.2018 the Group employed 626 persons (762 persons in 2017) and the Company 450 people (457 persons in 2017). For the Group, 86.10% of the employees work with an employee relationship, and for the Company this percentage is 83.78%, respectively.

## ENVIRONMENTAL ISSUES

The Group operates with a view to ensuring respect for the natural and man-made environment, and to minimising any negative impact from its activities. Both the parent and the subsidiaries have adopted the principles of sustainable development. As a result, the Group aims to undertake new initiatives in order to promote greater environmental responsibility, as well as the development of technologies that are environmentally friendly. The Group applies accredited environmental management systems, thus ensuring legislative compliance and effective environmental control of its projects and activities. In view of the above, the Company has been certified according to ISO 14001.

The environmental actions of the Group are targeted at reducing generated waste, reusing consumables, managing waste, recycling, using more environmentally-friendly materials, using RES, saving natural resources, applying new environmentally-friendly technologies, etc.

## FINANCIAL RISKS MANAGEMENT

The Group is exposed to various financial risks, such as market risks (currency, interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the trade receivables, cash and cash equivalents, trade and other payables, and borrowings.

## OTHER INFORMATION

### 1. Securities

On 31.12.2018 the Group and the Company held shares of a total value of €164.425.

### 2. Branches

On 31.12.2018 the Company maintains 2 branches in Slovenia and Croatia, the results of which are included in these consolidated financial statements.

### 3. Research and development sector

The Group and the Company do not incur research and development costs.

All amounts are in EUR thousand, unless stated otherwise

## RELATED PARTIES

The Group is controlled by ELLAKTOR S.A. (domiciled in Greece), which holds 94.44% of the parent company's shares. The 5.56% balance of the shares is held by ARESA Management limited.

The following are transactions with related parties:

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | 1-Jan to | | 1 Jan to | |
| | | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| a) | **Sales of goods and services** | **8,276** | **6,431** | **12,656** | **13,777** |
| | Sales to subsidiaries | - | - | 10,719 | 11,445 |
| | Sales to associates | 6,725 | 3,990 | 517 | 343 |
| | Sales to affiliates | 1,552 | 2,440 | 1,419 | 1,989 |
| (b) | **Purchases of goods and services** | **2,405** | **2,916** | **1,361** | **1,416** |
| | Purchases from subsidiaries | - | - | 1,361 | 1,416 |
| | Purchases from affiliates | 2,405 | 2,916 | - | - |
| (c) | **Key management compensation** | **408** | **185** | **373** | **115** |
| d) | **Income from dividends** | - | - | **4,369** | **770** |

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| (e) | **Closing balance (Receivables)** | **6,128** | **2,241** | **14,022** | **11,264** |
| | Receivables from subsidiaries | - | - | 13,983 | 11,171 |
| | Receivables from associates | 1,010 | 93 | 40 | 93 |
| | Receivables from affiliates | 5,117 | 2,148 | - | - |
| f) | **Closing balance (Liabilities)** | **618** | **562** | **2,081** | **3,113** |
| | Payables to subsidiaries | - | - | 2,081 | 3,113 |
| | Payables to associates | - | - | - | - |
| | Payables to other related parties | 618 | 562 | - | - |
| (g) | **Receivables from key management** | - | - | - | - |
| (g) | **Amounts payable to key management** | **18** | **18** | - | - |
| h) | **Dividends receivable** | - | - | **5,316** | **2,756** |

Following the foregoing overview of operating and financial activities and the explanations we provided acting as authorised management, Shareholders are invited to approve the Financial Statements for 2018 and the accompanying

Directors' report, and release the members of the Board of Directors individually and the Board of Directors collectively, as well as the Auditor, from all liability to compensation for 2018.

Athens, 26 August 2019

For the Board of Directors

The Managing Director

Charalampos Sofianos

## INDEPENDENT CERTIFIED AUDITOR-ACCOUNTANT REPORT

To the Shareholders of HELECTOR SA

**Audit report on the Corporate and Consolidated Financial Statements**

**Opinion**

We have audited the corporate and consolidated financial statements of HELECTOR SA (Company and/or Group), which comprise the company and consolidated statement of financial position as of 31 December 2018, the company and consolidated profit and loss and comprehensive income statements, statement of changes in equity and cash flow statement for the year then ended, as well as the notes on the corporate and consolidated financial statements that include a summary of significant accounting policies.

In our opinion, the attached corporate and consolidated financial statements fairly present, in all material respects, the financial position of the Company and of the Group as at 31 December 2018, as well as its corporate and group financial performance and its corporate and consolidated cash flows for the year that ended according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with Codified N. 2190/1920.

**Basis of opinion**

We have conducted our audit in accordance with the International Auditing Standards, as transposed into the Greek legislation. Our responsibilities, according to these standards, are further described in the section of our report “Auditor's responsibilities in auditing the corporate and consolidated financial statements”. We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our audit opinion.

**Auditor’s independence**

Throughout our appointment we remain independent of the Company and the Group in accordance with the Code of Conduct for Professional Auditors of the Board of International Standards of Auditors’ Ethics incorporated into Greek law, and ethics requirements of Law 4449/2017, relating to the audit of corporate and consolidated financial statements in Greece. We have fulfilled our ethical obligations according to Law 4449/2017 and the requirements of the Code of Conduct for Professional Auditors of the Board of International Standards of Auditors’ Ethics.

**Other information**

The members of the Board of Directors are responsible for Other information. Other Information is the Management Report of the Board of Directors (but does not include the financial statements and the audit report thereon) that we received before the date of this auditor’s report.

Our opinion on the corporate and consolidated financial statements does not cover Other information and, apart from what is expressly stated in this paragraph of our Report, we do not express an audit opinion or other assurance on it.

With regard to our audit of the corporate and consolidated financial statements, it is our responsibility to read Other information and thus to consider whether Other information is materially inconsistent with the corporate and consolidated financial statements or the knowledge we acquired during our audit or otherwise appear to be fundamentally incorrect.

We have examined whether the Management Report of the Board of Directors includes the disclosures required by Codified L. 2190/1920.

Based on the work we performed during our audit, in our opinion:

- the information included in the Management Report of the Board of Directors for the year ended 31.12.2018 corresponds to the corporate and consolidated financial statements;
- the Board of Directors' Management Report has been drawn up in accordance with the current legal requirements of Articles 43a and 107a of Codified Law 2190/1920.

Moreover, on the basis of the information and understanding we obtained during our audit in relation to the Company and the Group HELECTOR S.A. and the environment they operate in, we are obliged to report that we did not identify any material misstatements in the Directors' Report. We have nothing to report about this issue.

**Responsibilities of the Board of Directors and those responsible for governance on corporate and consolidated financial statements**

The Management Board is responsible for the preparation and fair presentation of the corporate and consolidated financial statements, in accordance with the International Financial Reporting Standards, as these have been adopted by the European Union, and the requirements of Codified L. 2190/1920, and for such audit safeguards that the Board of Directors finds necessary in order to make possible the preparation of the corporate and consolidated financial statements free of any material misstatements, due either to fraud or error.

In preparing the corporate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue their activities, disclosing, where applicable, any issues related to the continuing activity and the use of the accounting basis of the continuing activity unless the Board of Directors either intends to liquidate the Company and the Group or to discontinue its activities or has no other realistic option than to take such actions.

Those responsible for governance have the responsibility to oversee the financial reporting process of the Company and the Group.

**Auditor's responsibilities in auditing the corporate and consolidated financial statements**

Our objectives are to obtain reasonable assurance whether the corporate and consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report presenting our opinion. The reasonable assurance is a high level of assurance, but it is not a guarantee that the audit carried out in accordance with the IAS, incorporated into the Greek Legislation, will always identify a material misstatement, when such a misstatement exists. Errors may result from fraud or error and are considered essential when individually or collectively could reasonably be expected to affect the economic decisions of users made on the basis of these corporate and consolidated financial statements.

As an auditing duty, according to the IAS incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatements in the corporate and consolidated financial statements, whether due to fraud or error, by designing and performing audit procedures that respond to those risks and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material error due to fraud is higher than that due to error, as fraud can involve collusion, forgery, deliberate omissions, false assertions or bypassing the internal audit safeguards.

- We understand audit-related internal safeguards to design audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the Company's and the Group's internal audit.

- We assess the appropriateness of the accounting policies and methods used and the reasonableness of accounting estimates and disclosures made by the Board of Directors.

- We decide on the appropriateness of the Board of Directors' use of the accounting principle on a going concern basis and based on the audit evidence that has been obtained as to whether there is material uncertainty about events or circumstances that may indicate material uncertainty as to the ability of the Company and the Group to continue their activity. If we conclude that there is material uncertainty, we are required to report such disclosures in the company and consolidated financial statements in the auditor's report or whether these disclosures are insufficient to differentiate our opinion. Our findings are based on audit evidence obtained until the date of the auditor's report. However, future events or conditions may result in the Company and the Group ceasing to operate as a going concern.

- We evaluate the overall presentation, structure and content of the corporate and consolidated financial statements, including disclosures, and whether the separate and consolidated financial statements reflect the underlying transactions and events in a manner ensuring their reasonable presentation.

- We gather sufficient and appropriate audit evidence about the financial information of entities or business within the Group to express an opinion on the corporate and consolidated financial statements. We are responsible for conducting, supervising and performing the audit of the Company and the Group. We remain solely responsible for our audit opinion.

Among other issues, we report to those responsible for governance, the scope and timing of the audit, as well as important audit findings, including any significant deficiencies in the internal audit that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

The work we performed on the Board of Directors' Management Report is mentioned in section "Other information" above.

Athens, 28 August 2019

The Certified Auditor Accountant

PriceWaterhouseCoopers

Auditing Company SA

Certified Auditors - Accountants

LICENCE SOEL Reg. No 113

Fotis Smirnis

Institute of CPA (SOEL) Reg. No 52861

All amounts are in EUR thousand, unless stated otherwise

# Statement of Financial Position

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | **Note** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 5 | 36,152 | 36,900 | 2,172 | 2,802 |
| Intangible assets | 6 | 5,042 | 7,480 | 7 | 11 |
| Investments in subsidiaries | 7 | - | - | 25,647 | 21,647 |
| Investments in associates | 8 | 5,567 | 4,841 | 5,473 | 5,473 |
| Financial assets available for sale | 10 | - | 273 | - | 273 |
| Financial assets at fair value through other comprehensive income | 10 | 164 | - | 164 | - |
| Deferred tax assets | 20 | 1,927 | 3,221 | 2,364 | 3,570 |
| Other non-current receivables | 13 | 8,523 | 7,299 | 8,796 | 16,547 |
| | | **57,375** | **60,014** | **44,623** | **50,323** |
| **Current assets** | | | | | |
| Inventories | 12 | 1,251 | 782 | 125 | 125 |
| Trade and other receivables | 13 | 56,154 | 64,550 | 41,714 | 31,351 |
| Financial assets available for sale | 10 | - | 4,618 | - | 3,640 |
| Cash and cash equivalents | 15 | 47,402 | 26,996 | 23,950 | 14,829 |
| | | **104,807** | **96,946** | **65,789** | **49,945** |
| **Total assets** | | **162,182** | **156,960** | **110,412** | **100,268** |
| **EQUITY** | | | | | |
| **Equity attributable to shareholders** | | | | | |
| Share capital | 16 | 2,010 | 2,010 | 2,010 | 2,010 |
| Share premium | 16 | 5,216 | 5,216 | 5,216 | 5,216 |
| Other reserves | 17 | 6,700 | 6,422 | 4,733 | 4,689 |
| Profits carried forward | | 84,355 | 78,132 | 76,685 | 67,840 |
| | | **98,281** | **91,780** | **88,644** | **79,755** |
| Non-controlling interests | | 8,536 | 10,087 | - | - |
| **Total equity** | | **106,817** | **101,867** | **88,644** | **79,755** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Long-term borrowings | 18 | 2,850 | 3,625 | - | - |
| Deferred tax liabilities | 20 | 4,288 | 4,261 | - | - |
| Employee retirement compensation liabilities | 21 | 538 | 453 | 371 | 335 |
| Grants | 22 | 7,454 | 8,301 | - | 90 |
| Derivative financial instruments | 11 | 106 | 263 | - | - |
| Other long-term liabilities | 19 | 561 | 1,388 | - | - |
| Other non-current provisions | 23 | 1,535 | 1,948 | 633 | 633 |
| | | **17,332** | **20,239** | **1,004** | **1,058** |
| **Current payables** | | | | | |
| Trade and other payables | 19 | 18,229 | 18,993 | 11,150 | 10,824 |
| Current tax liabilities (income tax) | | (2,581) | 1,676 | 1,313 | 402 |
| Short-term borrowings | 18 | 2,382 | 1,960 | 1,926 | 1,854 |
| Dividends payable | | 8 466 | 5,932 | - | - |
| Other current provisions | 23 | 6,375 | 6,293 | 6,375 | 6,375 |
| | | **38,033** | **34,854** | **20,764** | **19,455** |
| **Total liabilities** | | **55,365** | **55,093** | **21,768** | **20,513** |
| **Total equity and liabilities** | | **162,182** | **156,960** | **110,412** | **100,268** |

The notes on pages 22 to 86 form an integral part of these financial statements.

All amounts are in EUR thousand, unless stated otherwise

# Income Statement

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | 12-month period to | | 12-month period to | |
| | Note | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **Sales** | | **89,171** | **78,681** | **48,753** | **39,834** |
| Cost of sales | 24 | (65,803) | (66,902) | (32,178) | (36,677) |
| **Gross profit** | | **23,368** | **11,780** | **16,575** | **3,157** |
| Distribution costs | 24 | (2,364) | (2,186) | (2,292) | (2,140) |
| Administrative expenses | 24 | (6,889) | (5,698) | (3,025) | (2,769) |
| Other income | 25 | 1,589 | 1,188 | 1,068 | 425 |
| Other profit/(losses) - net | 25 | (1,858) | 1,696 | (3,320) | (1,970) |
| **Operating profit/(loss)** | | **13,846** | **6,779** | **9,006** | **(3,296)** |
| Income from dividends | | - | - | 4,370 | 770 |
| Profit/(loss) from associates | 8 | 722 | (307) | - | - |
| Financial income | 26 | 1,421 | 853 | 1 233 | 858 |
| Financial expenses | 26 | (1,141) | (1,606) | (839) | (1,004) |
| **Profit/(Loss) before taxes** | | **14,848** | **5,719** | **13,770** | **(2,672)** |
| Income tax | 28 | (6,227) | (4,002) | (4,884) | (1,667) |
| **Net profit/ (loss) for the period** | | **8,621** | **1,717** | **8,886** | **(4,339)** |
| | | | | | |
| **Profit/(loss) for the financial year attributable to**: | | | | | |
| Owners of the parent company | | 6,351 | (163) | 8,886 | (4,339) |
| Non-controlling interests | | 2,270 | 1,880 | - | - |
| | | **8,621** | **1,717** | **8,886** | **(4,339)** |

| ADDITIONAL INFORMATION | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | 12-month period to | | 12-month period to | |
| | Note | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| A. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | 34 | 20,350 | 12,249 | 14,078 | (1,889) |
| B. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | 34 | 20,350 | 9,207 | 14,078 | (746) |

The notes on pages 22 to 86 form an integral part of these financial statements.

All amounts are in EUR thousand, unless stated otherwise

# Statement of Comprehensive Income

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | 12-month period to | | 12-month period to | |
| | **Note** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Net profit/ (loss) for the period** | | **8,621** | **1,717** | **8,886** | **(4,339)** |
| **Other comprehensive income** | | | | | |
| **Items that may be subsequently reclassified to profit or loss** | | | | | |
| Currency translation differences | 17 | 137 | 139 | 132 | 131 |
| Fair value gains/(losses) on available-for-sale financial assets | 17 | - | (62) | - | (103) |
| Cash flow hedge | 17 | 157 | 223 | - | - |
| Other | 17 | 1 | 3 | 1 | 50 |
| | | **295** | **303** | **133** | **78** |
| **Items that will not be reclassified to profit and loss** | | | | | |
| Actuarial loss | 17 | (24) | 41 | (12) | 32 |
| Share capital increase expenses | | - | (14) | - | - |
| Change in the fair value of financial assets at fair value through other comprehensive income | 17 | (122) | - | (118) | - |
| | | **(146)** | **27** | **(130)** | **32** |
| **Other comprehensive income for the period (net of taxes)** | | **149** | **330** | **3** | **110** |
| **Total Comprehensive Income/(Loss) for the year** | | **8,770** | **2,047** | **8,889** | **(4,229)** |
| **Total Comprehensive Income/(Loss) for the year attributable to:** | | | | | |
| Owners of the parent company | | 6 500 | 164 | 8,889 | (4,229) |
| Non-controlling interests | | 2,270 | 1,883 | - | - |
| | | **8,770** | **2,047** | **8,889** | **(4,229)** |

The notes on pages 22 to 86 form an integral part of these financial statements.

All amounts are in EUR thousand, unless stated otherwise

# Statement of Changes in Equity - Consolidated figures

**Consolidated figures**

| | | Attributed to Equity Holders of the Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Share capital | Share premium | Other reserves | Treasury shares | Results carried forward | Total | Non-controlling interests | Total Equity |
| **1 January 2017** | | **2,010** | **5,216** | **6,004** | **-** | **78,386** | **91,616** | **8,484** | **100,100** |
| Net losses / profit for the year | | - | - | - | - | (163) | **(163)** | 1,880 | **1,717** |
| **Other comprehensive income** | | | | | | | | | |
| Currency translation differences | 17 | - | - | 139 | - | - | **139** | - | **139** |
| Fair value gains/(losses) on available-for-sale financial assets | | - | - | (62) | - | - | **(62)** | - | **(62)** |
| Changes in value of cash flow hedge | 17 | - | - | 223 | - | - | **223** | - | **223** |
| Actuarial loss | 17 | - | - | 38 | - | - | **38** | 3 | **41** |
| Expenses for share capital increase | | - | - | - | - | (14) | **(14)** | - | **(14)** |
| Other | | - | - | 3 | - | - | **3** | - | **3** |
| **Other comprehensive income/(loss) for the year (net of tax)** | | **-** | **-** | **341** | **-** | **(14)** | **327** | **3** | **330** |
| **Total Comprehensive Income/(Loss) for the year** | | **-** | **-** | **341** | **-** | **(177)** | **164** | **1,883** | **2,047** |
| Transfer (from)/ to reserves | | - | - | 77 | - | (77) | - | - | - |
| Dividend distribution | | - | - | - | - | - | **-** | (280) | **(280)** |
| **31 December 2017** | | **2,010** | **5,216** | **6,422** | **-** | **78,132** | **91,780** | **10,087** | **101,867** |
| **1 January 2018** | | **2,010** | **5,216** | **6,422** | **-** | **78,132** | **91,780** | **10,087** | **101,867** |
| Net profit for the year | | - | - | - | - | 6,351 | **6,351** | 2,270 | **8,621** |
| **Other comprehensive income** | | | | | | | | | |
| Currency translation differences | 17 | - | - | 137 | - | - | **137** | - | **137** |
| Change in the fair value of financial assets through other comprehensive income | 17 | - | - | (122) | - | - | **(122)** | - | **(122)** |
| Changes in value of cash flow hedge | 17 | - | - | 157 | - | - | **157** | - | **157** |
| Actuarial loss | 17 | - | - | (23) | - | - | **(23)** | (1) | **(24)** |
| Other | | - | - | 1 | - | - | **1** | - | **1** |
| **Other comprehensive income/(loss) for the year (net of tax)** | | **-** | **-** | **150** | **-** | **-** | **150** | **(1)** | **149** |
| **Total Comprehensive Income/(Loss) for the year** | | **-** | **-** | **150** | **-** | **6,351** | **6,501** | **2,270** | **8,770** |
| Transfer (from)/ to reserves | 17 | - | - | 128 | - | (128) | - | - | - |
| Dividend distribution | | - | - | - | - | - | **-** | (3,820) | **(3,820)** |
| **31 December 2018** | | **2,010** | **5,216** | **6,700** | **-** | **84,355** | **98,281** | **8,536** | **106,817** |

All amounts are in EUR thousand, unless stated otherwise

# Statement of Changes in Equity - Company figures

**Company figures**

| | Note | Share capital | Share premium | Other reserves | Results carried forward | Total Equity |
|---|---|---|---|---|---|---|
| **1 January 2017** | | **2,010** | **5,216** | **4,579** | **72,179** | **83,984** |
| Net profit for the year | | - | - | - | (4,339) | **(4,339)** |
| **Other comprehensive income** | | | | | | |
| Currency translation differences | 17 | - | - | 131 | - | **131** |
| Fair value gains/(losses) on available-for-sale financial assets | 17 | - | - | (103) | - | **(103)** |
| Actuarial profit | 17 | - | - | 32 | - | **32** |
| Other | | - | - | 50 | - | **50** |
| **Other comprehensive income for the period (net of taxes)** | | **-** | **-** | **110** | **-** | **110** |
| **Total Comprehensive Income/(Loss) for the year** | | **-** | **-** | **110** | **(4,339)** | **(4,229)** |
| **31 December 2017** | | **2,010** | **5,216** | **4,689** | **67,840** | **79,755** |
| | | | | | | |
| **1 January 2018** | | **2,010** | **5,216** | **4,689** | **67,840** | **79,755** |
| Net profit for the year | | - | - | - | 8,886 | **8,886** |
| **Other comprehensive income** | | | | | | |
| Currency translation differences | 17 | - | - | 132 | - | **132** |
| Change in the fair value of financial assets through other comprehensive income | 17 | - | - | (118) | - | **(118)** |
| Actuarial loss | 17 | - | - | (12) | - | **(12)** |
| Other | | - | - | 1 | - | **1** |
| **Other comprehensive income for the period (net of taxes)** | | **-** | **-** | **3** | **-** | **3** |
| **Total Comprehensive Income/(Loss) for the year** | | **-** | **-** | **3** | **8,886** | **8,889** |
| Transfer (from)/ to reserves | 17 | | | 41 | (41) | - |
| **31 December 2018** | | **2,010** | **5,216** | **4,733** | **76,685** | **88,644** |

The notes on pages 22 to 86 form an integral part of these financial statements.

All amounts are in EUR thousand, unless stated otherwise

# Cash flow statement

| | Note | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | **01.01.2018-31.12.2018** | **01.01.2017-31.12.2017** | **01.01.2018-31.12.2018** | **01.01.2017-31.12.2017** |
| **Operating activities** | | | | | |
| Net Cash Flows/(outflows) from operating activities | 29 | 23,417 | 5,940 | 471 | (3,437) |
| Interest paid | | (1,429) | (1,342) | (769) | (932) |
| Income tax paid | | (1,464) | 3,214 | (118) | 3,807 |
| **Total Cash Inflows/(Outflows) from Operating Activities (a)** | | **20,524** | **7,812** | **(416)** | **(562)** |
| **Investing activities** | | | | | |
| Purchase of tangible assets | | (3,683) | (1,692) | (307) | (188) |
| Purchases of intangible assets | | (2) | (31) | (1) | (5) |
| Sales of tangible assets | | 692 | 276 | 300 | 2 |
| Dividends received | | 20 | - | 1,820 | 3,722 |
| Acquisition of subsidiaries & share capital increase of subsidiaries | 7 | - | - | (4,525) | (1,250) |
| J/V Sale | | 2 | - | 2 | 225 |
| Purchase of financial assets available for sale | 10 | - | - | - | (341) |
| Sale of available-for-sale financial assets | 10 | - | 8,076 | - | 8,030 |
| Sale of financial assets at fair value through other comprehensive income | 10 | 4,605 | - | 3,631 | - |
| Interest received | | 1,180 | 121 | 887 | 103 |
| Proceeds from loans repaid by related parties | | 44 | - | 8,050 | 2,450 |
| Loans to related parties | | (160) | - | (320) | (5,173) |
| Proceeds from loans | | - | 2,450 | - | - |
| **Total inflows from investments (b)** | | **2,698** | **9,200** | **9,537** | **7,575** |
| **Financing activities** | | | | | |
| Dividends paid | | (1,238) | (2,591) | - | - |
| Tax paid on dividends | | (48) | (43) | - | - |
| Proceeds from borrowings/loans received | | 1,002 | 372 | - | - |
| Repayment of borrowings | | (2,216) | (1,902) | - | - |
| Financial Lease capital repayment (amortisation) | | (316) | (196) | - | - |
| EDADYM share capital increase expenses | | - | (14) | - | - |
| Return of subsidiaries' share capital to third parties | | - | (489) | - | - |
| **Total outflows from financing (c)** | | **(2,816)** | **(4,864)** | **-** | **-** |
| **Net increase in cash and cash equivalents (a)+(b)+(c)** | | **20,406** | **12,148** | **9,121** | **7,013** |
| Cash and cash equivalents at year start | 15 | 26,996 | 14,848 | 14,829 | 7,816 |
| **Cash and cash equivalents at year end** | 15 | **47,402** | **26,996** | **23,950** | **14,829** |

The notes on pages 22 to 86 form an integral part of these financial statements.

# Notes to the financial statements

## 1 General information

The financial statements include the company financial statements of HELECTOR SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (collectively the "Group"), for the year ended 31 December 2018, in accordance with the International Financial Reporting Standards ("IFRS").

The Group mainly operates in construction, focusing on environmental construction (landfills) and solid and liquid waste management. The Group operates in Greece, Croatia, Slovenia, Bulgaria, Germany, FYROM, Cyprus and Jordan.

The Company was incorporated and established in Greece, with registered and central offices at 25 Ermou St, 145 64, Kifissia, Attica. In June of 2012, the Company opened a branch in Rijeka, Croatia, with the purpose of performing and serving the undertaken projects. Moreover, in January 2014 it established a branch in Ljubljana, Slovenia.

The Company is a subsidiary of ELLAKTOR S.A., a company listed on ATHEX, which holds 94.44% of its shares.

The financial statements were approved by the Board of Directors on 26 August 2019, subject to the approval of the General Meeting of shareholders, and are available on the company's website: www.helector.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 consolidated and 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 have been prepared under the historical cost convention, except for certain financial assets (including derivatives), which have been valued at fair value.

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.

#### 2.1.1 Going concern

The financial statements of 31 December 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) and provide a reasonable presentation of the financial position, profit and loss, and cash flows of the Group, in accordance with the principle of going concern.

#### 2.1.2 Macroeconomic conditions in Greece

Following the completion of the third economic adjustment programme, the signs of gradual recovery of the Greek economy continue, even though they appear to be reduced compared to the respective forecasts of the competent authorities, and GDP seems to have increased by 1.9% in 2018 (in real terms, reference year: 2010) compared to 1.5% in 2017, according to the first provisional data of the Hellenic Statistical Authority. This development is mainly due to a 8.7% increase in the exports of goods and services. This trend is expected to continue in 2019 and be backed up by an increase in the available income and employment. On the contrary, fixed asset investments were reduced considerably (-12% per annum) following two years of satisfactory increase.

Greek government bond yields, even though still close to the pre-crisis levels, remain high as compared to other South European countries and are highly volatile. It is estimated that Greece will continue its borrowings from the international markets by issue of bonds, as it did in March 2019, with the issue of a 10-year bond for which the demand was high.

However, budgetary discipline and continuation of the necessary reforms are indispensable parameters for improving yield and, consequently, the financial cost for the Greek State.

The year 2019 is critical for the further improvement of economic climate in Greece. However, the increased volatility internationally, the trend towards increased commercial protectionism, as well as the continued structural weaknesses of the Greek economy are major risks and uncertainties that may adversely affect the economy. Therefore, it is estimated that 2019 will also be a challenging year for the Greek economy and, consequently, for the operations of the Group.

The Management continually assesses the situation and its possible consequences on the Group and the Company, to ensure that all necessary and possible measures and actions are taken in good time to minimise any negative impact.

## 2.2 New standards, interpretations and amendments to existing standards

***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**

**IFRS 9 "Financial Instruments"**

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 applicable under IAS 39. In addition, IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The impact of the implementation of the standard to the Group is described in note 2.3.

**IFRS 15 "Revenue from Contracts with Customers"**

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 impact of the implementation of the standard to the Group is described in note 2.3.

**Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)**

*IAS 28 "Investments in associates and Joint ventures"*

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

**Standards and Interpretations effective for subsequent periods**

**IFRS 9 (Amendments) "Prepayment features with negative compensation"** (effective for annual periods beginning on or after 1 January 2019)

The amendments enable companies, if a certain condition is met, to measure financial assets with prepayment features with negative compensation at amortised cost or fair value through other comprehensive income and not at fair value through profit and loss.

**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 to classify lease contracts into operating and finance leases and to apply different accounting treatment for each type of contract. During the transition, liabilities resulting from existing operating leases (note 30) will be discounted by use of the relevant discount rate (incremental borrowing rate). The present value to arise will be recognised as a liability from leases. The rights to use assets will be measured equally to the liabilities from leases, adjusted by the amount of any prepaid or accrued rents.

The payments of rents for the Group are mainly related to leases of buildings, transportation and mechanical equipment. At the first application of IFRS 16, liabilities from operating lease contracts, which under the current standard must be disclosed in the notes to the financial statements (note 30), will be shown as assets with rights of use and liabilities from leases in the statement of financial position. Therefore, total assets and liabilities are expected to increase considerably as at the first application of the standard, due to the capitalisation of assets with rights of use and the recognition of respective liabilities. The increase in liabilities from leases will result in a respective increase in net borrowings. Moreover, the operating costs of the lease are replaced with the depreciation cost of assets with rights of use and interest expenses on the resulting liabilities. This will entail a significant improvement of “Earnings before interest, taxes, depreciation and amortization.” In the cash flow statement, the rents payment part that relates to capital is expected to reduce the net cash flows from financing activities and will no longer be included in the net cash flows from operating activities. Only the rents payment part that relates to interest will continue being included in the net cash flows from operating activities, which will increase in total.

Based on the above, the Group analysed the expected impact of IFRS 16 as on 1 January 2019, as well as its estimated impact on the consolidated and company income statement for 2019.

With regard to the obligations arising from operating leases, the Group anticipates that it recognise the rights of use of assets and the obligations from leases as of 1 January 2019 in the order of €5 million. The Group equity will not be materially affected.

The Group will apply the standard as from its mandatory adoption date, i.e. 1 January 2019. It intends to apply the simplified transition method and will not restate the comparative amounts for the year prior to the first adoption of the standard. It also intends to use the exceptions to the standard for lease agreements that have a 12 month term from the date of their initial application, for lease agreements where the leased asset is of low value and the contracts are short-term.

**IAS 28 (Amendments) “Long-term interests in associates and joint ventures”** <u>(effective for annual periods beginning on or after 1 January 2019)</u>

The amendments clarify that an entity should account for long-term interests in an associate or joint venture to which the equity method is not applied in accordance with IFRS 9.

**IFRIC 23 “**Uncertainty over Income Tax Treatments**”** <u>(effective for annual periods beginning on or after 1 January 2019)</u>

The Interpretation explains how to recognise and measure current and deferred tax assets and liabilities if there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**IAS 19 (Amendments) “Plan amendment, curtailment or settlement”** <u>(effective for annual periods beginning on or after 1 January 2019)</u>

The amendments require that an entity should determine current service cost after a defined plan amendment, curtailment or settlement. The amendments have not yet been endorsed by the EU.

**IFRS 3 (Amendments) “Definition of a business”** <u>(effective for annual periods beginning on or after 1 January 2020)</u>

The new definition focuses on the concept of business outputs in the form of goods and services provided to customers, contrary to the previous definition that focused on outputs in the form of dividends, reduced cost or other financial benefits to investors and third parties. The amendments have not yet been endorsed by the EU.

**IAS 1 and IAS 8 (Amendments) "Definition of material"** (effective for annual accounting periods beginning on or after 1 January 2020)

The amendments clarify the definition of "material" and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. Lastly, the amendments ensure that the definition of "material" is consistently applied to all IFRSs. The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRSs (2015-2017 Cycle)** (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

*IFRS 3 "Business combinations"*

The amendments clarify that an entity should remeasure the interest previously held in a jointly controlled operation when it acquires control of that operation.

*IFRS 11 "Joint Arrangements"*

The amendments clarify that an entity is not required to remeasure the interest previously held in a jointly controlled operation when it acquires joint control of that operation.

*IAS 12 "Income Taxes"*

The amendments clarify that an entity should equally account for all income tax consequences of dividends.

*IAS 23 "Cost of borrowing"*

The amendments clarify that an entity should account for any borrowing costs incurred to produce an asset when such asset is ready for its intended use or sale.

## 2.3 Changes in accounting principles

The Group applied IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" for the first time using the cumulative effect method (i.e. the modified retrospective approach), with the effect that these standards are recognised at their date of initial application (i.e. 1 January 2018). Accordingly, the information for the year 2017 has not been restated, i.e. it is presented according to previous standards, IAS 18, IAS 11, IAS 39 and the related interpretations. The parent company was not affected by the application of IFRS 9 and IFRS 15.

The nature and impact of those changes are presented below.

**IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and the related interpretations and applies for all revenue from contracts with customers, unless such contracts fall within the scope of other standards. The new standard establishes a five-stages model for measuring revenue from contracts with customers:

1. Identification of contract with the customer.
2. Identification of the performance obligations.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations of the contract.
5. Recognition of revenues when or while a financial entity fulfils the performance obligation.

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. It also contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. In accordance with IFRS 15, revenue is recognised when a customer obtains control of the goods or the services, determining the time of the transfer of control - either at a specific point in time or over time.

Revenue is defined as the amount that a financial entity expects to be entitled to as consideration for the goods or the services it transferred to any customer, with the exception of the amounts collected on behalf of third parties (value added tax, other sales taxes). Variable amounts are included in the price and are calculated either with the “expected value” method or the “most probable amount” method.

Revenue from service provision is recognised during the accounting period during which the services are provided and measured in accordance with the nature of the services provided, using either the “output methods” or the “input methods”.

A customer receivable is recognised when the financial entity has an unconditional right to collect the price for obligations of the contract fulfilled towards the customer.

IFRS 15 “Revenue from contracts with customers” has entered into force for the Group and the Company from 1 January 2018. The Group and the Company adopted the modified retrospective method on first application, recognising the effect of the cumulative transition in “Retained earnings” without restatement of the comparative figures. However, in accordance with the assessment made by the Management, the Group and the Company consider that the adoption of the new standard has no effect on the profits and financial position, as there are no material differences compared to the current accounting policy and accounting for revenues. Therefore, no adjustment was made to the “Retained earnings” on 1 January 2018. Trade receivables are now shown as “Contract assets” under “Trade and other receivables”, and trade payables are now shown as “Contract liabilities under “Trade and other payables”.

**Revenue from construction contracts and service contracts**

Contracts with customers in this category mainly relate to the construction or maintenance of public works (biological treatment, waste management units).

Before the application of IFRS 15, the Group recognised the revenue from construction contracts under IAS 11 during the contract term. To calculate the amount of revenue and expenses recognised in each period, the Group applied the percentage of completion method. The stage of completion was calculated based on the expenses incurred since the balance sheet date compared to the total estimated expenses for each contract.

As part of the Management’s assessment of the effect of IFRS 15, the Company examined the most important, in terms of value, works contracts that were in progress at the beginning of the current period, as well as new works contracts that began during the period. The results of that assessment confirm the conclusion that IFRS 15 entails no significant changes to the current income recognition model.

More specifically, the analysis provided the following results:

- Each construction contract includes a single obligation for the constructor. Even where contracts provide both for the design and the construction of a project, constructors essentially have a single obligation, as they have promised the customer to deliver a project of which goods and services are individual components.
- Recognition of contract revenue during the term of the contract will continue, by using a method similar to the percentage of completion method for calculating revenues associated with construction contracts.
- Under IFRS 15, any variable consideration, i.e. claims resulting from delay/speeding up costs, reward bonuses, supplementary works, must be recognised only to the extent that it is highly probable that this will not result in revenue reversal in the future. The process used to assess the probability of variable consideration recovery must take into account past experience, adapted to the conditions of the current contracts. Under IAS 11, additional claims and supplementary works are recognised when it is probable that the customer will accept the claim and they can be measured reliably. The conditions set by the new standard for the recognition of additional claims are consistent with the current Group policy, under which delay/speeding-up costs and supplementary works are recognised when the negotiations for their collection have made considerable progress or when they are supported by independent professionals’ estimates.
- Under IAS 11, the expenses incurred during the bidding process were capitalised when project award was considered probable. As on 31.12.2017, there were no capitalised bidding costs. The new standard lays down that the expenses that may be capitalised relate to costs arising after a project is undertaken. Some examples of such expenses are the provisional worksite installation construction costs and the equipment and employee relocation costs. As on 31.12.2017, there were no expenses falling within the above categories.
- Contracts with customers may provide for the retention of a part of the invoiced receivables, which is usually paid to the constructor at the end of the project. Retentions receivable serve as a security for the customer, in case that

the contractor does not fulfill its contractual obligations and are not linked to any financing to the customer. Therefore, the Group concluded that there is no significant impact as a result of financing.

If the Group (or the Company) satisfies its contractual obligations by transferring goods or services to a customer before the customer pays the consideration or before the payment is due, the Group (or the Company) presents the contract as a contract asset. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer, e.g. when construction services are transferred to the customer before the Group (or the Company) is entitled to issue an invoice.

If the customer pays a consideration or the Group (or the Company) maintains a right in a consideration, which is unconditional before the fulfillment of obligations under the contract for the transfer of the services, then the Group (or the Company) depicts the contract as a contract liability. A contract liability is de-recognised when the obligations under the contract are fulfilled and the income is recorded in the income statement.

As on 01.01.2018, the amount of €3,002 thousand, which related to "Receivables from construction contracts", and the amount of €93 thousand and €74 thousand for the Group and the Company, respectively, which related to "Accrued income" were transferred to "Contract assets" (Note 13).

**Revenue from goods sold**

Revenue from goods sold is recognised at the time the buyer acquires control. Consequently, revenue from sale of goods will continue to be recognised on delivery to the buyer provided there is no unfulfilled obligation that could affect the acceptance of the goods by the buyer and could be calculated in the consideration specified in the contract with the customer. Revenue from the sale of goods comes from the sale of energy and biogas.

**IFRS 9 "Financial Instruments"**

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 applicable under IAS 39. IFRS 9 introduces an expected credit loss approach on the basis of information concerning the future, which aims at the early recognition of credit losses compared to the incurred impairment loss approach pursuant to IAS 39. In addition, IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. However, in accordance with the assessment made by the Management, the change of the standard had no significant impact on Group and the Company.

The adoption of IFRS 9 "Financial Instruments" resulted in changes in the accounting policies of the Group related to financial assets as from 1 January 2018, whereas it did not affect the accounting policies pertaining financial liabilities.

**a) Classification and measurement of financial assets and liabilities**

Under IFRS 9, after their initial recognition, financial assets will be measured at fair value through profit and loss, at amortised cost, or at fair value though other comprehensive income. The classification is based on the two criteria below:

- The characteristics of the contractual cash flows of the financial assets, which must exclusively consist of payments of capital and interest on the principal amount outstanding ("SPPI" criterion); and
- The business model according to which financial assets are managed. IFRS 9 recognises financial assets based on business models the aim of which is:
  - To retain financial assets with a view to collecting contractual cash flows;
  - To collect contractual cash flows and to sell financial assets; and
  - To trade in financial assets.

The Company uses the following classification and measurement categories for financial assets:

Financial assets at amortised cost

Financial assets classified in this category comprise mainly the following assets:

*Trade and other receivables*

*Loans granted*

*Other financial assets measured at amortised cost*

Based on the assessment performed by the Management of the Group and the Company, there was no effect on the classification and measurement of the above financial assets.

Financial assets at fair value through other comprehensive income

The financial assets that the Group had designated as "available-for-sale" under IAS 39, amounting to €273 thousand and €4,618 thousand as on 31.12.2017, which comprised listed securities and money market funds, respectively, are now classified as "Financial assets at fair value through other comprehensive income" and will continue being measured at their fair value through other comprehensive income. Moreover, the relevant "Available-for-sale reserves", which amounted to €108 thousand on 31.12.2017, were transferred to "Reserve of financial assets at fair value through other comprehensive income" (Note 10). The above financial assets are held as part of a business model the objective of which is both the collection of the contractual cash flows and the sale of financial assets and such contractual cash flows are solely payments of principal and interest.

The new standard did not affect the classification and measurement of the Company's financial liabilities.

**b) Impairment**

The adoption of IFRS 9 resulted in the change of the accounting of impairment losses of financial assets, as it replaced the accounting under IAS 39 for the recognition if incurred losses by recognising expected credit losses. Trade and other receivables fall within the new model of expected credit losses.

According to the Management's estimates, those changes have not affected the Group and Company financial statements.

## 2.4 Consolidation

*(a) Subsidiaries*

Subsidiaries are economic entities over which the Group exercises control of their operation. The Group controls a company when it is exposed to or has rights in variable performances of the company, due to its holding in this company, and has the ability to affect these performances through its power in this company. The existence and effect of voting rights that can be exercised or converted are also taken into account to document that the Group is in control of the economic entity. There may also be control in cases where the holding in the share capital with voting rights is less than 50%, but the Group is able to exercise control over the financial and business policies on a de facto basis. There is de facto control where the number of voting rights held by the Group, in relation to the number and allocation of the rights held by other shareholders, enable the Group to exercise control over the financial and business policies.

Subsidiaries are fully consolidated from the date when control over them is acquired and cease to be consolidated from the date when control no longer exists.

Business combinations are accounted for using the acquisition method. Acquisition cost is calculated as the fair value of the assets assigned, of obligations undertaken or in place, and of the equity instruments issued as of the date of transaction. The acquisition cost includes the fair value of the assets or liabilities arising from contingent consideration arrangements. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued initially at their fair values at the acquisition date. The Group recognises a controlling interest in the subsidiary, if any, either at fair value or at the value of the share of the non-controlling interest in the net equity of the acquired company. The Group recognises non-controlling interests in proportion to the subsidiary's equity. The acquisition costs are posted in profit and loss as incurred.

In a merger undertaken in stages, the acquirer will remeasure its previously held equity interest in the acquiree at fair value on the acquisition date and will recognise any profit or loss in the results.

Any contingent consideration to be paid by the Group is recognized initially at fair value at the acquisition date. Any changes in fair value of contingent consideration that qualify for classification as an asset or liability are recognized in accordance with IAS 39 either in profit or loss or as effect on other comprehensive income. A contingent consideration recognized as equity is not revalued and its subsequent settlement is accounted for within equity.

When the sum of (a) the cost of acquisition, (b) the amount recognised as non-controlling interests and (c) the fair value at the acquisition date of the Group's share, if the combination is achieved in stages, is greater than the net assets acquired, the excess is recognised as goodwill. If the above sum is less than the fair value of the net assets acquired, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, except if the transaction provides an indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity with the ones adopted by the Group. In the parent company's Statement of Financial Position, subsidiaries are valued at cost less impairment.

*(b) Changes to holdings in subsidiaries without loss of control*

Any transactions with minority shareholders having no effect on the control exercised by the Group over the subsidiary are measured and recorded as equity transactions, i.e. they are handled in the same way as that followed for transactions with key Group shareholders. The difference between the price paid and the relevant share acquired in the carrying value of the subsidiary's equity is deducted from equity. Any profit or loss arising from the sale to majority shareholders is also posted under equity.

*(c) Sale of / loss of control over subsidiary*

As soon as the Group ceases to exercise control on a subsidiary, the remaining percentage is measured at fair value, and any differences are posted in results. Subsequently, this asset is classified as an associate or financial asset, its acquisition value being that fair value. In addition, any amounts previously recorded under Other Comprehensive Income will be accounted for as in the case of sale of a subsidiary, and therefore they may be accounted for in profit or loss.

*(d) Associates*

Associates are economic entities on which the Group can exercise significant influence but not "control", which is generally the case when the Group holds a percentage between 20% and 50% of a company's voting rights. Investments in associates are accounted for using the equity method. In accordance with the equity method, an investment in an associate is recognised initially at acquisition cost, and the carrying value increases or decreases in order for the investor's share to be recognised in the associate's profit or loss following the date of acquisition. The investments in associates account also includes the goodwill resulting on acquisition (reduced by any impairment losses).

In case of sale of a holding in an associate on which the Group continues, however, to exercise significant influence, only the portion of amounts previously posted directly in Other Comprehensive Income will be posted in results.

Following the acquisition, the Group's share in the gains or losses of associates is recognized in the income statement, while the share of changes in other comprehensive income following the acquisition is recognized in other comprehensive income. The cumulative changes after the acquisition affect the book value of investments in associates, with a respective adjustment to the current value of the investment. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment, the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate.

The Group assesses at each balance sheet date whether there is evidence of impairment of investments in associates. If any investment must be impaired, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its book value.

Unrealised profits from transactions between the Group and its associates are eliminated, according to the Group's percentage ownership in the associates. Unrealised losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of affiliates have been adjusted in order to be in conformity to the ones adopted by the Group. In the parent company's balance sheet, associates are valued at cost less impairment.

*(e) Joint Arrangements*

According to IFRS 11, the types of joint arrangements are reduced to two: joint operations and joint ventures. The classification depends on the rights and obligations of the parties with regard to the agreement and takes into account the structure and legal form of the agreement, the terms agreed upon by the parties and, where appropriate, other facts and circumstances.

*Joint operations* are joint arrangements where the parties (participants), which are jointly in control, have rights on the assets and are responsible as regards the entity's obligations. The participants should account for the assets and obligations (as well as the revenues and expenses) related to their share in the entity.

*Joint ventures* are joint arrangements where the parties (venturers), which have joint control on the agreements, have rights to the net assets of the arrangement. These undertakings are accounted for under the equity method (proportional consolidation is no longer allowed).

Under IAS 31, the Group accounted for the joint agreements in which it participated by using the proportionate consolidation method. Exceptions were those which were inactive on the date of first IFRS adoption, or were not important, which were consolidated using the equity method. These agreements, following the implementation of IFRS 11, will continue to be consolidated by the Group under the equity method until their final clearance. The key joint arrangements where the Group participates pertain to the execution of construction contracts through jointly controlled vehicles. These joint arrangements are classified as joint operations because their legal form offers the parties immediate rights to assets, and makes them liable for the liabilities. According to IFRS 11, the Group accounts for assets, liabilities, revenue and expenses based on its share in the joint operations. Note 9 presents in detail the share in the joint operations of the Group.

As joint ventures, the Group has classified the companies presented in note 8 (together with associates), in which the parties that participate have rights on the net assets of the companies, and are therefore consolidated using the equity method, in line with IAS 28.

## 2.5 Foreign exchange conversions

*(a) Functional and presentation currency*

The items included in the financial statements of the joint operations and the branches of the Group are measured using the currency of the primary economic environment in which each entity operates ("functional currency"). The financial statements are reported in Euros, which is the functional currency and the reporting currency of the parent 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. Profits and losses from currency translation differences that arise from the settlement of such transactions during the financial year and from the translation of monetary items into foreign exchange at current rates, applicable on the balance sheet date, are recorded in profit and loss, except where they are transferred directly to Other comprehensive income, due to being related to cash flow hedges and net investment hedges.

*(c) Group Companies*

The results and financial position of all group operations abroad (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) The assets and liabilities are converted using the rates in effect at the balance sheet date;

ii) The income and expenses are converted using the average rates of the period (except if the average rate is not the reasonable approach of the accumulated impact of the rates in effect at the dates of the transactions, in which case income and expenses are converted using the rates in effect at the dates of the transactions) and

iii) Any differences arising from this process are posted under other comprehensive income and are transferred to the income statement upon disposal of these companies.

Currency translation differences arising from the conversion of the net investment in a foreign company, as well as of the borrowing characterized as hedging of this investment are posted under Other Comprehensive Income. Upon disposal of a foreign company in part or in whole, accumulated exchange differences are transferred to the income statement of the period as profit or loss resulting from the sale.

Gains and changes to fair value from the acquisition of foreign companies are deemed to be assets and liabilities of the foreign company and are measured at the currency rate applicable on the balance sheet date. The resulting foreign exchange differences are recorded in Other comprehensive income.

All amounts are in EUR thousand, unless stated otherwise

## 2.6 Leases

*(α) Group Company as lessee*

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease expense is recognized 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 of ownership are maintained by the Group are classified as finance leases. Finance leases are capitalized 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 borrowings.

The part of the finance charge relating to finance leases is recognised 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.

*(b) Group Company as lessor*

The Group leases assets only through operating leases. Operating lease income is recognised in the income statement of each period proportionally during the period of the lease.

## 2.7 Prepayments for long-term leases

Prepayments for long-term leases include Group receivables from sundry debtors and mainly relate to subsidiaries' receivables advance payments of rents to lessors. Amortisation is accounted for the leasing period.

## 2.8 Property, Plant and Equipment

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment (note 2.10). Acquisition cost includes all expenditure directly attributable to the acquisition of the fixed assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the results when such is incurred.

Land is not depreciated. Depreciation of other PPE is calculated using the straight-line method over their useful life as follows:

| | | |
|---|---|---|
| - Buildings | 20 – 28 | years |
| - Mechanical equipment | 6 – 9 | years |
| - Special mechanical equipment and facilities | 18 – 28 | years |
| - Transportation equipment | 5 – 7 | years |
| - Other equipment | 1 – 5 | years |

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

Since 2014, the useful life of wind parks increased from 20 to 27 years, due to the seven-year extension to the operating contracts under Law 4254/2014,

PPE under construction include fixed assets under construction that are shown at their cost. PPE under construction are not depreciated until the fixed asset is completed and enters in operation.

When the book values of tangible assets exceed their recoverable value, the difference (impairment) is posted in the income statement as expense (note 2.10).

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

## 2.9 Intangible assets

*(α) Goodwill*

Goodwill arises from acquisition of subsidiaries and is the difference between the sum of the acquisition price, the amount of non-controlling interests in the acquired company and the fair value of any prior participating interest in the acquired company as on the acquisition date and the fair value of the recognisable net assets of the acquired subsidiary. Goodwill arising from acquisitions of subsidiaries is recognized in intangible assets. Goodwill is not depreciable and is tested for impairment annually, or even more frequently if the circumstances indicate possible impairment, and recognized at cost, less any impairment losses. Goodwill losses cannot be reversed.

Goodwill is allocated to cash-generating units for impairment testing. Allocation is made to those units or cash-generating unit groups which are expected to benefit from the business combinations which created goodwill and is recognised in line with the operating segment.

Profit and losses from the disposal of an undertaking include the book value of the goodwill of the undertaking sold.

Negative goodwill is written off in profit and loss.

*(b) Software*

Software licenses are valued at acquisition cost less depreciation. Depreciation is accounted for with the straight-line method during their useful lives, which vary from 1 to 3 years.

*(c) Concession right*

Concession rights are valued at the acquisition cost, less depreciation. Depreciation is carried out using the straight-line method during the Concession contract (note 2.23).

## 2.10 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 in 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.

## 2.11 Financial Instruments

IFRS 9 "Financial Instruments" replaced IAS 39, "Financial Instruments: Recognition and Measurement" for periods beginning on 1 January 2018, and amended the requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The Group and the Company have applied IFRS 9 retroactively from 1 January 2018 but have opted not to adjust their previous periods in accordance with the transitional provisions of IFRS 9. Therefore, the comparative information for 2017 was published in accordance with IAS 39 and the readjustments that arose from the new classification and measurement were recognised at the financial position at period start, i.e. as of 1 January 2018.

***Initial recognition and subsequent measurement of financial assets:***

The Group and the Company classify their financial assets according to the following categories:

- Financial assets that are subsequently measured at fair value (either in other comprehensive income or in profit or loss) and

- Financial assets measured at amortised cost.

The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model within which the financial asset is held.

With the exception of customer receivables, the Group initially assesses a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. The transaction costs of financial assets measured at fair value through profit or loss are expensed. Customer receivables are initially measured at transaction value as defined by IFRS 15.

In accordance with the provisions of IFRS 9, debt instruments are subsequently measured at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss. In order to classify and measure a financial asset at amortised cost or at fair value through other comprehensive income, cash flows that are "solely payments of principal and interest" on the outstanding capital balance must be created. This evaluation is known as the SPPI ("solely payments of principal and interest") criterion and is made at the level of an individual financial instrument.

The new classification and measurement of the Group's and Company's debt instruments is as follows:

I. Debt instruments on the amortised cost for debt instruments acquired under a business model the purpose of which is to retain them in order to collect the contractual cash flows, while at the same time meeting the SPPI criterion. Financial assets in this category are subsequently measured using the effective interest rate method (EIR) and are subject to impairment testing. Any profit or loss that arises when the asset ceases to be recognised, is modified or impaired is recognised immediately in the income statement.

II. Equity instruments at fair value through the statement of comprehensive income, without transfer of profit or loss to the income statement when derecognised. This category includes only equity instruments which the Group intends to hold for the foreseeable future and has irrevocably decided to classify them in this manner upon initial recognition or transition to IFRS 9. Equity instruments at fair value through the statement of comprehensive income are not subject to impairment. Dividends from such investments continue to be recognised in the income statement, unless they represent recovery of the investment cost.

   For investments that are traded on an active market, fair value is calculated based on market bid prices. For investments for which there is no active market, fair value is determined by valuation techniques, unless the range of rational estimates of fair value is significantly large and the probable accuracy of the various estimates cannot reasonably be assessed, when valuation of such investments at fair value is prohibited. The purchase or sale of financial assets that require the delivery of assets within a timeframe provided for by a regulation or market assumption is recognised at the settlement date (i.e. the date when the asset is transferred or delivered to the Group or the Company).

III. Financial assets classified at fair value through profit or loss are initially recognised at fair value, with profits or losses arising from the valuation being recognised in the income statement. Profits and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognized in the income statement in the line "Other profits/(losses)".

***Impairment of financial assets***

At each financial reporting date the Group and the Company assess whether the value of a financial asset or group of financial assets has been impaired as follows:

The Group and the Company recognize a provision for impairment against expected credit losses for all financial assets that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between all contractual cash flows payable under the contract and all cash flows that the Group or the Company expects to receive, discounted at the approximate initial effective interest rate.

Expected credit losses are recognised in two stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the financial entity quantifies the provision for a loss with respect to the financial instrument in question at an amount equivalent to expected credit losses accruing over the next 12 months.

If the credit risk of a financial instrument has increased significantly since initial recognition, the financial entity quantifies the provision for a loss with respect to the financial instrument in question at an amount equivalent to expected credit losses over its lifetime, regardless of when the default occurred.

For customer receivables and contract assets, the Group and the Company apply the simplified approach for the calculation of expected credit losses. Therefore, at each reporting date, the Group and the Company measure the loss provision for a financial instrument at the amount of the expected credit losses over its lifetime without monitoring the changes in credit risk.

***Derecognition of financial assets***

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to the inflow of cash resources have expired;
- the Group or the Company retains the right to receive cash flows from that asset but has also undertaken to pay them to third parties in full without undue delay in the form of a transfer agreement; or
- the Group or the Company has transferred the right to receive cash flows from that asset while at the same time it either (a) has materially transferred all the risks and rewards accruing therefrom or (b) has not materially transferred all risks and rewards, but has transferred control of the specific asset.

When the Group or the Company transfers the rights to receive cash flows from an asset or concludes a transfer agreement, it reviews the extent to which it retains the risks and rewards of ownership of the asset. When the Group neither transfers nor materially retains all the risks and rewards accruing from the transferred asset and retains control of the asset, then the asset is recognized to the extent that the Group continues to participate in the asset. In this case, the Group also recognises an associated liability. The transferred asset and the associated liability is measured on a basis reflecting the rights and obligations retained by the Group or the Company.

Continued participation, which takes the form of a guarantee on the transferred asset is recognised at the lower of the carrying amount of the asset and the maximum amount of the received consideration that the Group could be required to repay.

***Initial recognition and subsequent measurement of financial liabilities***

All financial liabilities are initially measured at their fair value less transaction costs, in the case of loans and liabilities.

***Revocation of recognition of financial liabilities***

A financial liability is derecognised when the obligation arising from the liability is cancelled or expires. When an existing financial liability is replaced by another from the same lender but under substantially different terms or the terms of an existing liability are significantly changed, such exchange or amendment is treated as a derecognition of the initial liability and recognition of a new one. The difference in the respective book values is recognised in the income statement.

***Offsetting of financial receivables and liabilities***

Financial receivables and liabilities are offset and the net amount is presented in the Statement of Financial position only where the Group or Company holds the legal right to do so and intends to offset them on a net basis against one another or to claim the asset and settle the obligation at the same time. The statutory right should not depend on future events and should be capable of being executed in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2.12 Financial derivatives

Group companies evaluate, on a case by case basis, the making of financial derivative contracts to hedge the exposure to rate fluctuations connected to long-term loan agreements.

Upon commencement of a transaction, the Group establishes the relation between the hedging instruments and hedged assets, as well as the risk management strategy to take various hedging actions. This procedure includes the linking of all derivatives used as hedges to specific assets and liabilities or specific commitments or prospective transactions. Furthermore, when starting a hedge and thereafter, the extent is measured as to whether the derivatives used in hedging transactions are effective in eliminating fluctuations in the market value or cash flows of the hedged assets.

The fair values of derivatives used for hedging purposes are disclosed in note 11. Changes to the cash flow hedging reserve under Other comprehensive income are disclosed in note 17. The total fair value of hedging derivatives is classified under non-current assets or long-term liabilities when the remaining hedged asset has a maturity over 12 months, or under current assets or short-term liabilities when the residual maturity of the hedged asset is less than 12 months. Derivatives held for trade are classified under current assets or short-term liabilities.

Cash flow hedge

Derivative assets are initially recognised at cost (fair value) as of the date of the relevant agreement and are then measured at fair value.

The portion of change to the derivative's fair value considered effective and meeting the cash flow hedging criteria is recognised in Other Comprehensive Income. Profit or loss associated with the non-effective portion of change is directly recognised in the Income Statement under "Financial income" or "Financial expenses".

The cumulative amount posted under Equity is transferred in the Income Statement to the periods over which the hedged asset has affected period profit or losses. The profits or losses associated with the effective portion of the hedging of floating rate swaps is recognised in the Income Statement under "Financial income" or "Financial expenses".
However, when a prospective transaction to be hedged results in the recognition of a non-financial asset (such as reserves or fixed assets), then earnings and losses previously posted in net equity are transferred from Equity and are accounted for at the original cost of such asset. These amounts are ultimately charged to results through the cost of sales in the case of reserves, and through depreciation in the case of tangible assets.

When a financial product matures or is sold, or when a hedging relation no longer meets the criteria of hedge accounting, the cumulative profits or losses posted to that time under Equity remain in Equity and are recognised when the prospective transaction is ultimately posted in the Income Statement. When a prospective transaction is no longer expected to be made, the cumulative profits or losses posted under Equity are directly transferred to the Income Statement under "Other profits/(losses)".

## 2.13 Inventories

Inventories are valued at the lower of acquisition cost and net realisable value. The cost is calculated using the weighted average cost method. The cost of end products and semi-finished inventories includes the cost of design, materials, average working cost and a proportion of the general cost of production.

## 2.14 Trade and other receivables

Trade receivables are recognised 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. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due, according to the original terms of receivables.

Trade receivables comprise of commercial papers and notes payable from customers.

Serious problems that the customer encounters, the possibility of bankruptcy or financial reorganization 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 recognised as an expense in the income statement. If, in a subsequent period, the amount of impairment decreases and the decrease can be objectively related to an event taking place after the impairment is recognised, the reversal of recognised impairment loss is recognised in profit/(loss).

## 2.15 Restricted cash

Restricted cash is cash equivalents not readily available for use. These cash equivalents may not be used by the Company until a certain point of time or event is reached or occurs in the future. In the cases where restricted cash is expected to be used within one year from the date of the statement of financial position, these are classified as a short-term asset. However, if they are not expected to be used within one year from the date of the statement of financial position, they are classified as a long-term asset.

Restricted cash is disclosed in a separate row in the statement of financial position but are taken into consideration together with Cash and Cash Equivalents and Time Deposits over 3 months when calculating the gearing ratio.

## 2.16 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.

## 2.17 Share capital

The share capital includes the Company's ordinary shares. Whenever, any Group company purchases shares of the Company (Equity Shares), the consideration paid is deducted from equity attributable to the Group's equity holders until the shares are cancelled or disposed of. The profit or loss from the sale of equity shares is recognised directly in equity.

Direct expenses for the issue of shares appear net of any relevant income tax benefit, to the reduction of equity.

## 2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at net book cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Any borrowing expenses paid upon execution of new credit agreements are recognised as borrowing expenses, provided that part or all of the new credit line is withdrawn. In this case, they are recorded as future borrowing expenses until withdrawal is made. If the new borrowings are not used, in part or in all, these expenses are included in prepaid expenses and are recognised in profit or loss during the useful life of the relevant credit line.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

## 2.19 Current and deferred taxation

Income tax for the financial 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 recognised in other comprehensive income or equity, respectively.

Income tax on profit is calculated in accordance with the tax legislation established as of the balance sheet date in the countries where the Group operates 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.

## 2.20 Employee benefits

*(a) Post-employment benefits*

The employee benefits after their retirement include defined contribution programs and defined benefit programs. The Group participates in various pension plans. Payments are defined by Greek law and the funds' regulations.

A defined benefit plan is a pension plan that defines a specific amount to a pension to be received by an employee when he retires, which usually depends on one or more factors such as age, years of service and level of salary.

A defined contribution scheme is a pension plan under which the Company makes fixed payments to a separate legal entity. The Company has no legal obligation to pay further contributions if the fund does not have sufficient assets to pay to all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to public social security funds on a mandatory basis. The Group has no obligation other than paying its contributions. The contributions are recognized as staff costs when the debt arises. Prepaid contributions are recognised as an asset if there is a cash refund possibility or offsetting against future debts.

The liability that is reported in the balance sheet with respect to defined benefit schemes is the present value of the liability for the defined benefit on the balance sheet date, less the fair value of the scheme's assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting future cash flows at a discount rate equal to the rate of long-term investment grade corporate bonds that have a maturity approximately equal to the pension plan.

The current service cost of the defined benefit scheme that is recognised in the income statement in Salaries and wages reflects the increase in the defined benefit obligation resulting from an employee's service in the current period, benefit changes, cutbacks and settlements. The recognised prior service cost is directly recognised in profit/(loss).

Net interest cost is assessed as the net amount between the obligation for the defined benefit scheme and the fair value of the assets of the scheme on the prepayment interest rate.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in the income statement.

*(b) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises these benefits at the earliest of the following dates: (a) when the Company can no longer withdraw the offer of such benefits, and (b) when the Company recognises restructuring costs falling within the scope of IAS 37 and includes the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, retirement benefits are calculated based on the number of employees expected to accept the offer. When such termination benefits are deemed payable in periods that exceed 12 months from the Balance Sheet date, then they must be discounted at their current value.

In the case of employment termination, where the number of employees to use such benefits cannot be determined, the benefits are disclosed as contingent liability but are not accounted for.

## 2.21 Provisions

Provisions for pending litigation, unaudited years and other cases are recognised 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.

When concession agreements (note 2.23) include the concessionaire's contractual obligation to maintain the infrastructure at a certain service level or restore the infrastructure to a certain state before delivering it to the conceder at the end of the concession period, the Group, as concessionaire, acknowledges and values this obligation under IAS 37.

Provisions are recognized 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 recognized as a financial expense. Provisions are reviewed at each date of financial statements, and if an outflow of funds to settle the obligation is unlikely, they are reversed in the income statement.

## 2.22 Recognition of revenues

Revenue is generated from construction projects, from the generation and sale of power, and from waste management services.

As cited in Note 2.3, as from 1 January 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers", which resulted in changes to the accounting policies and reclassifications in the amounts recognised in the financial statements.

In accordance with IFRS 15, revenue from contracts with customers is recognised when the customer acquires control over the goods or services at an amount reflecting the consideration that the Group expects to be entitled to in exchange for those goods or services.

The accounting policies of the Group for Revenue from Contracts with Customers are described in Note 2.3.

## 2.23 Service Concession Arrangements

With regard to Service Concession Arrangements whereby a public sector body contracts with a private operator for the provision of services, the Group 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 as tangible assets of the operator, but as a Financing Contribution of the State under financial assets (financial asset model), and/or as a Concession Right under intangible assets (intangible asset model), depending on the contractually agreed terms.

*i. Government guaranteed receipt from grantor (Financial Asset model)*

As an operator, the Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction services.

In the case of service concession contracts, the operator has the unconditional right to receive cash if the grantor contractually guarantees to pay the operator:

- specified or determinable amounts, or
- the shortfall, if any, between amounts received from users of the public service and specific or determinable amounts, provided for in the Service Concession contract.

The financial assets resulting from the application of IFRIC 12 are recorded in the Statement of Financial Position as “Guaranteed receipt from grantor” and recognised at unamortised cost based on the effective rate method, also deducting any impairment losses. The effective rate is equal to the average weighted capital cost for the operator, unless otherwise stipulated in the Concession contract.

*ii. Concession Right (Intangible Asset Model)*

As an operator, the Group recognises an intangible asset to the extent that it receives a right (licence) to charge users of the public service. The right to charge users of a public service does not constitute an unreserved right to collect cash, since the amounts collected depend on whether the public uses such service.

Intangible assets resulting from the application of IFRIC 12 are recorded under Intangible Assets in the Statement of Financial Position, analysed as a “Concession Right” and valued at acquisition cost less depreciation. Depreciation is carried out using the straight line method during the Concession contract.

*iii. Government guaranteed receipt from grantor and concession right (Mixed Model)*

When the service concession contract anticipates that the operator will be remunerated for the construction services partly with a financial asset and partly with an intangible asset, the Group recognises each component of its remuneration separately, according to the above (Guaranteed receipt from grantor and Concession Right).

IFRIC 12, and in particular the Mixed Model (Guaranteed Receipt from Grantor and Concession Right) applies to Joint Venture Helector-Ellaktor-Cybarco, under a service concession arrangement with the Government of Cyprus for the Waste Treatment and Disposal Plants. The arrangement term is 13 years, 3 years of which correspond to the construction period.

Under the service concession contract, the Joint Venture will be paid for its services partly with payments for the construction works and partly with the right to charge the government for management services during the management period.

The Group recognises and accounts for the revenues and costs associated with construction or upgrading services, as well as the revenues and costs associated with operation services, in accordance with IFRS 15 (note 2.22).

## 2.24 Distribution of dividends

The distribution of dividends to equity holders of the parent company is recognized as liability when distribution is approved by the General Meeting of the shareholders.

## 2.25 Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all stipulated conditions.

Government grants relating to costs are deferred and recognised in the income statement to match them with the costs that they are intended to compensate.

Government grants regarding the purchase of fixed assets or the construction of projects are included in long term liabilities as deferred state grants and are recognized as income through profit and loss using the straight line method according to the asset expected useful life.

Grants received to finance Concession contracts are presented in accordance with IFRIC 12 as a reduction to the Guaranteed receipt from grantor (note 2.23).

## 2.26 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 recognized initially at fair value and are measured subsequently at net book cost by the use of the effective rate method.

### 2.27 Reclassifications and rounding of items

The amounts disclosed in these financial statements have been rounded to €thousand. Possible differences that may occur are due to rounding.

No reclassifications have been made to the comparative accounts of the Statement of Financial Position, the Income Statement or the Statement of Cash Flows, expect for in tables of relevant notes, so that the information provided in these notes is comparable to that of the current year. More specifically, in the note to the Receivables, the comparative data in the table relating to the construction contracts have been reclassified for comparability reasons.

The above reclassifications do not affect equity or results.

## 3 Financial risk management

### 3.1 Financial risk factors

The Group is exposed to various financial risks, such as market risks (currency, interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: accounts receivable, cash and cash equivalents, accounts payable and other liabilities and debt liabilities.

Risk management is monitored by the finance division, and more specifically by the central Financial Management Division of the Group, and is determined by directives, guidelines and rules approved by the Board of Directors with regard to rate risk, credit risk, the use of derivative and non-derivative instruments, and the short-term investment of cash.

*(α) Market Risk*

Market risk is related to the business sectors where the Group operates. Indicatively, the Group is exposed to the risk of a change in the prevailing conditions of the constructions sector and raw materials markets, as well as to risks associated with the execution of projects under joint venture schemes, and the adequacy of capital required for participation in co-financed projects. The Group's departments are closely monitoring the trends in the individual markets in which it operates and plan actions for prompt and efficient adaptation to the individual markets' new circumstances.

*i) Foreign exchange risk*

The Group is exposed to low currency risk mainly related to its activity in Croatia. Currency risk is primarily due to the local currency exchange rate (HRK). If, on 31.12.2018, the exchange rate of the local currency (HRK) was increased/decreased by 5% compared to the euro, the Company's profits before taxes would be down/up by €69 thousand (2017: €9 thousand).

*ii) Cash flow risk and risk from changes in fair value due to changes in interest rates*

The Group is exposed to risk from fluctuations of interest rates, arising from bank loans with floating rates. The Group is exposed to floating interest rates prevailing in the market, which affect both the financial position and the 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 increase in base interest rates (e.g. Euribor).

As regards long-term borrowings, the Group's Management systematically and constantly monitors interest rate fluctuations and assesses the need to take relevant positions to hedge risks, when and if necessary. In the context of risk offsetting, Group companies may enter interest swap contracts and other derivatives.

A significant part of the Group's borrowings is linked to floating rates, and all borrowings are denominated in Euro. The Group constantly monitors interest rate trends, as well as the duration and nature of subsidiaries' financing needs.

All amounts are in EUR thousand, unless stated otherwise

Decisions on loan terms as well as the relation between variable and fixed interest rate are considered separately on a case by case basis.

**Interest Rate Sensitivity Analysis of Group Borrowings**

If, on 31 December 2018, borrowing rates were increased/decreased by 1%, all other variables being equal, the Group's results would appear reduced/increased by €34 thousand (2017: €48 thousand), while the Company's results would appear reduced/increased by €19 thousand (2017: €18 thousand), mainly due to the increased/decreased financial cost of floating rate loans. Accordingly, this would also affect the Company and Group equity.

*iii) Price risk*

The Group is exposed to the risk relating to the fluctuation of the fair value of its financial assets which can affect the financial statements, as relevant gains or losses from fair value adjustments will be recorded as a reserve under equity until these assets are sold.

*(b) Credit Risk*

The Group has developed policies in order to ensure that transactions are conducted with customers of sufficient credit rating. Due to the conditions prevailing in the market, credit line approval results from a stricter procedure that involves all senior management levels. The Group has been monitoring its debtors' balances very carefully, and where receivables with credit risk are identified, they are assessed in accordance with established policies and procedures, and an appropriate impairment provision is formed. For public works, certifications are closely monitored and the requests for supplementary works are precipitated, so that the risk of failure to recover claims is limited.

Cash and cash equivalents, investments and financial derivative contracts potentially involve credit risk as well. In such cases, the risk may arise from counterparty failure to fulfil their obligations towards the Group. In order to manage this credit risk, the Group sets limits to the degree of exposure for each financial institution, within the scope of the policies of the Board of Directors.

*(c) Liquidity risk*

To manage the liquidity risk, the Group 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).

Group liquidity is regularly monitored by the Management. The following table presents an analysis of Group debt maturities as at 31 December 2018 and 2017 respectively:

| | Consolidated figures | | | | |
|---|---|---|---|---|---|
| | 31-Dec-18 | | | | |
| | Up to 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Bank borrowings | 2,062 | 753 | - | - | **2,815** |
| Finance leases | 453 | 451 | 1,213 | 840 | **2,956** |
| Trade and other payables | 14,926 | 561 | - | - | **15,487** |
| Financial derivatives | - | 106 | - | - | **106** |
| | **17,441** | **1,871** | **1,213** | **840** | **21,365** |

| | 31-Dec-17 | | | | |
|---|---|---|---|---|---|
| | Up to 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
| Bank borrowings | 1,743 | 1,553 | 753 | - | **4,049** |
| Finance leases | 323 | 323 | 905 | 298 | **1,849** |
| Trade and other payables | 15,381 | 1,388 | - | - | **16,769** |

All amounts are in EUR thousand, unless stated otherwise

| | | | | | |
|---|---|---|---|---|---|
| Financial derivatives | - | 263 | - | - | **263** |
| | **17,447** | **3,527** | **1,658** | **298** | **22,930** |

| | Company figures | |
|---|---|---|
| | **31-Dec-18** | **31-Dec-17** |
| | **Up to 1 year** | |
| Bank borrowings | 2,027 | 1,971 |
| Trade and other payables | 7,849 | 8,227 |
| | **9,875** | **10,197** |

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 Trade and other payables, Liabilities from leasing activities and Borrowings.

The Trade and Other liabilities breakdown is exclusive of Advances from customers, Amounts due to customers for contract work and investment plans, and Social security and other taxes.

## 3.2 Cash management

Regarding cash management, the Group's intention is to ensure its ability to continue its operations unhindered so as to secure returns for shareholders and benefits for other parties associated with the Group, and to maintain an optimum capital structure so as to achieve capital cost reductions.

In line with industry practice, the Group monitors the capital structure using the leverage ratio. Leverage is calculated as the ratio of net debt (long-term loans and short-term loans less cash available) over net debt plus equity capital.

The Group's gearing ratios as at 31.12.2018 and 31.12.2017 are presented in the following table:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Total borrowings | 5,232 | 5,585 | 1,926 | 1,854 |
| Less: Cash and cash equivalents | (47,402) | (26,996) | (23,950) | (14,829) |
| **Net Debt/(Cash)** | **(42,170)** | **(21,411)** | **(22,024)** | **(12,975)** |
| **Total Equity** | **106,817** | **101,867** | **88,644** | **79,755** |
| **Total Capital Employed** | **64,647** | **80,456** | **66,620** | **66,780** |
| **Gearing ratio** | - | - | - | - |

Given that the Group and the Company hold net cash, gearing ratio calculation as at 31.12.2018 and 31.12.2017 is not applicable. This ratio is defined as the quotient of net debt (i.e. total long and short-term bank borrowings less cash and cash equivalents) to total capital employed (i.e. total equity plus net debt).

The table below presents cash and non-cash flows of Net Borrowing items for 2018:

**Consolidated figures**

| | Total borrowings | | Cash and cash equivalents | |
|---|---|---|---|---|
| | **Finance leases** | **Bank borrowings** | **Cash and cash equivalents** | **Total** |
| **Net Borrowing as at 01.01.2018** | **1,578** | **4,007** | **26,996** | **(21,411)** |
| Cash movements | (316) | (1,215) | 20,406 | (21,937) |
| **Non-cash movements:** | | | | |
| Non-cash movements - Capitalised interest | - | 7 | - | 7 |
| Non-cash movements - Additions from financial leases | 1,171 | - | - | 1,171 |

All amounts are in EUR thousand, unless stated otherwise

| | | | | |
|---|---|---|---|---|
| **Net Borrowing as at 31.12.2018** | **2,433** | **2,799** | **47,402** | **(42,170)** |

**Company figures**

| | Bank borrowings | Cash and cash equivalents | Total |
|---|---|---|---|
| **Net Borrowing as at 01.01.2018** | **1,854** | **14,829** | **(12,975)** |
| Cash movements | - | 9,121 | (9,121) |
| **Non-cash movements:** | | | |
| Non-cash movements - Capitalised interest | 72 | - | 72 |
| **Net Borrowing as at 31.12.2018** | **1,926** | **23,950** | **(22,024)** |

## 3.3 Fair value estimation

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) for 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.

The table below presents a comparison of the carrying values of Group and Company financial assets held at amortised cost and fair values:

| **CONSOLIDATED FIGURES** | **Carrying value** | | **Fair value** | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Financial liabilities** | | | | |
| Long-term & short-term borrowings | 5,232 | 5,585 | 5,168 | 3,957 |

| **COMPANY FIGURES** | **Carrying value** | | **Fair value** | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Financial liabilities** | | | | |
| Long-term & short-term borrowings | 1,926 | 1,854 | 1,926 | 1,854 |

The fair values of cash and cash equivalents, restricted cash, trade receivables and trade payables approximate their carrying values. The fair values of loans are estimated based on the discounted future cash flows by using discount rates that reflect the current loan interest rate and are included in fair value hierarchy level 3.

The table below presents the Group's financial assets and liabilities at fair value as at 31 December 2018 and 31 December 2017.

| | **31 December 2018** | | |
|---|---|---|---|
| | **CONSOLIDATED FIGURES** | | |
| | **HIERARCHY** | | |
| | **LEVEL 1** | **LEVEL 2** | **TOTAL** |

All amounts are in EUR thousand, unless stated otherwise

| | | | |
|---|---|---|---|
| **Financial assets** | | | |
| Financial assets at fair value through other comprehensive income | 164 | - | **164** |
| **Financial liabilities** | | | |
| Derivatives used for hedging | - | 106 | **106** |

| | 31 December 2017 | | |
|---|---|---|---|
| | CONSOLIDATED FIGURES | | |
| | HIERARCHY | | |
| | LEVEL 1 | LEVEL 2 | TOTAL |
| **Financial assets** | | | |
| Available-for-sale financial assets | 273 | 4,618 | **4,891** |
| **Financial liabilities** | | | |
| Derivatives used for hedging | - | 263 | **263** |

| | 31 December 2018 | | |
|---|---|---|---|
| | COMPANY FIGURES | | |
| | HIERARCHY | | |
| | LEVEL 1 | LEVEL 2 | TOTAL |
| **Financial assets** | | | |
| Financial assets at fair value through other comprehensive income | 164 | - | **164** |

| | 31 December 2017 | | |
|---|---|---|---|
| | COMPANY FIGURES | | |
| | HIERARCHY | | |
| | LEVEL 1 | LEVEL 2 | TOTAL |
| **Financial assets** | | | |
| Available-for-sale financial assets | 273 | 3,640 | **3,913** |

The fair value of financial assets traded on active money markets (e.g. derivatives, equities, bonds, mutual funds), is determined on the basis of the published prices available at the balance sheet date. An “active” money market exists where there are readily available and regularly revised prices, which are published by the stock market, money broker, sector, rating organisation or supervising organisation. These financial tools are included in level 1. This level includes the Group’s and the Company’s investment in shares of the Bank of Cyprus, which were initially transferred to subsidiary Helector Cyprus LTD and subsequently transferred to the Company, pursuant to the relevant deeds of the Central Bank of Cyprus and the final measures for the recapitalisation of the Bank of Cyprus, which have been classified as Financial Assets at fair value through other comprehensive income.

The fair value of financial assets traded on active money markets (e.g. derivatives traded outside a derivative market) are determined by measurement methods based primarily on available information on transactions carried out on active markets and using less the estimates made by the economic entity. These financial tools are included in level 2.

The fair value of mutual funds is determined based on the net asset value of the relevant fund.

Where measurement methods are not based on available market information, the financial tools are included in level 3.

## 4 Critical accounting estimates and judgments of the Management

Estimates and judgments are continuously evaluated and are based on historical data and expectations for future events, as considered reasonable under the circumstances.

## 4.1 Significant accounting estimates and assumptions

The annual financial statements and the accompanying notes and reports might contain certain assumptions and calculations pertaining to future events in relation to the Group's operations, growth and financial performance. Despite the fact that such assumptions and calculations are based on the best possible knowledge of the Group's management with regard to current conditions and actions, the actual results may eventually differ from calculations and assumptions taken into consideration in the preparation of the Company's and the Group's annual financial statements.

Assessments and assumptions that involve important risk of causing future material adjustments to the assets' and liabilities' book values:

*(α) Estimates of the construction contract budget*

The Group applies the percentage of completion method for the recognition of revenue from construction contracts. According to the percentage of completion method, the Management has to make estimates relating to the following:

- the budget of the works execution cost and, therefore, the gross result;
- the recovery of claims from supplementary works or from project delay/speeding-up costs;
- the effect of contractual scope changes on the profit margin of the project;
- the completion of preset milestones according to the time schedule; and
- the provisions for loss-causing projects.

The Group Management examines quarterly any available information relating to the course of the projects and revises the budgetary cost items, where appropriate.

*(b) Provisions*

i) 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.

The Group recognises deferred taxes on provisional tax differences, taking into consideration the applicable tax provisions each time, and estimating the future benefits and future liabilities from taxes. During the recognition of deferred tax receivables, as well as during the evaluation of the recoverability, the best possible estimates by Management are taken into consideration for the progress of the tax results of the Group companies in the foreseeable future.

ii) Provisions for disputed cases

There are pending disputed cases relating to the Group. The Management assesses the outcome of these case and, where a negative outcome is possible, the Group establishes the required provisions. Provisions, where required, are calculated on the basis of the current value of the estimates made by the management of the cost to be incurred for settling the expected liabilities as of the Balance Sheet date. The current value is based on a number of factors that requires the exercise of judgment.

iii) Provisions for contingent risks

The Group has established provisions for contingent risks in the framework of its activities. The Management assesses the outcome of these case and, where a negative outcome is possible, the Group establishes the required provisions. Provisions, where required, are calculated on the basis of the current value of the estimates made by the management of the cost to be incurred for settling the expected liabilities as of the Balance Sheet date. The current value is based on a number of factors that requires the exercise of judgment.

*(c) Impairment of PPE*

PPE are initially recognised at cost and subsequently depreciated over their useful lives. The Group assesses at each reporting period whether there is evidence of impairment of PPE. Impairment testing is based on market data and the management's estimates of future financial and operating conditions. During the impairment testing process, the management works with independent appraisers.

*(d) Impairment test of subsidiaries and associates*

In accordance with accounting policy 2.4, the Management evaluates on an annual basis whether there are indications of impairment of the investment in subsidiaries and associates. Where indications of impairment exist, the Management calculates its recoverable value as the greater of fair value and value in use.

The key assumptions utilized by the Management in the context of estimating the recoverable value of investment pertaining to future flows and performance on the basis of the business plans of the companies checked for impairment, their growth rate in perpetuity, future working capital, as well as discount rate.

In addition, the Management reevaluates the value of investment in subsidiaries/associates in cases of impairment of the value of their assets (PPE, investment in real estate).

## 4.2 Significant judgments of the Management on the application of the accounting principles

The Management has not made any considerable judgments in applying the accounting principles.

All amounts are in EUR thousand, unless stated otherwise

# 5 Property, plant and equipment

**Consolidated figures**

| | Land & buildings | Transportation equipment | Mechanical equipment | Furniture & other equipment | PPE under construction | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **1 January 2017** | **12,919** | **1,604** | **63,979** | **2,310** | **1,460** | **82,272** |
| Additions | 206 | 76 | 1,115 | 162 | 585 | 2,144 |
| Additions for finance leases | - | 1,411 | 370 | - | - | 1,781 |
| Sales | - | (52) | (1,050) | (270) | - | (1,372) |
| **31 December 2017** | **13,125** | **3,039** | **64,414** | **2,202** | **2,045** | **84,825** |
| **1 January 2018** | **13,125** | **3,039** | **64,414** | **2,202** | **2,045** | **84,825** |
| Additions | 57 | 97 | 1,639 | 178 | 1,668 | 3,639 |
| Additions for finance leases | - | 1,171 | - | - | - | 1,171 |
| Sales | - | (3) | (715) | (8) | - | (727) |
| Reclassifications from PPE under construction | - | - | 2.857 | - | (2,857) | - |
| **31 December 2018** | **13,183** | **4,304** | **68,194** | **2,372** | **855** | **88,909** |
| **Accumulated Amortization** | | | | | | |
| **1 January 2017** | **(5,859)** | **(1,420)** | **(35,225)** | **(1,586)** | **-** | **(44,090)** |
| Depreciation for the year (note 24) | (571) | (183) | (3,179) | (108) | - | (4,041) |
| Sales | - | 43 | 163 | - | - | 206 |
| **31 December 2017** | **(6,430)** | **(1,560)** | **(38,241)** | **(1,694)** | **-** | **(47,925)** |
| **1 January 2018** | **(6,430)** | **(1,560)** | **(38,241)** | **(1,694)** | **-** | **(47,925)** |
| Currency translation differences | - | (21) | - | (1) | - | (21) |
| Depreciation for the year (note 24) | (573) | (388) | (3,826) | (124) | - | (4,911) |
| Sales | - | 26 | 66 | 7 | - | 99 |
| Write-offs | - | 1 | - | - | - | 1 |
| **31 December 2018** | **(7,002)** | **(1,941)** | **(42,002)** | **(1,811)** | **-** | **(52,757)** |
| **Net book value as at 31 December 2017** | **6,696** | **1,479** | **26,173** | **508** | **2,045** | **36,900** |
| **Net book value as at 31 December 2018** | **6,181** | **2,363** | **26,192** | **561** | **855** | **36,152** |

All amounts are in EUR thousand, unless stated otherwise

**Company figures**

| | Land & buildings | Transportation equipment | Mechanical equipment | Furniture & other equipment | PPE under construction | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **1 January 2017** | **396** | **665** | **10,671** | **1,055** | **912** | **13,699** |
| Additions | - | 5 | 4 | 62 | 118 | 189 |
| Sales | - | (3) | - | - | - | (3) |
| **31 December 2017** | **396** | **667** | **10,675** | **1,117** | **1,030** | **13,885** |
| **1 January 2018** | **396** | **667** | **10,675** | **1,117** | **1,030** | **13,885** |
| Additions | - | - | 7 | 63 | 365 | 435 |
| Sales | - | (3) | (300) | - | - | (303) |
| Reclassifications from PPE under construction | - | - | 900 | - | (900) | - |
| **31 December 2018** | **396** | **664** | **11,282** | **1,180** | **495** | **14,017** |
| **Accumulated Amortization** | | | | | | |
| **1 January 2017** | **(14)** | **(601)** | **(8,756)** | **(828)** | **-** | **(10,199)** |
| Depreciation for the year (note 24) | (5) | (31) | (805) | (44) | - | (885) |
| Sales | - | 1 | - | - | - | 1 |
| **31 December 2017** | **(19)** | **(631)** | **(9,561)** | **(872)** | **-** | **(11,083)** |
| **1 January 2018** | **(19)** | **(631)** | **(9,561)** | **(872)** | **-** | **(11,083)** |
| Currency translation differences | - | (1) | - | - | | (1) |
| Depreciation for the year (note 24) | (5) | (10) | (730) | (42) | - | (787) |
| Sales | - | 3 | 23 | - | - | 26 |
| **31 December 2018** | **(24)** | **(639)** | **(10,268)** | **(914)** | **-** | **(11,845)** |
| **Net book value as at 31 December 2017** | **377** | **36** | **1,114** | **245** | **1,030** | **2,802** |
| **Net book value as at 31 December 2018** | **372** | **25** | **1,014** | **266** | **495** | **2,172** |

Additions to machinery of €1,639 thousand for the Group during the year come mainly from the subsidiary companies VEAL SA (€473 thousand), APOSTEIROSI (€493 thousand), and HERHOF RECYCLING CENTER OSNABRUCK GM (€539 thousand) for upgrading equipment.

The additions to the column "Fixed assets under construction" and the reclassification from Fixed assets under construction to Mechanical equipment mainly come from subsidiary RECYCLING CENTER OSNABRUCK GM (€1,302 thousand and €1,957 thousand, respectively) as equipment replacement following a fire in a previous year.

For the Company, the additions to the column "Fixed assets under construction" and the reclassification from Fixed assets under construction to Mechanical equipment mainly relate to the project in Mavrorachi, in Thessaloniki Prefecture.

The Group's property has mortgage pre-charges of €1.536 thousand (2017: €1,536 thousand) in favor of a bank to secure its bank liabilities, which at 31.12.2018 amounted to €200 thousand (31.12.2017: €200 thousand).

All amounts are in EUR thousand, unless stated otherwise

Leased assets included in the above data under financial leasing:

| | 31-Dec-18 | | | 31-Dec-17 | | |
|---|---|---|---|---|---|---|
| | **Transportation equipment** | **Mechanical equipment** | **Total** | **Transportation equipment** | **Mechanical equipment** | **Total** |
| Cost – Capitalised financial leases | 2.582 | 493 | 3,075 | 1,411 | 493 | 1,904 |
| Accumulated Amortisation | (417) | (135) | (552) | (118) | (86) | (204) |
| **Net book value** | **2,165** | **358** | **2,523** | **1,293** | **407** | **1,700** |

## 6 Intangible assets

**Consolidated figures**

| | **Software and others** | **Concession right** | **Goodwill** | **Total** |
|---|---|---|---|---|
| **Cost** | | | | |
| **1 January 2017** | **407** | **24,236** | **1,985** | **26,628** |
| Additions | 31 | - | - | 31 |
| **31 December 2017** | **438** | **24,236** | **1,985** | **26,659** |
| | | | | |
| **1 January 2018** | **438** | **24,236** | **1,985** | **26,659** |
| Additions | 2 | - | - | 2 |
| **31 December 2018** | **440** | **24,236** | **1,985** | **26.661** |

| | **Software and others** | **Concession right** | **Goodwill** | **Total** |
|---|---|---|---|---|
| **Accumulated Amortization** | | | | |
| **1 January 2017** | **(374)** | **(16,359)** | **-** | **(16,733)** |
| Depreciation for the year (note 24) | (22) | (2,424) | - | (2,446) |
| **31 December 2017** | **(396)** | **(18,783)** | **-** | **(19,179)** |
| | | | | |
| **1 January 2018** | **(396)** | **(18,783)** | **-** | **(19,179)** |
| Depreciation for the year (note 24) | (16) | (2,424) | - | (2,440) |
| **31 December 2018** | **(413)** | **(21,207)** | **-** | **(21,619)** |
| | | | | |
| **Net book value as at 31 December 2017** | **42** | **5,453** | **1,985** | **7,480** |
| **Net book value as at 31 December 2018** | **27** | **3,030** | **1,985** | **5,042** |

**Company figures**

| | **Software and others** | **Total** |
|---|---|---|
| **Cost** | | |
| **1 January 2017** | **141** | **141** |
| Additions | 5 | 5 |
| **31 December 2017** | **146** | **146** |
| | | |
| **1 January 2018** | **146** | **146** |
| Additions | 1 | 1 |

All amounts are in EUR thousand, unless stated otherwise

| | | |
|---|---|---|
| **31 December 2018** | **147** | **147** |
| | **Software and others** | **Total** |
| **Accumulated Amortization** | | |
| **1 January 2017** | **(124)** | **(124)** |
| Depreciation for the year (note 24) | (11) | (11) |
| **31 December 2017** | **(135)** | **(135)** |
| **1 January 2018** | **(135)** | **(135)** |
| Depreciation for the year (note 24) | (5) | (5) |
| **31 December 2018** | **(140)** | **(140)** |
| **Net book value as at 31 December 2017** | **11** | **11** |
| **Net book value as at 31 December 2018** | **7** | **7** |

**Concession right**

The Joint Venture Helector-Ellaktor-Cybarco has reached an agreement with the government of Cyprus on the project DESIGN - CONSTRUCTION AND OPERATION OF FACILITIES FOR THE TREATMENT AND DISPOSAL OF WASTE OF THE DISTRICTS OF LARNACA - FAMAGUSTA.

The contract amount related to the construction of the project amounts to approximately €43 million. The contractual object of the contract is the operation of the project by the Joint Venture for the 10-year period after completion of the construction, with the right to fees for services provided during the management period. The project construction period was 3 years (up to March 2010), whereas the period of operation will last up to March 2020. As regards the method in which the service concession arrangement is accounted for, the Joint Venture applies the provisions of Interpretation 12 “Service Concession Arrangements” Under the service concession contract, the Joint Venture will be paid for its services partly with payments for the construction works and partly with the right to charge the government for management services during the 10-year management period. According to the provisions of that Interpretation, the Joint Venture recognised the payments for construction works by reference to the completion stage of construction works, while the second component of the payment was recognised as an intangible asset.

Amortisation of the intangible asset started in 2010, upon completion of the construction works, and will extend until the end of the management period.

On May 21st, 2018, the Joint Venture concluded a supplementary agreement relating to the said project. The Supplementary Agreement provides for the diversion of up to 120,000 tones of composite waste from the Nicosia District and does not affect the duration and the value of the concession right.

**Goodwill**

The Group has recognised goodwill of €1.45 million, from the acquisition of Loock, which owned the technology for dry anaerobic digestion. This technology is used in Germany while Group Management has a plan to use this know-how in Greece for waste management projects that are being auctioned. The Group reviews annually goodwill for impairment. Based on the results of the impairment test on 31 December 2018, no impairment loss was found.

The remaining goodwill of €462,162 mainly relates to STERILISATION S.A., as a result of its consolidation using the full method following acquisition of 60% by the parent HELECTOR S.A. in 2014.

All amounts are in EUR thousand, unless stated otherwise

## 7 Subsidiaries of the Group

The change to the book value of the parent company's investments to consolidated undertakings was as follows:

| | Company figures | |
|---|---|---|
| | **31-Dec-18** | **31-Dec-17** |
| **At year start** | **21,647** | **19,872** |
| Additions | 4,000 | 1,775 |
| **At year end** | **25,647** | **21,647** |

The additions amounting to €4,000 thousand realised in 2018 concern the increase of the share capital of subsidiaries HERHOF RECYCLING CENTER OSNABRUCK GM and Herhof Gmbh by the amount of €3,500 thousand and €500 thousand respectively.

During the previous financial year that ended on 31 December 2017, the additions amounting to €1,775 thousand concerned the increase of the share capital of subsidiaries DOAL SA and EDADYM SA by the amount of €525 thousand and €1,250 thousand respectively.

Subsidiaries of the Group are analysed as follows:

| Name | Registered office | Participation share 2018 | Participation share 2017 |
|---|---|---|---|
| AIFORIKI DODEKANISOU SA | GREECE | 100.00% | 100,00% |
| AIFORIKI KOUNOU SA | GREECE | 97,86% | 97,86% |
| VEAL SA | GREECE | 50.00% | 50.00% |
| APOTEFROTIRAS SA | GREECE | 65,00% | 65,00% |
| HELECTOR CYPRUS (formerly ELEMAX LTD) | CYPRUS | 100.00% | 100,00% |
| HELECTOR GERMANY GMBH | GERMANY | 100,00% | 100,00% |
| HERHOF GMBH | GERMANY | 100,00% | 100,00% |
| HERHOF RECYCLING CENTER OSNABRUCK GM | GERMANY | 100,00% | 100,00% |
| HERHOF VERWALTUNGS GMBH | GERMANY | 100,00% | 100,00% |
| JV HELECTOR-ELLAKTOR-CYBARCO | CYPRUS | 100.00% | 100,00% |
| HELECTOR BULGARIA LTD | BULGARIA | 100,00% | 100,00% |
| HELECTOR SA- DOAL SA OE | GREECE | 100.00% | 100,00% |
| YLECTOR DOOEL SKOPJE | FYROM | 100,00% | 100,00% |
| DOAL SA | GREECE | 100.00% | 100,00% |
| JV HELECTOR SA-BILFINGER BERGER (CYPRUS- PAPHOS LANDFILL) | CYPRUS | 100.00% | 100,00% |
| JV HELECTOR SA-BILFINGER BERGER (MARATHOUNTA LANDFILL & ACCESS WAY) | CYPRUS | 100.00% | 100,00% |
| STERILISATION SA | GREECE | 60,00% | 60,00% |
| EDADYM SA | GREECE | 100.00% | 100.00% |

Note: VEAL SA is consolidated using the full consolidation method, since the Group, albeit it has a 50% holding, has control over the company.

**Subsidiaries with a significant percentage of non-controlling interests**

All amounts are in EUR thousand, unless stated otherwise

The following tables present summary financial information about subsidiaries in which non-controlling interests have a significant percentage.

**Summary Statement of Financial Position**

| | VEAL SA | | STERILISATION SA | | APOTEFROTIRAS SA | |
|---|---|---|---|---|---|---|
| | **50.00%** | **50.00%** | **40.00%** | **40.00%** | **35,00%** | **35,00%** |
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Non-current assets | 19,494 | 21,109 | 1,933 | 2,099 | 115 | 107 |
| Current assets | 21,799 | 20,690 | 2,410 | 2,271 | 7,574 | 7,928 |
| **Total assets** | **41,292** | **41,799** | **4,343** | **4,370** | **7.689** | **8,035** |
| Non-current liabilities | 7,859 | 8,653 | 682 | 835 | 1,442 | 1,730 |
| Current liabilities | 21,791 | 17,991 | 1,172 | 1,252 | 5,285 | 5,422 |
| **Total liabilities** | **29,650** | **26,644** | **1,854** | **2,087** | **6,727** | **7,152** |
| **Equity** | **11,642** | **15,155** | **2,489** | **2,283** | **961** | **883** |
| Corresponding to: | | | | | | |
| Non-controlling interests | 5,821 | 7,578 | 996 | 913 | 336 | 309 |

**Summary Statement of Comprehensive Income**

| | VEAL SA | | STERILISATION SA | | APOTEFROTIRAS SA | |
|---|---|---|---|---|---|---|
| | **1-Jan** | | **1-Jan** | | **1-Jan** | |
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Sales | 16,179 | 16,249 | 3,502 | 3,215 | 8,058 | 7,949 |
| **Net profit / (loss) for the fiscal year** | **3,486** | **2,871** | **1 006** | **859** | **83** | **(49)** |
| Other Comprehensive Income/ (Expenses) for the period (net after taxes) | - | - | - | - | (4) | 7 |
| **Total Comprehensive Income/ (Expenses) for the year** | **3,486** | **2,871** | **1 006** | **859** | **80** | **(42)** |
| Profit / (loss) for the financial year attributable to non-controlling interests | 1,743 | 1,436 | 402 | 344 | 29 | (17) |
| Dividends attributable to non-controlling interests | (3,500) | - | (320) | (280) | (1) | 2 |

**Summary Statement of Cash Flows**

| | VEAL SA | | STERILISATION SA | | APOTEFROTIRAS SA | |
|---|---|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Total inflows from operating activities | 5,330 | 7,744 | 1,109 | 906 | 376 | 2,754 |
| Total (outflows)/inflows from investing activities | (323) | (410) | (50) | (234) | 16 | 1 |
| Total outflows from financing activities | (2,000) | (4,000) | (935) | (883) | - | (3,000) |
| **Net increase/(decrease) in cash and cash equivalents** | **3,007** | **3,334** | **124** | **(211)** | **391** | **(245)** |

## 8 Investments in associates & joint ventures

All amounts are in EUR thousand, unless stated otherwise

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **At year start** | **4,841** | **5,351** | **5,473** | **5,473** |
| Share in profit/ loss (after taxes) | 722 | (307) | - | - |
| Other changes to Other Comprehensive Income | 5 | 8 | - | - |
| Transfer from/(to) non-current liabilities | (1) | (211) | - | - |
| **At year end** | **5,567** | **4,841** | **5,473** | **5,473** |

In the years ended 31 December 2018 and 2017, an amount of €1 thousand and €211 thousand, respectively, was transferred from non-current liabilities, due to the negative equity of associates wholly owned by the Ellaktor Group.

Associates are analysed as follows:

| S/N | Name | Registered office | Participation share 2018 | Participation share 2017 |
|---|---|---|---|---|
| 1 | ENERMEL S.A. | GREECE | 49.19% | 49.19% |
| 2 | TOMI EDL LTD | GREECE | 50.00% | 50.00% |
| 3 | PROJECT DYNAMIC CONSTRUCTION | GREECE | 32,32% | 32,32% |
| 4 | ELLAKTOR VENTURES LTD | CYPRUS | 25.00% | 25.00% |
| 5 | LEVASHOVO WASTE MANAGEMENT PROJECT LLC | RUSSIA | 25.00% | 25.00% |
| 6 | EPADYM SA | GREECE | 50.00% | 50.00% |

The following tables present summary financial information on the most important associates of the Group. This information includes the amounts arising from the financial statements of the following associates, which have been amended in order to reflect adjustments TO fair value and differences in accounting policies.

**Summary Statement of Financial Position**

| | ENERMEL S.A. | | EPADYM SA | |
|---|---|---|---|---|
| | 49.19% | 49.19% | 50.00% | 50.00% |
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Non-current assets | 8,522 | 8,522 | 33,428 | 29,569 |
| Current assets | 12 | 26 | 9,756 | 12,898 |
| **Total assets** | **8.534** | **8,548** | **43,184** | **42,467** |
| Non-current liabilities | 24 | 25 | 35,512 | 37,397 |
| Current liabilities | 40 | 12 | 5,087 | 3,950 |
| **Total liabilities** | **64** | **37** | **40,599** | **41,346** |
| **Equity** | **8,470** | **8,511** | **2,585** | **1,121** |

**Agreement on summary financial statements**

| | ENERMEL S.A. | | EPADYM SA | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| **Company equity 1 January** | **8,511** | **8,544** | **1,121** | 2,111 |
| Net (losses)/profit for the period | (42) | (32) | 1,463 | (990) |
| **Company equity 31 December** | **8,470** | **8,511** | **2,585** | **1,121** |
| % participation in associates & JV | 49% | 49% | 50% | 50% |
| Group participation in equity of associates & joint ventures | 4.166 | 4,187 | 1,292 | 561 |
| **Investments in associates & joint ventures** | **4.166** | **4,187** | **1,292** | **561** |

**Summary Statement of Comprehensive Income**

| | ENERMEL S.A. | EPADYM SA |
|---|---|---|
| | **1-Jan** | **1-Jan** |

All amounts are in EUR thousand, unless stated otherwise

| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
|---|---|---|---|---|
| Sales | - | - | 6,902 | 5,582 |
| Net (losses)/profit for the period | (42) | (32) | 1,463 | (990) |
| **Comprehensive total period (loss)/profit** | **(42)** | **(32)** | **1,463** | **(990)** |

**Non-significant associates and joint ventures**

| | 2018 | 2017 |
|---|---|---|
| Accumulated nominal value of non-important associates and joint ventures | 109 | 94 |
| **Proportion of Group in:** | | |
| Net profit for the year | 10 | 204 |
| Other comprehensive income for the period (net of tax) | 5 | 8 |
| Comprehensive total period profit | 15 | 212 |

## 9 Joint operations consolidated as a joint operation

Joint operations are broken down as follows:

| S/N | Name | Registered office | Participation share 2018 | Participation share 2017 |
|---|---|---|---|---|
| 1 | J/V TOMI SA – HLEKTOR SA (ANO LIOSIA LANDFILL - SECTION II) | GREECE | 40,39 % | 40,39 % |
| 2 | JV DETEALA- HELECTOR-EDL LTD | GREECE | 30,00 % | 30,00 % |
| 3 | JV HELECTOR SA – MESOGEIOS SA (MAVRORACHI LANDFILL) | GREECE | 65,00 % | 65,00 % |
| 4 | JV HELECTOR SA – MESOGEIOS SA (FYLIS LANDFILL) | GREECE | 99,00 % | 99,00 % |
| 5 | JV HELECTOR-MESOGEIOS (TAGARADES LANDFILL) | GREECE | 30,00 % | 30,00 % |
| 6 | JV HELECTOR – TECHNIKI PROSTASIAS PERIVALONDOS | GREECE | 60,00 % | 60,00 % |
| 7 | J/V HELECTOR– ARSI SA | GREECE | 80,00 % | 80,00 % |
| 8 | J/V HELECTOR– ERGOSYN SA | GREECE | 70,00 % | 70,00 % |
| 9 | J/V BILFIGER BERGER - MESOGEIOS- HELECTOR | GREECE | 29,00 % | 29.00 % |
| 11 | JV TOMI SA-HELECTOR SA & KONSTANTINIDIS | GREECE | 15,23 % | 15,23 % |
| 12 | JV HELECTOR-ENVITEC SA (RECYCLING & COMPOSTING PLANT) | GREECE | 50,00 % | 50,00 % |
| 13 | J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA | GREECE | 70,00% | 70,00% |
| 14 | J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA-ENVITEC SA | GREECE | 49,85% | 49,85% |
| 15 | J/V HELECTOR SA – ZIORIS SA - SPIDER SA | GREECE | 51.00% | 51,00% |
| 16 | J/V HELECTOR SA – EPANA SA | GREECE | 50.00% | 50.00% |
| 17 | J/V HELECTOR SA - KONSTANTINIDIS | GREECE | 49,00% | 49,00% |
| 18 | J/V HELECTOR SA - AKTOR SA (EGNATIA HIGH FENCING PROJECT) | GREECE | 70,00% | 70,00% |
| 19 | JV AKTOR SA - HELECTOR SA | BULGARIA | 60,00% | 60,00% |
| 20 | J/V HELECTOR– ARSI SA | GREECE | 70,00% | 70,00% |
| 21 | J/V HELECTOR S.A. - THALIS ES S.A. | GREECE | 50.00% | 50.00% |
| 22 | J/V HELECTOR ENVIRONMENTAL ENGINEERING SA (POLYGYROS) | GREECE | 50.00% | 50.00% |
| 23 | WESTERN MACEDONIA J/V HELECTOR - THALIS ES SA | GREECE | 50.00% | 50.00% |
| 24 | J/V HELECTOR - ENVIRONMENTAL ENGINEERING SA (PARAMYTHIAS) | GREECE | 50.00% | 50.00% |
| 25 | JV AKTOR SA-HELECTOR SA (OLYMPIADA) | GREECE | 20.00% | 20.00% |
| 26 | JV ENVIRONMENTAL ENGINEERING SA-HELECTOR SA | GREECE | 50.00% | - |
| 27 | JV HELECTOR SA - WATT SA FOR FYLI LANDFILL CELL SLOPE CONFIGURATION WORKS | GREECE | 50.00% | - |
| 28 | JV HELECTOR-THALIS ES SA WESTERN MACEDONIA BIOGAS EXPLOITATION | GREECE | 60,00% | - |

All amounts are in EUR thousand, unless stated otherwise

The following amounts represent the Group and the Company's share in the assets and liabilities of joint ventures, consolidated using the proportional method and included in the Statement of Financial Position:

| | 31-Dec-18 | 31-Dec-17 |
|---|---|---|
| **Receivables** | | |
| Non-current assets | 298 | 794 |
| Current assets | 19,040 | 19,503 |
| | **19,338** | **20,297** |
| **Payables** | | |
| Non-current liabilities | 442 | 442 |
| Current liabilities | 10,504 | 14,289 |
| | **10,946** | **14,731** |
| **Equity** | **8,392** | **5,566** |
| Revenue | 21,304 | 18,971 |
| Expenses | (17,609) | (16,406) |
| **Earnings after taxes** | **3,695** | **2,565** |

# 10 Financial assets at fair value through other comprehensive income & Financial assets available for sale

## 10.1 Financial assets at fair value through other comprehensive income (IFRS 9)

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **At fiscal year start - Adjusted data IFRS 9** | **4,891** | - | **3,913** | - |
| (Sales) | (4,605) | - | (3,631) | - |
| Adjustment at fair value through Other comprehensive income: increase/(decrease) | (122) | - | (118) | - |
| **At year end** | **164** | - | **164** | - |
| Non-current assets | 164 | - | 164 | - |
| | **164** | - | **164** | - |

Financial assets at fair value through other comprehensive income include the following items:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **Listed securities:** | | | | |
| Shares – Foreign countries (in €) | 164 | - | 164 | - |
| | **164** | - | **164** | - |

*On 31.12.2017 these participations were classified as available-for-sale financial assets (Note 10.2).

On 31.12.2018, the amount of €122 thousand appearing in line "Adjustment to fair value of Other Comprehensive Income: decrease" for the Group and €118 thousand for the Company, respectively, is broken down as follows: An amount of €109 thousand for the Group and the Company relates to the valuation of the listed securities cited above, while the remaining amount of €13 thousand and €9 thousand for the Group and the Company, respectively, relates to the valuation of the Mutual Funds cited above. The amount of €4,605 thousand and €3,631 thousand depicted in "Sales" for the Group and the Company, respectively, related to the sale of the above mentioned Mutual Funds.

The financial assets that the Group had designated as "available-for-sale" under IAS 39, amounting to €4.891 thousand as on 31.12.2017, which comprised listed securities and money market funds and were measured at their fair value through other comprehensive income, have now been classified as "Financial assets at fair value through other comprehensive income" and will continue being measured at their fair value through other comprehensive income. Thus, the adoption of IFRS 9 had no effect on the financial reporting of the Company and the Group (Note 2.3).

All amounts are in EUR thousand, unless stated otherwise

## 10.2 Financial assets available for sale (IAS 39)

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **At year start** | **-** | **12,982** | **-** | **11,705** |
| Additions-increase in investment cost | - | - | - | 341 |
| (Sales) | - | (8,036) | - | (8,036) |
| Adjustment at fair value through Other comprehensive income: increase/(decrease) | - | (62) | - | (103) |
| Other | - | 7 | - | 6 |
| **At year end** | **-** | **4,891** | **-** | **3,912** |
| | | | | |
| Non-current assets | - | 273 | - | 273 |
| Current assets | - | 4,618 | - | 3,640 |
| | **-** | **4,891** | **-** | **3,913** |

Available-for-sale financial assets as at 31.12.2017 included the following:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Listed securities:** | | | | |
| Shares – Foreign countries (in €) | - | 273 | - | 273 |
| **Non-listed securities:** | | | | |
| Money Market Funds - International (in EUR) | - | 4,618 | - | 3,640 |
| | **-** | **4,891** | **-** | **3,913** |

As at 31.12.2017, the amount of €62 thousand shown in "Adjustment to fair value of Other Comprehensive Income: decrease" for the Group, and of €103 thousand for the Company, respectively, concerned the valuation of the Mutual Funds mentioned above. Accordingly, the amount of €8,036 shown in "Sales" for the Group and the Company concerned sales of a part of the above Mutual Funds.

# 11 Derivative financial instruments

The amount of non-current liabilities shown in the table below corresponds to joint venture Helector - Ellaktor - Cybargo.

| | Consolidated figures | |
|---|---|---|
| | **31-Dec-18** | **31-Dec-17** |
| **Non-current liabilities** | | |
| Interest rate swaps for cash flow hedging | 106 | 263 |
| **Total** | **106** | **263** |
| | | |
| **Details of interest rate swaps** | | |
| Notional value of interest rate swaps | 2,250 | 3,750 |
| Floating rate | Euribor | Euribor |

As at 31.12.2018 and 31.12.2017 the parent company held no financial derivatives.

## 12 Inventories

All amounts in EUR '000.

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| Raw materials | 44 | - | - | - |
| Finished products | 480 | 566 | - | - |
| Production in progress | 587 | 91 | - | - |
| Prepayment for inventories purchase | 140 | 125 | 125 | 125 |
| **Net realisable value** | **1,251** | **782** | **125** | **125** |

The cost of inventories expensed in “expenses per category” amounts to €9,114 thousand (2017: €9,663 thousand) and €6,342 thousand (2017: €7,296 thousand) for the Group and the Company, respectively (Note 24).

## 13 Trade and other receivables

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| Customers | 33,040 | 44,574 | 12,612 | 7,790 |
| Less: Trade impairment provisions | (1,776) | (3,397) | (333) | (1,954) |
| **Trade Receivables - Net** | **31,264** | **41,177** | **12,279** | **5,836** |
| Prepayments | 2,124 | 2,346 | 934 | 1.400 |
| Dividends receivable (note 32) | - | - | 5,316 | 2,756 |
| Loans to related parties (note 32) | 7,534 | 7,193 | 7,924 | 15,307 |
| Income tax prepayment | 154 | 501 | 455 | 801 |
| Public sector (prepaid and withholding taxes, insurance organisations) | 3,146 | 5,315 | 466 | 3,169 |
| Receivables from joint operations/joint ventures | 2,379 | 2,687 | 2,369 | 2,428 |
| Other receivables | 10,498 | 7,433 | 5,297 | 1,972 |
| Less: Other receivable impairment provisions | (2,467) | (138) | (2,446) | (111) |
| Receivables from related parties (note 32) | 6,128 | 2,241 | 14,022 | 11,264 |
| **Total** | **60,761** | **68,754** | **46,616** | **44,822** |
| Amounts due from construction contracts | - | 3,002 | - | 3,002 |
| Contract assets | 3,917 | - | 3,894 | - |
| Accrued income | - | 93 | - | 74 |
| | **3,917** | **3,095** | **3,894** | **3,076** |
| **Total trade and other receivables** | **64,677** | **71,849** | **50,510** | **47,898** |
| Non-current assets | 8,523 | 7,299 | 8,796 | 16,547 |
| Current assets | 56,154 | 64,550 | 41,714 | 31,351 |
| | **64,677** | **71,849** | **50,510** | **47,898** |

All amounts are in EUR thousand, unless stated otherwise

*The Group has applied IFRS 9 and IFRS 15 by using the cumulative effect method, without this having any effect, however, on the equity of the Group and the Company (Note 2.3).

The book value of receivables is approximate to their fair value.

For construction contracts, the methods applied for calculating the revenue and the project completion rate are cited in notes 2.3 and 2.22.

The most significant quantitative changes to Contract assets and Contract liabilities in the current year are due to the following:

| | **Contract assets** | **Contract liabilities** |
|---|---|---|
| Amendments to current contracts | 27 | - |
| Time differences | 795 | - |

A significant customer balance (approximately €27 million) relates to the Greek and Cypriot governments. The receivables from these public entities have been historically of safe collection and therefore Management estimates that there is no significant credit risk.

Other receivables of the Group and the Company include a loan granted to third parties, with a nominal value of €5,850 thousand and €2,000 thousand, respectively (2017: €5,722 thousand and €2,000 thousand, respectively).

The following table shows the maturity of such trade receivables:

| | **Consolidated figures** | | **Company figures** | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Not overdue and not impaired | 19,693 | 14,765 | 8,840 | 5,126 |
| *Overdue:* | | | | |
| 3 -6 months | 4,315 | 4,631 | 1,186 | 745 |
| 6 months – 1 year | 861 | 3,562 | 338 | 312 |
| Over 1 year | 8,171 | 21,616 | 2,248 | 1,607 |
| | **33,040** | **44,574** | **12,612** | **7,790** |
| Less: Provision for impairment of receivables | (1,776) | (3,397) | (333) | (1,954) |
| Trade Receivables - Net | **31,264** | **41,177** | **12,279** | **5,836** |

All Group and Company receivables are expressed in Euros.

The movement in the provision for doubtful trade and other receivables stands as follows:

| | **Consolidated figures** | | **Company figures** | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Balance as of 1 January** | **3,535** | **8,805** | **2,065** | **6,929** |
| Provision for impairment | 2,336 | - | 2,336 | - |
| Write-off of receivables during the period | - | (4,262) | - | (3,862) |
| Unused provisions reversed | (1,621) | (880) | (1,621) | (880) |
| Discount | (7) | (128) | - | (122) |
| **Balance as of 31 December** | **4,243** | **3,535** | **2,779** | **2,065** |

All amounts are in EUR thousand, unless stated otherwise

The amounts recognised as provision are usually written-off to the extent that such amounts are not expected to be collected from the specific customers/debtors.

The Group and Company's maximum exposure to credit risk on 31 December 2018 is the fair value of the above trade and other receivables.

As at the balance sheet date, the Group and the Company held collaterals in the form of real estate property against receivables in the amount of €3,191 thousand (2017: €3,090 thousand).

## 14 Restricted cash deposits

In the years ended 31 December 2018 and 2017, neither the Group nor the Company held restricted cash.

## 15 Cash and cash equivalents

Cash and cash equivalents are expressed in Euros.

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Cash in hand | 49 | 55 | 18 | 15 |
| Short-term deposits with banks | 47,352 | 23,441 | 23,932 | 11,314 |
| Time deposits | 1 | 3,500 | - | 3,500 |
| **Total** | **47,402** | **26,996** | **23,950** | **14,829** |

The following table shows the percentage of deposits per credit rating by Standard & Poor (S&P) as at 31.12.2018 and 31.12.2017, respectively.

| | Consolidated figures | |
|---|---|---|
| | **2018** | **2017** |
| **Financial institution credit rating** | **Cash and cash equivalents** | **Cash and cash equivalents** |
| AA- | 16.33% | 1.17% |
| A+ | 10.62% | 5.55% |
| B+ | 0.02% | 0.00% |
| AL | 72.38% | 0.01% |
| CCC+ | 0.00% | 88,98% |
| NR (Not rated) | 0.64% | 4,29% |
| | **100.00%** | **100,00%** |

| | Company figures | |
|---|---|---|
| | **2018** | **2017** |
| **Financial institution credit rating** | **Cash and cash equivalents** | **Cash and cash equivalents** |
| A+ | 21.02% | 10,10% |
| AA- | 5.31% | 2,12% |
| AL | 73.60% | 0.00% |
| CCC+ | 0.00% | 87,00% |
| NR (Not rated) | 0.07% | 0,78% |
| | **100.00%** | **100,00%** |

From the balances of sight and time deposits of the Group as at 31.12.2018, approximately 73.02% (31.12.2017: 93.28%) is kept with the Greek systemically important banks with low or no credit rating, due to the Greek sovereign debt crisis. It should be pointed out, however, that these banks cover the largest part of total credit facilities (letters of guarantee, loans, etc.) granted to the Group. NR Financial Institutions include, among others, subsidiaries and branches of Greek banks abroad.

All amounts are in EUR thousand, unless stated otherwise

The time deposit interest rates are determined after negotiations with selected banking institutions based on Euribor rates and are dependent on the period of investment.

## 16 Share Capital & Premium Reserve

All amounts in EUR, save the number of shares

**Consolidated figures**

| | Number of Shares | Ordinary shares | Share premium | Total |
|---|---|---|---|---|
| **1 January 2017** | **196,722** | **2,010** | **5,216** | **7,226** |
| **31 December 2017** | **196,722** | **2,010** | **5,216** | **7,226** |
| **1 January 2018** | **196,722** | **2,010** | **5,216** | **7,226** |
| **31 December 2018** | **196,722** | **2,010** | **5,216** | **7,226** |

**Company figures**

| | Number of Shares | Ordinary shares | Share premium | Total |
|---|---|---|---|---|
| **1 January 2017** | **196,722** | **2,010** | **5,216** | **7,226** |
| **31 December 2017** | **196,722** | **2,010** | **5,216** | **7,226** |
| **1 January 2018** | **196,722** | **2,010** | **5,216** | **7,226** |
| **31 December 2018** | **196,722** | **2,010** | **5,216** | **7,226** |

The total number of approved ordinary shares is 196,722 (2017: 196,722 shares), with the face value of €10.22 each (2017: €10.22 per share). All issued shares have been paid up fully.

All amounts are in EUR thousand, unless stated otherwise

# 17 Other reserves

**Consolidated figures**

| | Statutory reserves | Special reserves | Untaxed reserves | Reserves Cash For sale | Reserves of financial assets at fair value through other comprehensive income | Foreign Exchange Difference Reserves | Changes in value of cash flow hedge | Actuarial profit/(loss) reserves | Total |
|---|---|---|---|---|---|---|---|---|---|
| **1 January 2017** | **1,631** | **4,106** | **291** | **(49)** | **-** | **(228)** | **363** | **(110)** | **6,004** |
| Currency translation differences | - | - | - | - | - | 139 | - | - | 139 |
| Transfer from/to Results carried forward | 77 | - | - | - | - | - | - | - | 77 |
| Change in value of available-for-sale assets (note 10) | - | - | - | (62) | - | - | - | - | (62) |
| Changes in value of cash flow hedge | - | - | - | - | - | - | 223 | - | 223 |
| Actuarial loss | - | - | - | - | - | - | - | 38 | 38 |
| Recycling of reserve in profit and loss | - | - | - | 3 | - | - | - | - | 3 |
| **31 December 2017** | **1,708** | **4,106** | **291** | **(108)** | **-** | **(89)** | **586** | **(72)** | **6,422** |
| | | | | | | | | | |
| **1 January 2018** | **1,708** | **4,106** | **291** | **(108)** | **-** | **(89)** | **586** | **(72)** | **6,422** |
| **Effect of IFRS 9 as at 1.1.2018** | | | | | | | | | |
| Reclassification | - | - | - | 108 | (108) | - | - | - | - |
| **1 January 2018** | **1,708** | **4,106** | **291** | **-** | **(108)** | **(89)** | **586** | **(72)** | **6,422** |
| Currency translation differences | - | - | - | - | | 137 | - | - | 137 |
| Transfer to results carried forward | 74 | - | - | - | 54 | - | - | - | 128 |
| Change in the value of assets through other comprehensive income | - | - | - | - | (122) | - | - | - | (122) |
| Changes in value of cash flow hedge | - | - | - | - | - | - | 157 | - | 157 |
| Actuarial loss | - | - | - | - | - | - | - | (23) | (23) |
| Other | - | - | - | - | - | - | - | 1 | 1 |
| **31 December 2018** | **1,782** | **4,106** | **291** | **-** | **(176)** | **48** | **743** | **(94)** | **6,700** |

All amounts are in EUR thousand, unless stated otherwise

**Company figures**

| | Statutory reserves | Special reserves | Untaxed reserves | Foreign exchange Cash For sale | Reserves of financial assets at fair value through other comprehensive income | Foreign Exchange Difference Reserves | Actuarial profit/(loss) reserves | Total |
|---|---|---|---|---|---|---|---|---|
| **1 January 2017** | **526** | **4,106** | **227** | **(45)** | **-** | **(145)** | **(90)** | **4,579** |
| Currency translation differences | - | - | - | - | - | 131 | - | 131 |
| Change in value of available-for-sale assets (note 10) | - | - | - | (103) | - | - | - | (103) |
| Actuarial loss | - | - | - | - | - | - | 32 | 32 |
| Recycling of reserve in profit and loss | - | - | - | 50 | - | - | - | 50 |
| **31 December 2017** | **526** | **4,106** | **227** | **(98)** | **-** | **(14)** | **(58)** | **4,689** |
| | | | | | | | | |
| **1 January 2018** | **526** | **4,106** | **227** | **(98)** | **-** | **(14)** | **(58)** | **4,689** |
| **Effect of IFRS 9 as at 1.1.2018** | | | | | | | | |
| Reclassification | - | - | - | 98 | (98) | - | - | - |
| **1 January 2018** | **526** | **4,106** | **227** | **-** | **(98)** | **(14)** | **(58)** | **4,689** |
| Currency translation differences | - | - | - | - | - | 132 | - | 132 |
| Transfer to results carried forward | - | - | - | - | 41 | - | - | 41 |
| Change in the value of assets through other comprehensive income | - | - | - | - | (118) | - | - | (118) |
| Actuarial loss | - | - | - | - | - | - | (12) | (12) |
| Other | - | - | - | - | - | - | 1 | 1 |
| **31 December 2018** | **526** | **4,106** | **227** | **-** | **(175)** | **118** | **(69)** | **4,733** |

### (a) Statutory reserves

The provisions of Articles 44 and 45 of Codified L. 2190/1920 regulate the way the legal reserve is formed and used, as follows: At least 5% of each year’s actual (book) net earnings must be withheld to form a statutory reserve, until the statutory reserve’s accumulated amount equals at least 1/3 of the share capital. By decision of the Ordinary General Meeting of Shareholders, the statutory reserve may be used to cover losses, and therefore may not be used for any other purpose.

### (b) Special reserves

Reserves of this category have been created upon decision of the Ordinary General Meeting in past years, do not have any specific designation and may therefore be used for any purpose, upon decision of the Ordinary General Meeting.

### (c) Untaxed reserves

The foregoing reserves may be capitalised and distributed (having due regard to the applicable limitations), by decision of the Ordinary General Meeting of shareholders.

## 18 Borrowings

All amounts in EUR '000.

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Long-term borrowings** | | | | |
| Bank loans | 750 | 2,250 | - | - |
| Finance leases | 2,100 | 1,335 | - | - |
| Bond Loans | - | 40 | - | - |
| **Total long-term borrowings** | **2,850** | **3,625** | **-** | **-** |
| | | | | |
| **Short-term borrowings** | | | | |
| Bank overdrafts | 2 | 2 | - | - |
| Bank loans | 2,007 | 1,555 | - | - |
| Bond loan | 40 | 160 | - | - |
| Finance leases | 333 | 243 | - | - |
| From related parties (note 32(k)) | - | - | 1,926 | 1,854 |
| **Total short-term borrowings** | **2,382** | **1,960** | **1,926** | **1,854** |
| | | | | |
| **Total borrowings** | **5,232** | **5,585** | **1,926** | **1,854** |

Long-term borrowings mature in 2020.

The average effective rate of the Group as at 31 December 2018 was 0.82% (2017: 0.82%) for bank borrowings, and 4.69% for the Company for the current year (2017: 4.67%).

Mortgage prenotations have been taken out on the Group properties, standing at €1,536 thousand (31.12.2016: €1,536 thousand), in favour of a bank as security for bank liabilities, which, as at 31.12.2018, stood at €200 thousand (31.12.2017: €200 thousand) (Note 5).

The Group’s exposure to the risk of changes in borrowing rates, and the contractual dates for re-determination of rates are as follows:

| | Consolidated figures | | | Company figures | | |
|---|---|---|---|---|---|---|
| | **Fixed rate** | **Floating rate up to 6 months** | **Total** | **Fixed rate** | **Floating rate up to 6 months** | **Total** |
| **31 December 2018** | | | | | | |
| Total borrowings | 1,164 | 1,818 | 2,982 | - | 1,926 | 1,926 |
| Effect of interest rate swaps | 2,250 | - | 2,250 | - | - | - |
| | **3,414** | **1,818** | **5,232** | **-** | **1,926** | **1,926** |

| | Consolidated figures | | | Company figures | | |
|---|---|---|---|---|---|---|
| | **Fixed rate** | **Floating rate up to 6 months** | **Total** | **Fixed rate** | **Floating rate up to 6 months** | **Total** |
| **31 December 2017** | | | | | | |
| Total loans | 376 | 1,459 | **1,835** | - | 1,854 | **1,854** |
| Effect of interest rate swaps | 3,750 | - | **3,750** | - | - | **-** |
| | **4,126** | **1,459** | **5,585** | **-** | **1,854** | **1,854** |

All borrowings are expressed in Euros.

All amounts are in EUR thousand, unless stated otherwise

The maturity of long-term borrowings is as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| 1 to 2 years | 750 | 1,540 | - | - |
| 2 to 5 years | 1,369 | 1,787 | - | - |
| Over 5 years | 731 | 298 | - | - |
| | **2,850** | **3,625** | **-** | **-** |

Finance lease liabilities, which are presented in the above tables, are broken down as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Finance lease liabilities – minimum lease payments** | | | | |
| Up to 1 year | 453 | 323 | - | - |
| 1 to 5 years | 1,664 | 1,228 | - | - |
| Over 5 years | 840 | 298 | - | - |
| **Total** | **2,956** | **1,849** | **-** | **-** |
| Less: Future finance costs of finance lease liabilities | (523) | (271) | - | - |
| **Present value of finance lease liabilities** | **2,433** | **1,578** | **-** | **-** |

The present value of finance lease liabilities is analysed below:

| | Consolidated figures | |
|---|---|---|
| | **31-Dec-18** | **31-Dec-17** |
| Up to 1 year | 333 | 243 |
| 1 to 5 years | 1,369 | 1,276 |
| Over 5 years | 732 | 59 |
| **Total** | **2,433** | **1,578** |

The parent company has no finance lease liabilities.

## 19 Trade and other payables

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Suppliers | 5,935 | 4,727 | 4,329 | 3,524 |
| Accrued interest | 21 | 37 | - | - |
| Accrued costs | 829 | 565 | 445 | 147 |
| Advances from customers | 543 | 801 | 128 | 18 |
| Wages and salaries payable | 497 | 827 | (277) | 500 |
| Social security and other taxes | 2,756 | 2,811 | 1,906 | 1,315 |
| Amounts due to Joint Operations | 1,369 | 1,419 | 97 | 77 |
| Subcontractors | 707 | 813 | 704 | 796 |
| Other payables | 5,497 | 7,801 | 1,183 | 1,334 |
| Total liabilities – Related parties (note 32) | 636 | 580 | 2,081 | 3,113 |
| **Total** | **18,790** | **20,381** | **11,150** | **10,824** |
| | | | | |
| Non-current | 561 | 1,388 | - | - |
| Current | 18,229 | 18,993 | 11,150 | 10,824 |
| **Total** | **18,790** | **20,381** | **11,150** | **10,824** |

All amounts are in EUR thousand, unless stated otherwise

All liabilities are expressed in Euros.

The Company's liabilities from trade activities are free of interest.

## 20 Deferred taxation

Deferred tax receivables and liabilities are offset when there is a legally vested right to offset current tax receivables against current tax liabilities and when the deferred income taxes involve the same tax authority. Offset amounts are as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Deferred tax liabilities:** | | | | |
| Recoverable after 12 months | 4,288 | 4,261 | - | - |
| | **4,288** | **4,261** | **-** | **-** |
| **Deferred tax receivables:** | | | | |
| Recoverable after 12 months | 1,927 | 3,221 | 2,364 | 3,570 |
| | **1,927** | **3,221** | **2,364** | **3,570** |
| | **2,361** | **1,040** | **(2,364)** | **(3,570)** |

Total change in deferred income tax is presented below.

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Balance at period start** | **1,040** | **615** | **(3,570)** | **(3,550)** |
| Debit/ (credit) through profit and loss (note 28) | 1 342 | 408 | 1,205 | (33) |
| Other comprehensive income debit/ (credit) | (21) | 17 | 1 | 13 |
| **Closing balance** | **2,361** | **1,040** | **(2,364)** | **(3,570)** |

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:

**Consolidated figures**
**Deferred tax liabilities:**

| | Different tax depreciation | Construction contracts | Other | Total |
|---|---|---|---|---|
| **1 January 2017** | **2,959** | **1,391** | **43** | **4,393** |
| Income statement debit/(credit) | (116) | (5) | 17 | (104) |
| **31 December 2017** | **2,843** | **1,386** | **60** | **4,290** |
| **1 January 2018** | **2,843** | **1,386** | **60** | **4,290** |
| Income statement credit/(debit) | (73) | (25) | 7 | (91) |
| **31 December 2018** | **2,770** | **1,361** | **67** | **4,198** |

**Deferred tax receivables:**

| | Different tax depreciation | Tax losses | Construction contracts | Actuarial gains/(losses) reserves | Other | Total |
|---|---|---|---|---|---|---|
| **1 January 2017** | **672** | **656** | **853** | **30** | **1,567** | **3,778** |

All amounts are in EUR thousand, unless stated otherwise

| | | | | | | |
|---|---|---|---|---|---|---|
| Income statement debit | (94) | (285) | - | (1) | (132) | (512) |
| Other comprehensive income credit | - | - | - | (17) | - | (17) |
| **31 December 2017** | **578** | **371** | **853** | **12** | **1,435** | **3,249** |
| | | | | | | |
| **1 January 2018** | **578** | **371** | **853** | **12** | **1,435** | **3,249** |
| Income statement debit/(credit) | (553) | 10 | - | - | (890) | (1,433) |
| Other comprehensive income debit | - | - | - | 21 | - | 21 |
| **31 December 2018** | **25** | **381** | **853** | **33** | **545** | **1,837** |

**Company figures**
**Deferred tax liabilities:**

| | Different tax depreciation | Construction contracts | Other | Total |
|---|---|---|---|---|
| **1 January 2017** | **4** | **1,396** | **-** | **1,400** |
| Income statement debit/(credit) | 3 | (5) | - | (2) |
| **31 December 2017** | **7** | **1,391** | **-** | **1,398** |
| | | | | |
| **1 January 2018** | **7** | **1,391** | **-** | **1,398** |
| Income statement debit/(credit) | 6 | (25) | - | (19) |
| **31 December 2018** | **13** | **1,366** | **-** | **1,379** |

**Deferred tax receivables:**

| | Impairment of holdings | Different tax depreciation | Construction contracts | Actuarial gains/(losses) reserves | Other | Total |
|---|---|---|---|---|---|---|
| **1 January 2017** | **2,809** | **336** | **853** | **37** | **915** | **4,950** |
| Income statement credit | - | - | - | - | 30 | 30 |
| Other comprehensive income debit | - | - | - | (13) | - | (13) |
| **31 December 2017** | **2,809** | **336** | **853** | **24** | **946** | **4,967** |
| | | | | | | |
| **1 January 2018** | **2,809** | **336** | **853** | **24** | **946** | **4,967** |
| Income statement debit | (108) | (326) | - | - | (789) | (1,223) |
| Other comprehensive income debit | - | - | - | (1) | - | (1) |
| **31 December 2018** | **2,701** | **10** | **853** | **23** | **156** | **3,743** |

Deferred tax receivables are recognised for the transfer of tax losses, provided that it is probable to achieve a relevant financial benefit due to future taxable gains.

The current tax rate in Greece as at 31 December 2018 is 29%. According to Article 23 of Law 4579/2018, this will gradually be decreased by one percentage point as follows:

- 28% for the year 2019
- 27% for the year 2020
- 26% for the year 2021
- 25% for the year 2022 and so on.

Due to the gradual decrease in subsequent years of the income tax rate in Greece, a deferred income tax (inflow) of €(242) and €432 for the Group and the Company, respectively, arises due to revaluation of deferred tax assets and liabilities.

All amounts are in EUR thousand, unless stated otherwise

## 21 Employee retirement compensation liabilities

The amounts recognised in the Statement of Financial Position are the following:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Liabilities in the Statement of Financial Position for:** | | | | |
| Retirement benefits | 538 | 453 | 371 | 335 |
| **Total** | **538** | **453** | **371** | **335** |

The amounts recognised in the Income Statement are the following:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Charges /(credits) through profit and loss (note 27)** | | | | |
| Retirement benefits | 138 | 78 | 94 | 49 |
| **Total** | **138** | **78** | **94** | **49** |

The amounts posted in the Statement of Financial Position are as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Present value of non-financed liabilities | 538 | 453 | 371 | 335 |
| **Liability in Statement of Financial Position** | **538** | **453** | **371** | **335** |

The amounts posted in the Income Statement are as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Current employment cost | 86 | 62 | 49 | 50 |
| Financial cost | 7 | 7 | 5 | 6 |
| Cut-down losses | 45 | 9 | 40 | (7) |
| **Total included in employee benefits (note 27)** | **138** | **78** | **94** | **49** |

Change to liabilities as presented in the Balance Sheet is as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Opening balance** | **453** | **456** | **335** | **354** |
| Indemnities paid | (80) | (24) | (69) | (23) |
| Actuarial loss charged to Statement of Comprehensive Income | 27 | (57) | 11 | (45) |
| Total debit/(credit) to results (note 27) | 138 | 78 | 94 | 49 |
| **Closing balance** | **538** | **453** | **371** | **335** |

The main actuarial assumptions used for accounting purposes for the company's figures, are the following:

| | 31-Dec-18 | 31-Dec-17 |
|---|---|---|

| | | |
|---|---|---|
| Discount rate | 1.70% | 1.60% |
| Future salary raises | 1.75% | 1.75% |

The average weighted duration of pension benefits is 16.88 years for the consolidated figures and 16.14 years for the company figures.

Analysis of expected maturity of non-discounted pension benefits:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Up to 1 year | 1 | - | 1 | - |
| 1 to 2 years | 11 | - | 11 | - |
| 2 to 5 years | 5 | 17 | - | 5 |
| Over 5 years | 585 | 539 | 488 | 80 |
| **Total** | **602** | **556** | **500** | **85** |

The sensitivity analysis of pension benefit from changes in the main assumptions are:

| | Consolidated figures | | | Company figures | | |
|---|---|---|---|---|---|---|
| | **Change in the assumption according to** | **Increase in the assumption** | **Decrease in the assumption** | **Change in the assumption according to** | **Increase in the assumption** | **Decrease in the assumption** |
| Discount rate | 0.50% | -6.10% | 6.10% | 0.50% | -6.01% | 6.01% |
| Payroll change rate | 0.50% | 6.07% | -6.07% | 0.50% | 5.98% | -5.98% |

Actuarial losses recognised in the Statement of Comprehensive Income are:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Losses from change in demographic assumptions | - | 38 | - | 32 |
| (Profit) / loss from the change in financial assumptions | 16 | (76) | - | (58) |
| Net (profit)/ loss | 11 | (19) | 11 | (19) |
| **Total** | **27** | **(57)** | **11** | **(45)** |

## 22 Grants

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **At year start** | **8,301** | **9,318** | **90** | **349** |
| Transfer to results (note 25) | (847) | (1,017) | (90) | (259) |
| **At year end** | **7,454** | **8,301** | **-** | **90** |

Out of the total Group's government grants:

i) The unamortised amount of €5,986 thousand (2017: €6,567 thousand) corresponds to a grant received by subsidiary VEAL S.A. under the OPCE for the construction of a co-generation power plant, using biogas from the Ano Liosia landfill. The grant amount covers 40% of the investment's budget.

ii) The unamortised amount of €1,064 thousand (2017: €1,184 thousand) relates to a government grant received by subsidiary AIFORIKI DODEKANISSOU S.A. under the OPCE regarding project "Wind power utilisation for the production of electrical power on the islands of Rhodes (3.0 MW), Kos (3.6 MW) and Patmos (1.2 MW)". The grant amount covers 30% of the investment's budget.

All amounts are in EUR thousand, unless stated otherwise

iii) The unamortised amount of €404 thousand (2017: €461 thousand) relates to a grant received by the subsidiary STERILISATION S.A. from the Regional Administration of Thessaly for the project "Establishment of a medical waste treatment plant in Volos Industrial Zone B, Prefecture of Magnesia". The grant amount covers 50% of the investment's budget.

## 23 Provisions

**Consolidated figures**

| | Litigations pending | Landscape restoration | Tax provisions | Other provisions | Total |
|---|---|---|---|---|---|
| **1 January 2017** | **291** | **76** | **1,083** | **15,470** | **16,920** |
| Provisions for penalty clause enforcement | - | - | - | 1,143 | 1,143 |
| Additional provisions for the year | - | 3 | - | 951 | 954 |
| Unused provisions reversed | - | - | - | (4,185) | (4,185) |
| Used provisions for the year | | - | (295) | (6,297) | (6,592) |
| **31 December 2017** | **291** | **79** | **788** | **7,082** | **8,240** |
| | | | | | |
| **1 January 2018** | **291** | **79** | **788** | **7,082** | **8,240** |
| Additional provisions for the year | - | 3 | - | 444 | 447 |
| Unused provisions reversed | - | - | (165) | (612) | (777) |
| **31 December 2018** | **291** | **82** | **623** | **6,914** | **7,910** |

**Company figures**

| | Litigations pending | Tax provisions | Other provisions | Total |
|---|---|---|---|---|
| **1 January 2017** | **291** | **719** | **5,150** | **6,160** |
| Provisions for penalty clause enforcement | - | - | 1,143 | 1,143 |
| Used provisions for the year | - | (295) | - | (295) |
| **31 December 2017** | **291** | **424** | **6,293** | **7,008** |
| | | | | |
| **1 January 2018** | **291** | **424** | **6,293** | **7,008** |
| **31 December 2018** | **291** | **424** | **6,293** | **7,008** |

Analysis of total provisions:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Non-current | 1,535 | 1,948 | 633 | 633 |
| Current | 6,375 | 6,293 | 6,375 | 6,375 |
| **Total** | **7,910** | **8,241** | **7,008** | **7,008** |

### a) Litigations pending

The entire amount of the provision formed pertains to third-party actions against the Company. The amount of the provision is based on estimates made by the Group's Legal Department. The company's Management considers the provision amount sufficient, and no additional charges are expected to arise beyond the amounts disclosed as of 31.12.2018.

All amounts are in EUR thousand, unless stated otherwise

The Group and the Company, apart from the above legal cases, have pending court cases in Greece and Cyprus for claims that the Legal Service considers to be fully recoverable.

**b) Landscape restoration**

According to Ministerial Decision 1726/2003, Art. 9, para. 4, companies operating wind farms should remove the facilities and restore the landscape upon termination of operation of the Energy Production Station.

The Group has formed a cost provision for equipment removal and landscape restoration for the wind farms it operates via subsidiary Aiforiki Dodekanisou S.A. The provision has been calculated as the present value of expenses that will be borne for landscape restoration. The Management of the Group has estimated that the total future expenses will amount to approximately €141 thousand. The amount of approximately €3 thousand (2017: €3 thousand) has been recognised in 2018 as financial cost (Note 26).

**c) Other provisions**

Under the arbitration decision of 12.05.2017, the Company was ordered to pay compensation on grounds of penalty clause forfeiture amounting to €6,293 thousand relating to the project "Services of Support, Operation, Maintenance and Repair of the Recycling and Composting Plant". FY 2017 was charged by the amount of €1.14 million, as provisions had been formed in a previous year for the remaining portion (€5.15 million). An action for annulment of the above decision has been brought before the Court of Appeals of Athens.

In a previous year, the Group had recognised a provision of €8 million for potential risk of suspension of the concession contract concluded between subsidiary HELECTOR-CYBARGO and the Cypriot Government. On 21.05.2018 the supplementary agreement with the Central Committee on Changes and Claims of the Republic of Cyprus relating to the project "Integrated Waste Management Facility in Kosii", was finally approved. A loss of €3.8 million arose from that agreement against which the Group used a part of the provision of €8 million it had formed in the past for the unamortised value of the right and the provision balance of €4.2 million was reversed in the results of 31.12.2017.

## 24 Expenses per category

**Consolidated figures**

| | | 1-Jan to 31-Dec-18 | | | |
|---|---|---|---|---|---|
| | **Note** | **Cost of sales** | **Distribution costs** | **Administrative expenses** | **Total** |
| Employee benefits | 27 | 16,045 | 69 | 1,066 | 17,180 |
| Inventories used | 12 | 9,082 | 2 | 30 | 9,114 |
| Depreciation of tangible assets | 5 | 4,906 | - | 5 | 4,911 |
| Depreciation of intangible assets | 6 | 2,344 | - | 96 | 2,440 |
| Repair and maintenance expenses of tangible assets | | 1,387 | - | 26 | 1,414 |
| Operating lease rents | | 2,778 | 18 | 178 | 2,974 |
| Subcontractor fees | | 8,080 | 1,581 | 630 | 10,291 |
| Third party fees | | 8,171 | 437 | 1,324 | 9,933 |
| Other | | 13,010 | 256 | 3,535 | 16,801 |
| **Total** | | **65,803** | **2,364** | **6,889** | **75,056** |

| | | 1-Jan to 31-Dec-17 | | | |
|---|---|---|---|---|---|
| | **Note** | **Cost of sales** | **Distribution costs** | **Administrative expenses** | **Total** |
| Employee benefits | 27 | 15,295 | 86 | 900 | 16,281 |
| Inventories used | 12 | 9,603 | 19 | 41 | 9,663 |
| Depreciation of tangible assets | 5 | 4,038 | - | 3 | 4,041 |
| Amortisation of intangible assets | 6 | 2,350 | - | 96 | 2,446 |

All amounts are in EUR thousand, unless stated otherwise

| | | | | |
|---|---|---|---|---|
| Repair and maintenance expenses of tangible assets | 1,301 | - | 29 | 1,330 |
| Operating lease rents | 1,745 | 22 | 196 | 1,963 |
| Subcontractor fees | 11,587 | 1,432 | 897 | 13,916 |
| Third party fees | 7,963 | 346 | 1.018 | 9,327 |
| Other | 13,020 | 281 | 2,518 | 15,819 |
| **Total** | **66,902** | **2,186** | **5,698** | **74,786** |

**Company figures**

| | | 1-Jan to 31-Dec-18 | | | |
|---|---|---|---|---|---|
| | **Note** | **Cost of sales** | **Distribution costs** | **Administrative expenses** | **Total** |
| Employee benefits | 27 | 7,610 | 69 | 666 | 8,346 |
| Inventories used | 12 | 6,340 | 2 | - | 6,342 |
| Depreciation of tangible assets | 5 | 787 | - | - | 787 |
| Depreciation of intangible assets | 6 | 5 | - | - | 5 |
| Repair and maintenance expenses of tangible assets | | 336 | - | 5 | 340 |
| Operating lease rents | | 2,234 | 18 | 143 | 2,395 |
| Subcontractor fees | | 6,100 | 1,578 | 630 | 8,308 |
| Third party fees | | 5,929 | 437 | 746 | 7,113 |
| Other | | 2,836 | 187 | 835 | 3,858 |
| **Total** | | **32,178** | **2,292** | **3,024** | **37,494** |

| | | 1-Jan to 31-Dec-17 | | | |
|---|---|---|---|---|---|
| | **Note** | **Cost of sales** | **Distribution costs** | **Administrative expenses** | **Total** |
| Employee benefits | 27 | 8,586 | 86 | 506 | 9,178 |
| Inventories used | 12 | 7,272 | 19 | 5 | 7,296 |
| Depreciation of tangible assets | 5 | 885 | - | - | 885 |
| Amortisation of intangible assets | 6 | 11 | - | - | 11 |
| Repair and maintenance expenses of tangible assets | | 343 | - | 4 | 347 |
| Operating lease rents | | 1,288 | 22 | 152 | 1,462 |
| Subcontractor fees | | 10,061 | 1,431 | 623 | 12,115 |
| Third party fees | | 5,364 | 346 | 677 | 6,387 |
| Other | | 2,867 | 236 | 802 | 3,905 |
| **Total** | | **36,677** | **2,140** | **2,769** | **41,586** |

## 25 Other income/(expenses) & Other profits/(losses)

| | **Consolidated figures** | | **Company figures** | |
|---|---|---|---|---|
| | **1-Jan to** | | **1 Jan to** | |
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Other income** | | | | |
| Income from participations & securities (except dividends) | 163 | - | 701 | - |
| Amortisation of grants received (note 22) | 847 | 1,017 | 90 | 259 |
| Rents | 260 | 171 | 266 | 166 |
| Other | 319 | - | 11 | - |
| **Total Other Income** | **1,589** | **1,188** | **1,068** | **425** |
| | | | | |
| **Other profit/(loss)** | | | | |
| Loss from the sale of available-for-sale financial assets | - | (3) | - | (49) |
| Profit/(loss) from the disposal or write-off of tangible assets | (278) | (520) | 23 | - |
| Impairment provisions and write-offs (note 13). | (2,336) | - | (2,336) | - |

All amounts are in EUR thousand, unless stated otherwise

| | | | | |
|---|---|---|---|---|
| Profit/(loss) from currency translation differences | - | (462) | - | (462) |
| Provisions for penalty clause enforcement (note 23) | - | (1,143) | - | (1,143) |
| Reversal of provision for coverage of potential risks for Cypriot companies (Note 23) | - | 4,185 | - | - |
| Other | 756 | (361) | (1,007) | (316) |
| **Total Other profit/(loss)** | **(1,858)** | **1,696** | **(3,320)** | **(1,970)** |
| **Total** | **(269)** | **2,884** | **(2,252)** | **(1,545)** |

## 26 Financial income/(expenses) - net

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 1-Jan to | | 1 Jan to | |
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **Interest expenses** | | | | |
| - Bank borrowings | (166) | (330) | (101) | (116) |
| - Finance Leases | (137) | (48) | - | - |
| - Financial cost for landscape restoration (note 23) | (3) | (3) | - | - |
| - Guarantee letter commissions | (722) | (1,161) | (709) | (852) |
| - Other financial expenses | (113) | (64) | (29) | (36) |
| **Total financial expenses** | **(1,141)** | **(1,606)** | **(839)** | **(1,004)** |
| Interest income | 1,421 | 853 | 1 233 | 858 |
| **Total financial income** | **1,421** | **853** | **1 233** | **858** |
| **Finance income/(expenses) - net** | **280** | **(753)** | **394** | **(146)** |

## 27 Employee benefits

All amounts in EUR, save the number of employees.

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 1-Jan to | | 1 Jan to | |
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| Wages and salaries | 13,475 | 12,944 | 6,319 | 7,116 |
| Social security costs | 3,237 | 3,080 | 1,819 | 1,960 |
| Cost of defined benefit plans (note 21) | 138 | 78 | 94 | 49 |
| Other employee benefits | 330 | 179 | 114 | 53 |
| **Total** | **17,180** | **16,281** | **8,346** | **9,178** |
| Number of employees | 626 | 762 | 450 | 457 |

## 28 Income tax

| | Consolidated figures | Company figures |
|---|---|---|
| | 1-Jan to | 1 Jan to |

All amounts are in EUR thousand, unless stated otherwise

| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
|---|---|---|---|---|
| Tax for the year | 4,885 | 3,594 | 3,679 | 1,700 |
| Deferred tax (note 20) | 1 342 | 408 | 1,205 | (33) |
| **Total** | **6,227** | **4,002** | **4,884** | **1,667** |

With regard to the financial years 2011 through 2015, Greek Societes Anonyme whose financial statements must be audited by statutory auditors were required to be audited by the same statutory auditor or audit firm that reviewed their annual financial statements, and obtain a "Tax Compliance Report, as laid down in Article 82(5) of Law 2238/1994 and Article 65A of Law 4174/2013. With regard to financial years from 2016 onwards, the tax audit and the issue of a "Tax Compliance Report" are optional. The Group opted to continue having its statements audited by the statutory auditors, performed on an optional basis for the most important Group subsidiaries.

Note that, in accordance with relevant fiscal provisions applicable as on 31.12.2018, the financial years until 2012 inclusive are considered as time-barred.

The table presenting the analysis of unaudited financial years of all joint operations under consolidation is shown in note 31.

Under Article 23 of Law 4579/2018, the tax rate on profits from business operations gained by legal persons and legal entities is gradually reduced by one percentage point per year, the reduction starting on the income for 2019. Therefore, as from 2019, the income tax rate in Greece will gradually decrease to 25% by 2022. The amount will be reduced by 1% annually (i.e. 28% in 2019, 27% in 2020, 26% in 2021 and 25% in 2022 and afterwards).

The tax on the Group's profit before tax differs from the notional amount which would result using the tax rate applicable to the parent's profit on the consolidated companies' profit. The difference is as follows:

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | 31-Dec-18 | 31-Dec-17 | 31-Dec-18 | 31-Dec-17 |
| **Accounting profit/(losses) before tax** | **14,848** | **5,719** | **13,770** | **(2,672)** |
| Tax imputed, based on local applicable tax rates on the parent's profit (29%) | 4,306 | 1,659 | 3,993 | (775) |
| Effect of change to tax rate | (242) | - | 432 | - |
| Untaxed income | (50) | (3,103) | (1,317) | (259) |
| Expenses not deductible for tax purposes: | 392 | 1,566 | 1,643 | (273) |
| Use of tax losses from prior financial years | - | (18) | - | - |
| Other taxes | - | 15 | 19 | - |
| Differences from tax audit | - | 272 | - | 272 |
| Tax difference in relation to tax return for 2016 | - | 947 | - | 947 |
| Tax losses for which no deferred tax asset was recognized | 1,136 | 3,295 | 107 | 2,225 |
| Difference Income Tax Statement with Income Tax recognized in the previous period | (6) | (383) | - | (24) |
| Extraordinary levy | - | - | - | 16 |
| Effect from different tax rates applying in other countries where the Group operates | 693 | (248) | 6 | (462) |
| **Income tax** | **6,227** | **4,002** | **4,884** | **1,667** |

The average weighted tax rate for the Group for 2018 is 41.94% (2017: 69.97%).

The tax corresponding to Other Comprehensive Income is:

**Consolidated figures**

| | 1-Jan to 31-Dec-18 | | | 1-Jan to 31-Dec-17 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (debit)/credit | After tax | Before tax | Tax (debit)/credit | After tax |
| Currency translation differences | 137 | - | 137 | 139 | - | 139 |

All amounts are in EUR thousand, unless stated otherwise

| | | | | | | |
|---|---|---|---|---|---|---|
| Change in the fair value of financial assets through other comprehensive income | (122) | - | (122) | (62) | - | (62) |
| Cash flow hedge | 157 | - | 157 | 223 | - | 223 |
| Actuarial gains/(losses) | (27) | 20 | (7) | 57 | (17) | 41 |
| | **145** | **20** | **165** | **358** | **(17)** | **341** |

**Company figures**

| | 1-Jan to 31-Dec-18 | | | 1-Jan to 31-Dec-17 | | |
|---|---|---|---|---|---|---|
| | **Before tax** | **Tax (debit)/credit** | **After tax** | **Before tax** | **Tax (debit)/credit** | **After tax** |
| Currency translation differences | 132 | - | 132 | 131 | - | 131 |
| Change in the fair value of financial assets through other comprehensive income | (118) | - | (118) | (103) | - | (103) |
| Actuarial losses | (11) | - | (11) | 45 | (13) | 32 |
| | **2** | **-** | **2** | **73** | **(13)** | **60** |

## 29 Cash flows from operating activities

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | **Note** | **01.01.2018-31.12.2018** | **01.01.2017-31.12.2017** | **01.01.2018-31.12.2018** | **01.01.2017-31.12.2017** |
| Profit before taxes | | 14,848 | 5,719 | 13,770 | (2,672) |
| *Adjustments for:* | | | | | |
| Depreciation of PPE | 5 | 4,911 | 4,041 | 787 | 885 |
| Depreciation of intangible assets | 6 | 2,440 | 2,446 | 5 | 11 |
| Loss from the sale and write-off of other PPE | 25 | 278 | 520 | (23) | (0) |
| (Profit)/loss from sale of assets at fair value through profit and loss | 25 | - | 3 | - | 49 |
| Amortisation of grants | 22 | (847) | (1,017) | (90) | (259) |
| Interest income | 26 | (1,421) | (853) | (1,233) | (858) |
| Income from dividends | | - | - | (4,370) | (770) |
| Provisions for contingent risks | | (3,815) | (4,185) | - | - |
| Provisions for penalty clause enforcement | 23 | - | 1,143 | - | 1,143 |
| Other provisions | 23 | 3,484 | (5,637) | - | (295) |
| Retirement benefits liabilities | | 82 | (3) | 28 | 26 |
| Debit interest and related expenses | 26 | 1,141 | 1.603 | 839 | 1,004 |
| (Profit)/loss from associates | 8 | (722) | 307 | - | - |
| | | **20,379** | **4,087** | **9,714** | **(1,736)** |
| **Changes in working capital** | | | | | |
| (Increase)/decrease in inventory | | (470) | 982 | - | (20) |
| (Increase)/decrease in receivables | | (2,074) | 4,636 | (7,485) | 9,726 |
| Increase /(decrease) of liabilities | | 5,582 | (3,765) | (1,758) | (11,407) |
| | | **3,038** | **1,853** | **(9,243)** | **(1,701)** |
| **Net Cash Flows/(outflows) from operating activities** | | **23,417** | **5,940** | **471** | **(3,437)** |

All amounts are in EUR thousand, unless stated otherwise

## 30 Commitments

**Operating lease obligations**
The Group leases property through operating leases. Such leases have varying terms regarding rent adjustment, renewal rights and other clauses, and usually, extend over a term of 3 or more years.

Total future payable rents, under operating leases, are as follows:

| **Commitments from operating leases:** | **Consolidated figures** | | **Company figures** | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| Up to 1 year | 1,636 | 1,682 | 1,595 | 1,407 |
| From 1-5 years | 3,821 | 4,989 | 3,764 | 4,246 |
| Over 5 years | 16 | - | 16 | - |
| | **5.472** | **6,671** | **5,375** | **5,653** |

## 31 Contingent assets and liabilities

Disputes in litigation or in arbitration, as well as any pending decisions by judicial or arbitration bodies, are not expected to have a significant impact on the financial standing or operation of the company. The provisions formed in the Company are assessed as adequate.

With regard to the financial years 2011 through 2015, Greek Sociétés Anonyme whose financial statements must be audited by statutory auditors were required to be audited by the same Statutory Auditor or audit firm that reviewed their annual financial statements, and obtain a "Tax Compliance Report, as laid down in Article 82(5) of Law 2238/1994 and Article 65A of Law 4174/2013. With regard to financial years from 2016 onwards, the tax audit and the issue of a "Tax Compliance Report" are optional. The Group opted to continue having its statements audited by statutory auditors, on an optional basis, for its most important subsidiaries. Note that, in accordance with relevant fiscal provisions applicable as on 31.12.2018, the financial years until 2012 inclusive are considered as time-barred. The competent audit firms are currently performing the tax audit for the financial year 2018. The Company's Management is not expecting significant tax liabilities, upon completion of the tax audit, other than those recorded and presented in the financial statements.

The list of open tax years of the companies being consolidated are presented below: The Group's tax liabilities for these years have not been finalized; therefore it is possible that additional charges are imposed when the relevant audits are performed by the tax authorities. The provisions formed by the Group and the parent company for unaudited years stand at €623 thousand and €424 thousand respectively (Note 23). Parent company Helector (excluding Joint Operations, the unaudited years of which are presented in the following table) has been audited in accordance with Law 2238/1994 for financial years 2011, 2012, 2013, and in accordance with Law 4174/ 2013 for financial years 2014 through 2017, and has obtained a tax compliance certificate from PricewaterhouseCoopers S.A., without any qualification.

PricewaterhouseCoopers S.A. has already undertaken the parent's tax audit for financial year 2018. Also, a tax audit for closing year 2018 is underway by the competent audit firms for the Group's subsidiaries based in Greece. The Company's Management is not expecting significant tax liabilities, upon completion of the tax audit, other than those recorded and presented in the financial statements. Also, adequate provisions have been established, charging the results of the current and previous years, and no significant extra charges are anticipated.

| **Subsidiaries** | |
|---|---|
| **Name** | **Unaudited years** |

| | |
|---|---|
| AIFORIKI DODEKANISOU SA | 2013-2015*, 2016-2018 |
| AIFORIKI KOUNOU SA | 2013-2015*, 2016-2018 |
| STERILISATION SA | 2013-2015*, 2016-2018 |
| APOTEFROTIRAS SA | 2013-2015*, 2016-2018 |
| VEAL SA | 2013-2015*, 2016-2018 |
| DOAL SA | 2013-2015*, 2016-2018 |
| EDADYM SA | 2015-2018 |
| HELECTOR SA- DOAL SA OE | 2013-2018 |
| HELECTOR CYPRUS (formerly ELEMAX LTD) | 2003-2018 |
| HELECTOR GERMANY GMBH | 2005-2018 |
| HERHOF GMBH | 2006-2018 |
| HERHOF RECYCLING CENTER OSNABRUCK GM | 2006-2018 |
| HERHOF VERWALTUNGS GMBH | 2006-2018 |
| JV HELECTOR-ELLAKTOR-CYBARCO | 2007-2018 |
| HELECTOR BULGARIA LTD | 2010-2018 |
| YLECTOR DOOEL SKOPJE | 2010-2018 |
| JV HELECTOR SA-BILFINGER BERGER (CYPRUS- PAPHOS LANDFILL) | 2013-2018 |
| JV HELECTOR SA-BILFINGER BERGER (MARATHOUNTA LANDFILL & ACCESS WAY) | 2013-2018 |

**Associates**

| **Name** | **Unaudited years** |
|---|---|
| ENERMEL S.A. | 2013-2015*, 2016-2018 |
| TOMI EDL ENTERPRISES LTD | 2013-2015*, 2016-2018 |
| PROJECT DYNAMIC CONSTRUCTION | 2013-2018 |
| ELLAKTOR VENTURES LTD | 2011-2018 |
| LEVASHOVO WASTE MANAGEMENT PROJECT LLC | - |
| EPADYM SA | 2014, 2015-2017*, 2018 |

**Joint Ventures**

| **Name** | **Unaudited years** |
|---|---|
| J/V TOMI SA – HLEKTOR SA (ANO LIOSIA LANDFILL - SECTION II) | 2013-2018 |
| JV DETEALA- HELECTOR-EDL LTD | 2013-2018 |
| JV HELECTOR SA – MESOGEIOS SA (MAVRORACHI LANDFILL) | 2013-2018 |
| JV HELECTOR SA – MESOGEIOS SA (FYLIS LANDFILL) | 2013-2018 |
| JV HELECTOR-MESOGEIOS (TAGARADES LANDFILL) | 2013-2018 |
| JV HELECTOR – TECHNIKI PROSTASIAS PERIVALONDOS | 2013-2018 |
| J/V HELECTOR– ARSI SA | 2013-2018 |
| J/V HELECTOR– ERGOSYN SA | 2013-2018 |
| JV LAMDA – ITHAKI & HELECTOR | 2013-2018 |
| J/V BILFIGER BERGER - MESOGEIOS- HELECTOR | 2013-2018 |
| J/V TOMI SA –HELEKTOR SA | 2013-2018 |
| JV TOMI SA-HELECTOR SA & KONSTANTINIDIS | 2013-2018 |
| JV HELECTOR-ENVITEC SA (RECYCLING & COMPOSTING PLANT) | 2013-2018 |
| J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA | 2013-2018 |
| J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA- ENVITEC SA | 2013-2018 |
| J/V HELECTOR SA – ZIORIS SA - SPIDER SA | 2013-2018 |
| J/V HELECTOR SA – EPANA SA | 2013-2018 |

All amounts are in EUR thousand, unless stated otherwise

| | |
|---|---|
| J/V HELECTOR SA - KONSTANTINIDIS | 2013-2018 |
| J/V HELECTOR SA - AKTOR SA (EGNATIA HIGH FENCING PROJECT) | 2013-2018 |
| JV AKTOR SA - HELECTOR SA | - |
| J/V HELECTOR– ARSI SA | 2013-2018 |
| J/V HELECTOR S.A. - THALIS ES S.A. | 2018 |

* The Group companies which are domiciled in Greece, are mandatorily audited by audit firms and have obtained a tax compliance certificate for the respective financial years are marked.

(c) The Group has contingent liabilities in relation to banks, other guarantees, and other matters that arise from its normal business activity and from which no substantial charges are expected to arise.

(d) On 15.06.2016, Helector Cyprus Ltd (a wholly-owned subsidiary of HELECTOR) was indicted for alleged unlawful practices of its former officers in the context of its activities in the Republic of Cyprus. If the company is convicted, penalties (e.g. a fine) will be imposed, which are not expected, though, to have a significant impact on the Group's financial position.

## 32 Transactions with related parties

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:

| | | Consolidated figures | | Company figures | |
|---|---|---|---|---|---|
| | | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **a)** | **Sales of goods and services** | **8,276** | **6,431** | **12,656** | **13,777** |
| | **- Sales to subsidiaries** | **-** | **-** | **10,719** | **11,445** |
| | Sales | - | - | 9,999 | 10,680 |
| | Other operating income | - | - | 587 | 581 |
| | Financial income | - | - | 133 | 184 |
| | **- Sales to associates** | **6,725** | **3,990** | **517** | **343** |
| | Sales | 6,332 | 3,648 | 128 | - |
| | Financial income | 392 | 342 | 389 | 343 |
| | **- Sales to related parties** | **1,552** | **2,440** | **1,419,263** | **1,989** |
| | Sales | 1,374 | 2,274 | 1,261 | 1,844 |
| | Other operating income | 171 | 166 | 159 | 145 |
| | Financial income | 7 | - | - | - |
| **(b)** | **Purchases of goods and services** | **2,405** | **2,916** | **1,361** | **1,416** |
| | **- Purchases from subsidiaries** | **-** | **-** | **1,361** | **1,416** |
| | Cost of sales | - | - | 1,093 | 1,171 |
| | Administrative expenses | - | - | 2 | 95 |
| | Other operating expenses | - | - | 195 | 79 |
| | Financial expenses | | | 72 | 71 |
| | **- Purchases from related parties** | **2,405** | **2,916** | - | - |
| | Cost of sales | 2,355 | 2,881 | - | - |
| | Administrative expenses | 51 | 35 | - | - |
| | Distribution costs | - | - | - | - |
| **(c)** | **Key management compensation** | **408** | **185** | **373** | **115** |
| **d)** | **Income from dividends** | **-** | **-** | **4,369** | **770** |

| Consolidated figures | | Company figures | |
|---|---|---|---|
| **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |

All amounts are in EUR thousand, unless stated otherwise

| | | | | | |
|---|---|---|---|---|---|
| **(e)** | **Closing balance (Receivables)** | **6,128** | **2,241** | **14,022** | **11,264** |
| | **- Receivables from subsidiaries** | **-** | **-** | **13,983** | **11,171** |
| | Customers | - | - | 5,192 | 5,314 |
| | Other receivables | - | - | 8,791 | 5,857 |
| | **- Receivables from associates** | **1,010** | **93** | **40** | **93** |
| | Customers | 1,010 | 93 | 40 | 93 |
| | **- Receivables from related parties** | **5,117** | **2,148** | **-** | **-** |
| | Customers | 38 | 756 | - | - |
| | Other receivables | 5,079 | 1,392 | - | - |
| **f)** | **Closing balance (Liabilities)** | **618** | **562** | **2,081** | **3,113** |
| | **- Payables to subsidiaries** | **-** | **-** | **2,081** | **3,113** |
| | Suppliers | - | - | 400 | 590 |
| | Other payables | - | - | 1,680 | 2,523 |
| | **- Payables to other related parties** | **618** | **562** | **-** | **-** |
| | Suppliers | 202 | 65 | - | - |
| | Other payables | 416 | 497 | - | - |
| **(g)** | **Amounts payable to key management** | **18** | **18** | **-** | **-** |
| **h)** | **Dividends receivable** | **-** | **-** | **5,316** | **2,756** |

Services to and from related parties, as well as sales and purchases of goods, are performed in accordance with the price lists that apply for non related parties.

Amounts payable to and from related parties are not subject to securities, have no specific repayment terms and are interest free.

**(i) Loans to related parties**

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Balance as of 1 January** | **7,193** | **6,728** | **15,307** | **12,057** |
| Financing during the year | 160 | - | 320 | 5,173 |
| Interest capitalized during the year | 224 | 465 | 346 | 527 |
| Repayments during the year | -43 | - | -8,049 | -2,450 |
| **Balance as of 31 December** | **7,534** | **7,193** | **7,924** | **15,307** |

**(j) Loans from related parties**

| | Consolidated figures | | Company figures | |
|---|---|---|---|---|
| | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| **Balance as of 1 January** | **-** | **-** | **1,854** | **1,783** |
| Interest capitalized during the year | - | - | 72 | 71 |
| **Balance as of 31 December** | **-** | **-** | **1,926** | **1,854** |

The collectability of the above collectable amounts is considered safe, and therefore no impairment provision has been made.

All amounts are in EUR thousand, unless stated otherwise

## 33 Other notes

1. The Group's property has mortgage pre-charges of €1.536 thousand (2017: €1,536 thousand) in favor of a bank to secure its bank liabilities, which at 31.12.2018 amounted to €200 thousand (31.12.2017: €200 thousand) (Note 5).

2. The fees payable to the Group's legal auditors for the mandatory audit of the annual financial statements for FY 2018 stand at €204 thousand (2017: €185 thousand), €62 thousand (2017: €44 thousand) for the Tax Compliance Report and €22 thousand (2017: €22 thousand) for other non-audit services.

   Specifically, for the Group for the financial year 2018, the total fees to companies of the PricewaterhouseCoopers network in Greece amount to €174 thousand for the statutory audit of the financial statements, €41 thousand for the Tax Compliance Report and €19 thousand for other non-audit services.

3. For the Company, for the financial year 2018, the total fees to companies of the PricewaterhouseCoopers network in Greece amount to €143 thousand for the statutory audit of the financial statements, €30 thousand for the Tax Compliance Report and to €6 thousand for other non-audit services.

4. Under Judgment no. 1333/2018 of 28.06.2018, the Multi-Member First-Instance Court of Athens awarded the Company the amount of €5.8 million for prior period works performed at the Fyli Sanitary Landfill project beyond the contractual scope. That amount was recognised in "Sales" in the Income Statement.

## 34 Additional information

| | | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|---|---|---|---|---|
| | **Note** | **31-Dec-18** | **31-Dec-17** | **31-Dec-18** | **31-Dec-17** |
| A. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | | 20,350 | 12,249 | 14,078 | (1,889) |
| B. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | | 20,350 | 9,207 | 14,078 | (746) |
| **A. Determination of Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)** | | | | | |
| Profit before taxes | | 14,848 | 5,719 | 13,770 | (2,672) |
| Plus: Financial results | 26 | (280) | 753 | (394) | 146 |
| Plus: Profit/(loss) from associates and J/Vs | 8 | (722) | 307 | - | - |
| Plus: Depreciation and amortization (notes 5,6,22) | | 6,504 | 5,470 | 703 | 637 |
| **Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)** | | **20,350** | **12,249** | **14,078** | **(1,889)** |
| **B. Determination of adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)** | | | | | |
| Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) | | 20,350 | 12,249 | 14,078 | (1,889) |
| Reversal of provision for coverage of potential risks for Cypriot companies | | - | (4,185) | - | - |
| Provisions for penalty clause enforcement | 23 | - | 1,143 | - | 1,143 |
| **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)** | | **20,350** | **9,207** | **14,078** | **(746)** |

All amounts are in EUR thousand, unless stated otherwise

## 35 Events after the date of the Statement of Financial Position

1. On May 21st, 2019 the Company acquired the remaining 50% share in the group company EPADYM S.A. from the affiliated company AKTOR CONCESSIONS S.A at the price of €9,565,001.05 in total.

2. On May 28th, 2019, the Company acquired a 75% share in Urban Solid Recycling S.A., its distinctive title being ASA RECYCLE, at the price of €4,275,000.

3. According to the Board of Directors' Minutes of June 28th, 2019 the Company is a bondholder in a bond loan issued by the affiliated company AKTOR TECHNICAL SOCIETE ANONYME, of a total amount of €5,000,000.

Kifisia, 26 August 2019

| The Chairman of the Board of Directors | The Managing Director | The CFO |
|---|---|---|
| Dimitrios Kallitsantsis | Charalampos Sofianos | Georgios I. Pliatsikas |
| (ID Card No AI 677171) | (ID Card No AM 110282) | ID Card No AI 559981 |