ΟΜΙΛΟΣ ΗΛΕΚΤΩΡ

Board of Directors' Annual Report
&
Annual Financial Statements
prepared in accordance with the International Financial Reporting Standards
for the fiscal year ended 31 December 2019

HELECTOR SA
ENERGY &
ENVIRONMENTAL APPLICATIONS
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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 three more countries (through fully implemented contracts in two more countries).

It is noted that the company, acting via its German subsidiary Herhof 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;
    - Supply and installation of equipment for the modernisation of the Mechanical Sorting of the Mechanical Recycling and Composting Plant in Chania;
  - 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, (total annual capacity of 150 thousand tons) and operation of a private owned RSP in the Municipality of Aspropyrgos with a capacity of 60 thousand tons;
  - Operation of the Mechanical Recycling Plant in Ano Liosia;
  - Operation of an incinerator for hospital waste in Attica;
  - Operation of a private medical waste sterilisation unit in Volos;

- 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 and operation 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;
  - Construction, financing and operation of an energy and heat cogeneration plant using biogas coming from the Mavrorachi landfill – Total Capacity 3.52 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 2019

A. EVENTS

An intragroup acquisition of the remaining 50% of EPADYM SA shares kept by AKTOR Concessions SA took place on the 21st of May 2019. Moreover, the acquisition of 75.01% of the share capital of the Urban Solid Recycling SA (trading as ASA SA) was completed on the 28th May 2019 at the price of EUR 4,275 million.

Finally, within the context of the proceedings against Helector Cyprus Ltd, by virtue of the interim unanimous decision of the Permanent Assize Court of Nicosia dated 18 March 2019, Helector Cyprus Ltd was acquitted on charges relating to the award of the contract for waste management plant in Larnaca.

The main contracts signed by HELECTOR in Greece and abroad, either independently or through joint ventures or foreign subsidiaries, are as follows:

- A contract was signed (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 EUR 8.2 million, which is executed through the joint venture JV HELECTOR SA - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS (HELECTOR share: 49%).
- A contract was signed (08.07.2019) for the project "Establishment of a Waste Transfer Station for Athens and the adjacent Municipalities in Eleonas (Western Attica)", for the amount of EUR 10.8 million (including VAT).
- A contract was signed (02.07.2019) for the project "Restoration of Three (3) Cells at the Sanitary Landfill in Tembloni" via a joint venture where HELECTOR holds a 52% share, for the amount of EUR 2.8 million (excluding VAT).
- A contract was signed (30.09.2019) for the project "Restoration of the Chania Sanitary Landfill - Phase C", for the amount of EUR 4.67 million (excluding VAT).
- A contract was signed (03.12.2019) for the project A. LEASE, OPERATION AND MAINTENANCE OF TWO NEW LEACHATE TREATMENT PLANTS AT THE MAVRORACHI SANITARY LANDFILL FOR THIRTY SIX (36) MONTHS WITH A TWELVE (12)-MONTH OPTION, and B. REPAIR, OPERATION AND MAINTENANCE OF THE TWO (2) EXISTING EVAPORATION UNITS FOR THIRTY SIX (36) MONTHS WITH A TWELVE (12)-MONTH OPTION, for the amount of EUR 7.0 million (excluding VAT).
- A contract was signed (26.11.2019) for the project "Technical renovation of Buchstein composting unit", for the amount of EUR 7.6 million.

In 2019, the Company (either directly or through joint ventures it participates in), continued to perform the following construction projects whose contracts had been signed before 01.01.2019:

- Supply and installation of thermal power plants with biomass for the Amynteon district heating of 30 MW
- Cell configuration Phase B works for the Fyli Landfill
- Cell slopes configuration, arrangement and leveling works at the Fyli Sanitary Landfill
- The 3rd 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.
- Supply of urban solid waste management equipment of the Municipality of Korinthioi

The main operation contracts (either through the company or through subsidiaries or joint ventures) which continued during the year and were signed before 1/1/2019 were the following:

- Operation of the unit of the "Integrated Waste Management System of the Region of Western Macedonia" (under the PPP form) executed by HELECTOR during 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;
- Operation of the co-generation plant using biogas from the landfills of Ano Liosia & Fyli;
- Operation of the co-generation plant using biogas from the landfill of Tagarades;
- Operation of an incinerator for hospital waste in Ano Liosia;
- Operation of the medical waste sterilising unit in Volos, Magnesia;
- Operational needs support works at the Fyli & Western Attica Integrated Waste Disposal Facilities;
- Operation of a mobile Urban Solid Waste treatment unit for the Municipality of Kalamata
- Operation of the landfills in Anthemountas, Polygyros, Paramythia and Elliniko

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:

- Request for proposal for the selection of a strategic partner in the field of electricity production from geothermal power plants for the development of power plants from 4 geothermal fields. In that tender, the company has been declared Highest Bidder in 2019, while on 1/7/20 it was declared as "Preferred Partner".
- Operation of a mobile mechanical recycling & composting unit in the Prefecture of Ileia;
- Construction of a waste preprocessing and composting unit in Lefkada
- Restoration and extension – upgrade – operation of the leachate treatment unit in the Landfill of Western Achaia
- Restoration of the Landfill of the Municipality of Serres
- Provision of services for the collection and operation of biogas for the Landfill of Larissa for the production of electricity
- Design and construction of works for the First Phase of restoration of the West. Attica OEDA & of transitional waste management

B. RESULTS – FINANCIAL FIGURES

The turnover of the year 2019 amounted to EUR 87.1 million compared to EUR 89.2 million in 2018. It is noted that last year the turnover included retroactive compensations payable for works performed in previous years, amounting to EUR 5.8 million, in accordance with the ruling no. 1333/2018 of the Multi-Member District Court of Athens. As from H1 2019, the newly-acquired company ASA SA, as well as EPADYM SA will be consolidated.

EBITDA of the year 2019 amounted to EUR 6.9 million compared to EUR 20.3 million in 2018.

Operating loss stood at EUR 1.46 million compared to EUR 13,8 million in 2018 but it should be noted that operating profit in the respective period of 2018 included the aforementioned retroactive compensations for works performed in previous years EUR 5,8 million, which were partially offset by the EUR 2 million provision for doubtful receivables. Furthermore, it is noted that the results for 2019 were adversely affected mainly by:

- impairment of goodwill for Helector GmbH which entered liquidation, amounting to EUR 1.45 million;
- retrospective recognition of losses from previous years (EUR 700,000) for Herhof GmbH;
- recognition of losses amounting to EUR 4.1 million by Helector Recycling Center Osnabruck GmbH (~ EUR 2.4 million due to technical restructuring of the facility, which resulted in diversion of incoming quantities to third parties at a higher cost and EUR 1.7 million in estimated future losses from project implementation);
- due to lower incoming quantities in the mechanical recycling plant (EUR 2.5 million) and the clinical waste management units (EUR 0.4 million);
- by increased amortizations (replacement of generator set components as part of their heavy maintenance – EUR 0.7 million).

Losses before taxes stood at EUR 1.18 million compared EUR 14.8 million in the respective period of 2018, while losses after taxes stood at EUR 1.98 million compared to EUR 8.6 million in the respective period of 2018.

- Equity amounted to EUR 98.34 million compared to EUR 88.64 million. The Group's equity (except for the amount attributable to non-controlling interests) decreased from EUR 98.28 million to EUR 94.58 million.

- Short-term bank borrowings on a consolidated basis increased from €2.38 million to €10.04 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 bank borrowings amounted to EUR 26.16 million compared to EUR 2.85 million. It shall be reminded that in 2019 EPADYM SA as well as ASA SA were consolidated for the 1st time, and the biggest part of the above increase shall be attributed to their contribution to the consolidated results.

The Group's net borrowings as at 31.12.2019 and 31.12.2018 are detailed in the following table:

	Consolidated figures	
	31-Dec-19	**31-Dec-18**
Total borrowings	36,215	5,232
Less: Cash and cash equivalents	(30,786)	(47,402)
Net Debt/(Cash)	**5,429**	**(42,170)**
Total Equity	**103,843**	**106,817**
Total Capital Employed	**109,271**	**64,647**
Gearing ratio	**5%**	**-**

The gearing ratio as of 31 December 2019 for the Group is calculated at 5% (31 December 2018: 47.3%). This ratio is calculated as the quotient of net debt to total employed capital (i.e. total equity plus net debt).
Given that the Company holds net cash, gearing ratio calculation as of 31.12.2019 and 31.12.2018 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).

Net cash flows from operating activities at parent company level stood at €1.02 million (outflows), and at €8.4 million on a consolidated basis (inflows). The respective amounts for 2018 were €0.44 million (outflows) for the Parent and €20.52 million (inflows) for the Group.

EVENTS AFTER 31.12.2019

Below you can find the main events that occurred after 31/12/2019:

- By means of decision of the Permanent Criminal Court of Nicosia dated 7/2/2020, Helector Cyprus was found guilty with respect to the offenses of uttering a false document and creating false accounts for the purpose of committing fraud, conspiring to commit fraud and actively bribing public officials in order to expedite the payment of pending legally owed compensation. It is reminded that there had been an intermediate unanimous decision of the Permanent Criminal Court of Nicosia dated 18.3.2019, by means of which Helector Cyprus Ltd was acquitted on the charges relating to the award of the waste disposal contract of the Larnaca factory.
  By its decision of 11 March 2020, the court imposed a pecuniary penalty amounting to EUR 183 thousand. Helector Cyprus has subsequently exercised its legal right to appeal under petition No 34/2020 against the aforementioned conviction, the hearing of which is pending. It is noted that over the last two years the Company has given special emphasis to strengthening the structures and mechanisms of compliance and corporate governance, adopting international best practices and enhancing safeguards to improve transparency and control. After 1/1/2020, the following (main) contracts were signed:
  - Signing of a contract (March 2020) for the project "Support, Operation, Maintenance and Repair Services of the Mechanical Recycling Plant" with a term of 6 months and with a unilateral right of extension for another 6 months with a total budget of €10.8 million.
  - Signing of an amending contract (March 2020) for the extension of the provision of services as part of the project "Design, Construction and Operation of Waste Treatment and Disposal Facilities in Larnaca - Famagusta Provinces" for 4 months with an additional amendment for another 3 months (July 2021)
  - Signing of a contract (May 2020) for the implementation of the project "Construction of a Site to Meet the Urgent Solid Waste Management Needs in Attica" with a budget of €4.5 million.
- The investment of the biogas energy utilisation unit released by the Mavrorachi landfill was completed in July 2020 and the unit was electrified on 27 July 2020.
- On July 1, 2020 and in the context of the international tender for the selection of a strategic partner in the field of Geothermal Energy, PPC Renewables proceeded with the announcement of HELECTOR SA as "Preferred Partner"

FUTURE ACTIONS - ESTIMATES

A. OUTLOOK

The outlook is positive for the waste management segment in Greece, as the country has demonstrated delays in adapting to the European Union requirements in terms of waste management, while charged with significant fines for keeping illegal landfills. As a result, it is imperative that modern waste management methods are adopted which can contribute to the development of the sector within the country.
The current backlog of HELECTOR from construction projects and contracts (including those signed after 31.12.2019) amounts to €58.4 million.

B. RISKS AND UNCERTAINTIES

Regarding the Covid-19 pandemic, its effects on HELECTOR and its subsidiaries were limited. In any case, HELECTOR, its subsidiaries and the joint ventures it controls, having regard to the specific nature of their activities in relation to public health, have taken all necessary measures in a timely and appropriate manner to protect workers and limit the spread of the virus, based on the instructions of the competent authorities and the specifications issued by the competent departmental services of the Group. At the same time, every possible effort to limit any operational and other impact of this crisis is being made and this impact is being constantly assessed and addressed in conjunction with the support measures introduced by the respective governments in the countries where HELECTOR and its subsidiaries operate.

The need to upgrade the domestic waste management infrastructures is imperative; however, the implementation of new projects could be adversely affected by changes in the implementation design, limited liquidity from the domestic banking system, and time-consuming procedures for authorisations or any reactions from local communities (e.g. applications before the Council of State). Potential delays in the scheduled implementation of the essential domestic waste management infrastructure are likely to occur as a consequence of the Covid-19 pandemic.

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 31.12.2019 the Group employed 910 persons (785 persons in 2018) and the Company 390 people (450 persons in 2018). For the Group, 83.48% of the employees work with an employee relationship, and for the Company this percentage is 79.74%, 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 31.12.2019 the Group and the Company held shares of a total value of €124.073.

2. Branches

On 31.12.2019 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.

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	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
(a)	**Sales of goods and services**	**6,857**	**8,276**	**15,427**	**12,656**
	- Sales to subsidiaries	**-**	**-**	**13,342**	**10,719**
	Sales	-	-	12,622	9,999
	Other operating income	-	-	459	587
	Financial income	-	-	170	133
	Tangible or Intangible assets	-	-	91	-
	- Sales to associates	**-**	**6,725**	**-**	**517**
	Sales	-	6,332	-	128
	Other operating income	-	-	-	-
	Financial income	-	392	-	389
	- Sales to related parties	**2,581**	**1,552**	**2,084**	**1,419**
	Sales	2,293	1,374	1 959	1,261
	Other operating income	134	171	126	159
	Financial income	154	7	-	-
(b)	**Purchases of goods and services**	**2,766**	**2,405**	**3,862**	**1,361**
	- Purchases from subsidiaries	**-**	**-**	**3,862**	**1,361**
	Cost of sales	-	-	3,759	1,093
	Administrative expenses	-	-	1	2
	Other operating expenses	-	-	-	195
	Financial expenses	-		102	72
	- Purchases from related parties	**2,766**	**2,405**	**-**	**-**
	Cost of sales	2,636	2,355	-	-
	Administrative expenses	43	51	-	-
	Financial expenses	61	-	-	-
	Tangible or Intangible assets	26	-	-	-
(c)	**Key management compensation**	**713**	**408**	**713**	**373**
(d)	**Income from dividends**	**-**	**-**	**8,525**	**4,369**

		Consolidated figures		Company figures	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
e)	**Closing balance (Receivables)**	**389**	**6,128**	**7,294**	**14,022**
	- Receivables from subsidiaries	**-**	**-**	**7,215**	**13,983**
	Trade receivables	-	-	5,303	5,192
	Other receivables	-	-	1,912	8,791
	- Receivables from associates	**-**	**1,010**	**79**	**40**
	Trade receivables	-	1,010	79	40
	- Receivables from related parties	**389**	**5,117**	**-**	**-**
	Trade receivables	376	38	-	-
	Other receivables	14	5,079	-	-
f)	**Closing balance (Liabilities)**	**727**	**618**	**2,080**	**2,081**
	- Payables to subsidiaries	**-**	**-**	**2,080**	**2,081**
	Suppliers	-	-	249	400
	Other payables	-	-	1,831	1,680
	- Payables to other related parties	**727**	**618**	**-**	**-**
	Suppliers	120	202	-	-
	Other payables	607	416	-	-
(g)	**Amounts payable to key management**	**18**	**18**	**-**	**-**
h)	**Dividends receivable**	**-**	**-**	**7,380**	**5,316**

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 2019 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 2019.

Athens, 31 August 2020

For the Board of Directors

The Managing Director

Charalampos Sofianos

INDEPENDENT CERTIFIED AUDITOR-ACCOUNTANT REPORT

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 Company 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 2019, 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 2019, 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 Law 4548/2018.

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 Law 4548/2018.
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 31.12.2019 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 150 and 153 of Law 4548/2018.

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 Law 4548/2018, 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, 18 September 2020
The Certified Auditor -Accountant

pwc

PriceWaterhouseCoopers
Auditing Company SA
Certified Auditors - Accountants
SOEL Reg. No 113

Despina Marinou
SOEL Reg. No 17681

All amounts are in EUR thousand, unless stated otherwise

Statement of Financial Position

	Note	Consolidated figures 31-Dec-19	Consolidated figures 31-Dec-18	Company figures 31-Dec-19	Company figures 31-Dec-18
ASSETS					
Non-current assets					
Property, plant and equipment	5	42,551	36,152	8,067	2,172
Intangible assets	6	4.083	5,042	13	7
Investments in subsidiaries	7	-	-	34.848	25,647
Investments in associates	8	4,337	5,567	3,445	5,473
Financial assets at fair value through other comprehensive income	10	124	164	124	164
Deferred tax assets	21	-	1,927	2,266	2,364
Guaranteed receipt from the Hellenic State (IFRIC 12)	11	28,689			
Other non-current receivables	14	6,048	8,523	21,344	8,796
		85,831	**57,375**	**70,107**	**44,623**
Current assets					
Inventories	13	858	1.251	116	125
Trade and other receivables	14	52,778	56,154	43,996	41,714
Guaranteed receipt from the Hellenic State (IFRIC 12)	11	9,968	-	-	-
Restricted cash deposits	15	3,430	-	-	-
Cash and cash equivalents	16	27,357	47,402	10,810	23,950
		94,390	**104,807**	**54,922**	**65,789**
Total assets		**180,221**	**162,182**	**125,029**	**110,412**
EQUITY					
Equity attributable to shareholders					
Share capital	17	2,010	2,010	2,010	2,010
Share premium	17	5,216	5,216	5,216	5,216
Other reserves	18	6,905	6,700	4,743	4,733
Profits carried forward		80,452	84,355	86,380	76,685
		94,583	**98,281**	**98,349**	**88,644**
Non-controlling interests		9,260	8,536	-	-
Total equity		**103,843**	**106,817**	**98,349**	**88,644**
LIABILITIES					
Non-current liabilities					
Long-term borrowings	19	26,167	2,850	4,599	-
Deferred tax liabilities	21	3,172	4,288	-	-
Employee retirement compensation liabilities	22	681	538	392	371
Grants	23	6,766	7,454	-	0
Derivative financial instruments	12	18	106	-	-
Other long-term liabilities	20	740	2,337	-	-
Other non-current provisions	24	2,198	1,535	191	633
		39,742	**19,108**	**5.182**	**1,004**
Current payables					
Trade and other payables	20	17,988	16,453	11,148	11,150
Current tax liabilities (income tax)		711	2,581	146	1,313
Short-term borrowings	19	10,049	2,382	3,829	1,926
Dividends payable		1,596	8 466	-	-
Other short-term provisions	24	6,293	6,375	6,375	6,375
		36,637	**36,257**	**21,498**	**20,764**
Total liabilities		**76,378**	**55,365**	**26,680**	**21,768**
Total equity and liabilities		**180,221**	**162,182**	**125,029**	**110,412**

The notes on pages 24 to 87 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-19	31-Dec-18	31-Dec-19	31-Dec-18
Sales		**87,106**	**89,171**	**39,165**	**48,753**
Cost of sales	25	(74,914)	(65,803)	(31,418)	(32,178)
Gross profit		**12,192**	**23,368**	**7,747**	**16,575**
Distribution costs	25	(2,344)	(2,364)	(2,304)	(2,292)
Administrative expenses	25	(8,492)	(6,889)	(4,393)	(3,025)
Other income	26	1,385	1,589	891	1,068
Other profit/(losses) - net		(4,204)	(1,858)	(588)	(3,320)
Operating profit/(loss)		**(1,464)**	**13,846**	**1,353**	**9,006**
Income from dividends		15	-	8,525	4,370
Profit/(loss) from associates	8	(155)	722	-	-
Financial income	27	2,488	1,421	1,016	1 233
Financial expenses	27	(2,072)	(1,141)	(982)	(839)
Profit/(Loss) before taxes		**(1,189)**	**14,848**	**9,912**	**13,770**
Income tax	29	(797)	(6,227)	(217)	(4,884)
Net profit/ (loss) for the period		**(1,985)**	**8,621**	**9,695**	**8,886**
Profit/(loss) for the financial year attributable to:					
Owners of the parent company		(3,770)	6,351	9,695	8,886
Non-controlling interests		1,785	2,270	-	-
		(1,985)	**8,621**	**9,695**	**8,886**

ADDITIONAL INFORMATION

		Consolidated figures		Company figures	
		12-month period to		12-month period to	
	Note	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
A. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	35	6,909	20,350	11,260	14,078
B. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	35	6,909	20,350	11,260	14,078

The notes on pages 24 to 87 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-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Net profit/ (loss) for the period		**(1,985)**	**8,621**	**9,695**	**8,886**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences	18	32	137	47	132
Cash flow hedge	18	88	157	-	-
Other	18	-	1	-	1
		120	**295**	**47**	**133**
Items that will not be reclassified to profit and loss					
Actuarial loss	18	(8)	(24)	3	(12)
Change in the fair value of financial assets at fair value through other comprehensive income	18	(40)	(122)	(40)	(118)
		(47)	**(147)**	**(37)**	**(130)**
Other comprehensive income for the period (net of taxes)		**72**	**149**	**10**	**3**
Total comprehensive income for the year / (loss)		**(1,913)**	**8,770**	**9,705**	**8,889**
Total Comprehensive Income/(Loss) for the year attributable to:					
Owners of the parent company		(3,699)	6,501	9,705	8,889
Non-controlling interests		1,785	2,270	-	-
		(1,913)	**8,770**	**9,705**	**8,889**

The notes on pages 24 to 87 form an integral part of these financial statements.

All amounts are in EUR thousand, unless stated otherwise

Statement of Changes in Equity - Consolidated figures

		Attributed to Equity Holders of the Parent Company						
	Note	**Share capital**	**Share premium**	**Other reserves**	**Results carried forward**	**Total**	**Non-controlling interests**	**Total Equity**
1 January 2018		**2,010**	**5,216**	**6,422**	**78,132**	**91,780**	**10,087**	**101,867**
Net losses / profit for the year		-	-	-	6,351	**6,351**	2,270	**8,621**
Other comprehensive income								
Currency translation differences	18	-	-	137	-	**137**	-	**137**
Fair value gains/(losses) on available-for-sale financial assets		-	-	(122)	-	**(122)**	-	**(122)**
Changes in value of cash flow hedge	18	-	-	157	-	**157**	-	**157**
Actuarial loss	18	-	-	(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		-	-	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**
1 January 2019		**2,010**	**5,216**	**6,700**	**84,355**	**98,281**	**8,536**	**106,817**
Net profit for the year		-	-	-	(3,769)	**(3,769)**	1,784	**(1,985)**
Other comprehensive income								
Currency translation differences	18	-	-	32	-	**32**	-	**32**
Change in the fair value of financial assets through other comprehensive income	18	-	-	(40)	-	**(40)**	-	**(40)**
Changes in value of cash flow hedge	18	-	-	88	-	**88**	-	**88**
Actuarial loss	18	-	-	(9)	-	**(9)**	1	**(8)**
Expenses for share capital increase		-	-	-	-	**-**	-	**-**
Other comprehensive income/(loss) for the year (net of tax)		**-**	**-**	**71**	**-**	**71**	**1**	**72**
Total Comprehensive Income/(Loss) for the year		**-**	**-**	**71**	**(3,769)**	**(3,698)**	**1,785**	**(1,913)**
Transfer (from)/ to reserves	18	-	-	134	(134)	**-**	-	**-**
Effect of change in % participation in subsidiaries		-	-	-	-	**-**	658	**658**
Dividend distribution		-	-	-	-	**-**	(1,720)	**(1,720)**
31 December 2019		**2,010**	**5,216**	**6,905**	**80,452**	**94,583**	**9,260**	**103,843**

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 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	18	-	-	132	-	**132**
Change in the fair value of financial assets through other comprehensive income	18	-	-	(118)	-	**(118)**
Actuarial loss	18	-	-	(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	18	-	-	41	(41)	-
31 December 2018		**2,010**	**5,216**	**4,733**	**76,685**	**88,644**
1 January 2019		**2,010**	**5,216**	**4,733**	**76,685**	**88,644**
Net profit for the year		-	-	-	9,695	**9,695**
Other comprehensive income						
Currency translation differences	18	-	-	47	-	**47**
Change in the fair value of financial assets through other comprehensive income	18	-	-	(40)	-	**(40)**
Actuarial loss	18	-	-	3	-	**3**
Other comprehensive income for the period (net of taxes)		**-**	**-**	**10**	**-**	**10**
Total Comprehensive Income/(Loss) for the year		**-**	**-**	**10**	**9,695**	**9,705**
31 December 2019		**2,010**	**5,216**	**4,743**	**86,380**	**98,349**

The notes on pages 24 to 87 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	
		01.01.2019-31.12.2019	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Operating activities					
Net Cash Flows/(outflows) from operating activities	30	16,368	23,417	3,179	471
Interest paid		(2,750)	(1,429)	(899)	(769)
Income tax paid		(5,210)	(1,464)	(3,305)	(118)
Total inflows/(outflows) from operating activities (a)		**8,408**	**20,524**	**(1,025)**	**(416)**
Investing activities					
Purchase of tangible assets	5	(5,427)	(3,683)	(3,518)	(307)
Purchases of intangible assets	6	(14)	(2)	(13)	(1)
Sales of tangible assets	5	50	692	7	300
Sales of intangible assets		0		0	-
Dividends received		15	20	6,461	1,820
Acquisition of subsidiaries & share capital increase of subsidiaries	7	(6,401)	-	(9,901)	(4,525)
Acquisition of associates	8	(98)	-	(98)	-
J/V Sale		-	2	-	2
Disposal of subsidiaries	7, 26	63		2,363	-
Sale of financial assets at fair value through other comprehensive income	10	-	4,605	-	3,631
Interest received		362	1,180	179	887
Proceeds from loans repaid by related parties		(0)	44	830	8,050
Loans to related parties		(10,440)	(160)	(11,090)	(320)
Cash and cash equivalents at subsidiary acquisition / absorption / sale		763	-	-	-
Total inflows/(outflows) from investing activities (b)		**(21,127)**	**2,698**	**(14,780)**	**9,537**
Financing activities					
Dividends paid		**(8,558)**	(1,238)	0	-
Tax paid on dividends		(32)	(48)	-	-
Proceeds from borrowings/loans received		9,096	1,002	5,700	-
Loan repayment		(5,584)	(2,216)	-	-
Financial Lease capital repayment (amortisation)		(1,554)	(316)	(1,052)	-
Restricted cash deposits		(695)			
Settlements of loans taken out by related parties	33	-	-	(1,983)	-
Total inflows/(outflows) from financing activities (c)		**(7,327)**	**(2,816)**	**2.665**	**-**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**(20,046)**	**20,406**	**(13,140)**	**9,121**
Cash and cash equivalents at year start	16	47,402	26,996	23,950	14,829
Cash and cash equivalents at year end	16	**27,356**	**47,402**	**10,810**	**23,950**

The notes on pages 24 to 87 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 2019, 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 31 August 2020, 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 2019 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

In 2019, the Greek economy continued to recover with economic climate indicators and expectations appearing to improve, suggesting a continuing growth dynamic. There were positive developments in the financial sector, marked by an increase in deposits and an improvement in the banks' financing conditions. Confidence in the banking sector strengthened significantly and restrictions on capital movements were lifted completely as of 1 September 2019. The improved liquidity of the banking system contributed to the increase in the bank financing for non-financial enterprises, while the single-party government elected in July 2019 further strengthened expectations as to the prospects of the Greek economy in the next period.

According to the latest available ELSTAT data, real GDP growth was increased by 1.9%, after the growth dynamics of the Greek economy in 2018 (+1.9%) and in 2017 (+1.5%) on an annual basis. Exports, investments and final consumption had a positive impact on growth. Reflecting these positive developments, in 2019 and until the beginning of 2020, Moody's, S&P Global and Fitch credit rating agencies gradually upgraded the Greek credit rating to "B1" (Stable Outlook), "BB-" (Positive Outlook) and "BB" (Positive Outlook), respectively.

During the first quarter of 2020, despite having maintained its dynamic during the first two months of the year, the Greek economy was affected by the circumstances and the great uncertainty caused by the rapid spread of COVI-19 worldwide. In particular, the financial limitations and social distancing conditions, which were gradually imposed by the Greek government during March, are expected to adversely affect economic activity. At the end of April, the Greek government submitted the Stability Programme to the European Commission, according to which the interruption of the global economic activity caused by the COVID-19 pandemic, along with the sharp increase in uncertainty, is expected to reverse the originally expected acceleration of the Greek economy. Taking into account the great uncertainty caused by the pandemic and the impact of the measures taken, the Programme describes two macroeconomic scenarios: the baseline indicating a GDP recession by 4.7% and the negative recession by 7.9% for 2020. In both cases, the extent of the recession is mitigated by a number of tax measures taken by the Greek government. Already the cost of these measures amounts to EUR 17.35 billion (10% of GDP), while the total cost of measures expected to be taken by the end of 2020 is estimated to EUR 24 billion.

In early summer, the European Commission (European economic forecast, summer 2020 (intermediate), July 2020), expressed a more negative view of the Greek economy that provides for a GDP reduction of 9% in 2020. However, the European Commission acknowledges that the forecasts are still subject to great uncertainty, due to the high exposure to risks related to international travels and the impact of the pandemic on the tourism industry. The impact of the recession has already affected the GDP for the first quarter of the year. According to the latest announcement by the Hellenic Statistical Authority, the actual GDP has dropped by 1.6% in the first quarter compared to the previous one and by 0.9% compared to the same quarter of 2019. In April 2020, S&P Global and Fitch confirmed the credit rating of Greece as "BB-" and "BB", respectively, but revised the outlook to stable from positive due to the negative impact of COVID-19. Despite the negative developments, Greece has issued three Greek Government Bonds: a 15-year bond of EUR 2.5 billion in January 2020, a 7-year bond of EUR 2.0 billion in April 2020 and a 10-year one of EUR 3.0 billion in June 2020.

The magnitude of the disturbance in the Greek economy will, among other things, depend to a significant extent on the duration and intensity of the Covid-19 pandemic and the measures taken by the Greek government and governments elsewhere to limit its spread, as well as other geopolitical factors such as the refugee and migrant crisis affecting Greece. As such, it is estimated that 2020 will also be a challenging year for the Greek economy and, consequently, for the Group's activities.

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 on or after 1 January 2019. 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 16 'Leases'

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. The impact of this standard on the Group is indicated in note 2.3.3.

IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'

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

IAS 28 (Amendments) 'Long term interests in associates and joint ventures'

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'

The Interpretation explains how to recognize 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 such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement"

The amendments require that an entity should determine current service cost after a defined plan amendment, curtailment or settlement.

Annual Improvements to IFRSs (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

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 "Borrowing costs"

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.

Standards and Interpretations effective for subsequent periods

IFRS 17 'Insurance Contracts' (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 was issued in May 2017 and replaces IAS 4. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. This new standard tackles the comparability challenges arising from the application of IFRS 4, as it introduces consistent accounting for all insurance contracts. Insurance liabilities are measured using current rather than historical rates. The standard has not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

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.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual accounting periods beginning on or after 1 January 2020)

The amendments modify some specific hedging accounting requirements to provide relief from potential effects of the uncertainty caused by the interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. This amendment has not yet been endorsed by the EU.

2.3 Changes in accounting principles

This note explains the effect of the adoption of IFRS 16 'Leases' on the annual financial statements of the Group and the Company and indicates the new accounting policies applied since 1 January 2019.

2.3.1 Adjustments recognised as at the adoption of IFRS 16

The Group and the Company adopted IFRS 16 on 1 January 2019, following the modified retrospective approach. Based on that approach, the Group recognised lease liabilities in relation to leases that had been previously classified as "operating leases" in accordance with IAS 17. These liabilities were measured at their present value, as arising from the discounting of residual lease payments using the incremental borrowing rate applicable on the date of the first application of the standard, namely 1 January 2019. Moreover, it recognised a right to use a fixed asset, by measuring that right at an amount equal to the relevant liability that was recognised. The comparative information was not restated and the application of the new standard had no effect on equity when it was first applied, i.e. on 1 January 2019. The parent company was not affected by the application of IFRS 16 on 1 January 2019.

By making use of the practical expedient, the Group did not reassess, at the date of first application, whether a contract was or contained a lease and, therefore, applied the standard to the contracts that had been previously recognised as leases under IAS 17. Moreover, during the transition, the Group exempted the initial cost of contract conclusion from the measurement of the right of use and used the knowledge gained to determine the duration of the lease, where the contract included rights to extend or terminate the lease. Moreover, the Group did not apply the new provisions to leases with a lease term of 12 months or less (short-term) or to leases for which the underlying asset is of low value. It is noted that for leases expiring in 2019 but expected to be renewed, the Group has made estimates regarding their renewal. With regard to the discount rate, the Group decided to apply a uniform discount rate to all lease categories with similar features, depending on the remaining effective term of each lease.

The payments of rents for the Group are mainly related to leases of plots, buildings, transportation and mechanical equipment. On first application of IFRS 16, liabilities from operating lease contracts are presented as assets with rights of use under Tangible Assets and liabilities from leases under Loans. The increase in liabilities from leases resulted in a respective increase in the net borrowings of the Group.

The nature of the expenses related to these leases has changed, since with the application of IFRS 16, operating costs of leases are replaced by amortisation costs for right-of-use assets and interest expenses on the resulting liability. This leads to a significant improvement of 'Earnings before interest, taxes, depreciation and amortisation' (EBITDA).

There was no effect on the statement of changes in equity as at the first application, as the Group chose to recognize an equal amount of a right-of-use liability.

In the cash flow statement, the rents payment part will reduce the cash flows from financing activities and is no longer included in the net cash flows from operating activities. Only payments of interest are still included in the net cash flows from operating activities.

IFRS 16 has not brought any significant changes to the accounting for leases on the part of the lessor and, for that reason, the Group did not record any significant changes from the leases it has concluded and is performing as a lessor.

2.3.2 New accounting policy for leases

On the basis of IFRS 16, the classification of leases as operating leases and financial leases is revoked for the lessee. The right-of-use asset is included in property, plant and equipment in the Statement of Financial Position and the lease liability is included in long-term borrowings (including non-recourse borrowings) and short-term borrowings (including non-recourse borrowings).

Recognition and initial measurement of a right-of-use asset

At the commencement date of a lease period, the Group recognises right-of-use assets and lease liability by measuring the right-of-use asset at cost.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease period, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group undertakes those costs either at the commencement date of the lease period or as a consequence of the use of the leased asset during a specified period.

Initial measurement of the lease liability

At the commencement of the lease period, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group will use the incremental borrowing rate.

At the commencement date of the lease period, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease period:

(a) fixed payments, less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease period;

(c) amounts expected to be payable by the Group under residual value guarantees;

(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of right-of-use assets

After the commencement date of the lease period, the Group measures the right-of-use asset applying the cost model:

(a) less any accumulated depreciation and any accumulated impairment losses; and

(b) adjusted for any remeasurement of the lease liability.

The Group applies the requirements in IAS 16 in depreciating the right-of-use asset, and determines whether it is impaired.

Subsequent measurement of the lease liability

All amounts are in EUR thousand, unless stated otherwise

After the commencement date of the lease period, the Group will measure the lease liability by:

(a) increasing the carrying amount to reflect interest on the lease liability;

(b) by reducing the book value to reflect the lease payments already made; and

(c) by re-measuring the book value to reflect any reassessments or amendments to the lease.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date of the lease period, the Group recognises in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

(a) interest on the lease liability; and

(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

2.3.3 Application of IFRS 16 in financial statements

The table below summarises the effect of the adoption of IFRS 16 on the Statement of Financial Position of the Group as at 1 January 2019, for each of the affected items:

	31.12.2018 Published figures	IFRS 16 Adjustments	01.01.2019 Adjusted figures
ASSETS			
Non-current assets			
Property, plant and equipment	36,152	4,154	40,306
LIABILITIES			
Non-current liabilities			
Long-term borrowings	2,850	2,846	5,696
Current payables			
Short-term borrowings	2,382	1,308	3,690

The reconciliation between the commitments under operating leases as at 31 December 2018 (commitments under operating leases are disclosed in Note 30 to the Annual Financial Statements as of 31 December 2018) and the lease liabilities recognised as at 1 January 2019 January are as follows:

	CONSOLIDATED FIGURES
Commitments under operating leases as at 31 December 2018	**5.472**
Lease liabilities as at 1 January 2019, as reported in the Balance Sheet	2,433
	CONSOLIDATED FIGURES
Short term leases subject to exclusion	(4,921)
Lease liabilities as at 1 January 2019, not discounted	2,984
Discount	(551)
Lease liabilities as at 1 January 2019 as per IFRS 16	2,434

As at 1 January 2019, the weighted average discount rate applicable for the Group was 5%.

Right-of-use assets as at 31 September 2019 are as follows:

	Land & buildings	Transportation equipment	Mechanical equipment	Total

Leased assets under a financial lease as at 31/12/2018	-	**2,166**	**357**	**2,523**
Effect of IFRS 16 as at 1.1.2019:				
Recognition of right-of-use assets	3,611	542	-	4,154
Rights of use of assets as per IFRS 16 as at 1.1.2019	**3,611**	**2,708**	**357**	**6,676**
Additions	1,009	88	50	1,148
Depreciation for the fiscal year	(1,071)	(514)	(188)	(1,773)
Write-offs	(1,078)	(12)	-	(1,090)
Acquisition of subsidiary	1,415	41	1,023	2,479
Rights of use of assets as at 31 December 2019	**3,887**	**2,311**	**1,242**	**7,440**

For the period 1 January to 31 December 2019, the Group and the company recognised lease costs under short-term leases and payments for the leasing of low-value assets of EUR 2,771 thousand and EUR 2,974 thousand respectively (note 24), which for the Group are derived mainly from construction activities and in particular from leases of machinery and other equipment of very short duration, which are widely used in construction projects both in Greece and abroad. The leasing needs for machinery and equipment vary over time depending on the progress of works and therefore the Group enters into short-term contracts in order to avoid periods during which the lease is indeed in place while but productivity is low level.

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 acquired company 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 recognised initially at fair value as of the acquisition date. Any changes in fair value of contingent consideration that qualify for classification as an asset or liability are recognised in accordance with IAS 39 either in profit or loss or as effect on other comprehensive income. A contingent consideration recognised 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. Unrealized 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 recognised in the income statement, while the share of changes in other comprehensive income following the acquisition is recognised 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. Unrealized 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.

2.6 Leases

(a) Group Company as lessee

All amounts are in EUR thousand, unless stated otherwise

The Group and the Company adopted IFRS 16 on 1 January 2019, following the modified retrospective approach. 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. The effect of the adoption of IFRS 16 'Leases' on the annual financial statements of the Group and the Company and the presentation of the new accounting policies applied since 1 January 2019 are shown in note 2.3.

(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. Assets under construction are not depreciated until the fixed asset is completed and enters in operation.

When the book values of PPE 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

(a) 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

Initial recognition and subsequent measurement of financial assets:

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 recognised 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 recognised 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 hedges

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 commercial paper 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 deposits

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 (Own 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 recognized 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 recorded initially at fair value, net of transaction costs incurred. Loans 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 new borrowings are not used, in whole or in part, these expenses are included in prepaid expenses and are recognised in the income statement over the term of the respective 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 recognised on a discounted basis when the effect of the time value of money is significant, using a pre-tax rate which reflects current market assessments of the time value of money and the risk specific to the liability. When provisions are discounted, the increase in provisions due to the lapse of time is recognised as a financial expense. Provisions are reviewed 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.

Revenue from contracts with customers is recognised when the customer acquires control over the goods or services for an amount reflecting the consideration that the Group expects to be entitled to in exchange for those goods or services. The new standard establishes a five-stage 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.

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).

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. 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.
- 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.
- 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.

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.

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 relating to the purchase of fixed assets or construction project are included in long term liabilities as deferred state grants and are recognised in the income statement using the straight-line method over the asset's 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 initially recognised at fair value and are subsequently measured at depreciated cost using the effective interest 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.

(a) 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 31.12.2019, 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 €8 thousand (2018: EUR 69 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. 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 2019, borrowing rates were increased/decreased by 1%, all other variables being equal, the Group's results would appear reduced/increased by €140 thousand (2018: €34 thousand), while the Company's results would appear reduced/increased by €18 thousand (2018: €19 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.

All amounts are in EUR thousand, unless stated otherwise

(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 2019 and 2019 respectively:

	Consolidated figures			
	31-Dec-19			
	Up to 1 year	**Between 1 and 5 years**	**Between 2 and 5 years**	**Total**
Bank borrowings	4 050	13,394	14,196	**31,640**
Finance leases	1,923	3,125	585	**5,633**
Trade and other payables	15,618	-	-	**15,618**
Financial derivatives	18	-	-	**18**
	21,609	**16,519**	**14,781**	**52,909**
	31-Dec-18			
	Up to 1 year	**Between 1 and 5 years**	**Between 2 and 5 years**	**Total**
Bank borrowings	2,062	753	-	**2,815**
Finance leases	453	1,664	840	**2,956**
Trade and other payables	14,926	561	-	**15,487**
Financial derivatives	-	106	-	**106**
	17,441	**3,084**	**840**	**21,365**

	Company figures			
	31-Dec-19			
	Up to 1 year	**Between 1 and 5 years**	**Between 2 and 5 years**	**Total**
Bank borrowings	633	2,345	1,051	**4,028**
Finance leases	1,103	1,599	-	**2,702**
Trade and other payables	7,443	-	-	**7,443**
	9,179	**3,944**	**1,051**	**14,173**
	31-Dec-18			
	Up to 1 year	**Between 1 and 5 years**	**Between 2 and 5 years**	**Total**
Bank borrowings	2,027	-	-	**2,027**
Trade and other payables	7,849	-	-	**7,849**
	9,875	**-**	**-**	**9,875**

All amounts are in EUR thousand, unless stated otherwise

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 31.12.2019 and 31.12.2018 are presented in the following table:

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Total borrowings	36,215	5,232	8,428	1,926
Less: Cash and cash equivalents	(30,786)	(47,402)	(10,810)	(23,950)
Net Debt/(Cash)	**5,429**	**(42,170)**	**(2,383)**	**(22,024)**
Total Equity	**103,843**	**106,817**	**98,349**	**88,644**
Total Capital Employed	**109,271**	**64,647**	**95,967**	**66,620**
Gearing ratio	**5%**	**-**	**-**	**-**

The gearing ratio as of 31 December 2019 for the Group is calculated at 5% (31 December 2018: 47.3%). This ratio is calculated as the quotient of net debt to total employed capital (i.e. total equity plus net debt).
Given that the Company holds net cash, gearing ratio calculation as of 31.12.2019 and 31.12.2018 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 Borrowings for 2019:

Consolidated figures

	Total borrowings		Cash and cash equivalents		
	Finance leases	**Bank borrowings**	**Cash and cash equivalents**	**Restricted cash deposits**	**Total**
Net Borrowing 01.01.2019	**2,433**	**2,798**	**47,402**	**-**	**(42,170)**
Cash movements	(1.627)	3,511	(20,046)	695	21,235
Non-cash movements:					
Non-cash movements Subsidiary additions	-	24,176	-	2,735	21,442
Non-cash movements - Amortisation of loan costs	-	24	-	-	24
Non-cash movements - Capitalised interest	-	73	-	-	73
Non-cash movements - Additions from financial leases	4,826	-	-	-	4,826
Net Borrowing 31.12.2019	**5,633**	**30,582**	**27,356**	**3,430**	**5,429**

Company figures

All amounts are in EUR thousand, unless stated otherwise

	Total borrowings			
	Finance leases	Bank borrowings	Cash and cash equivalents	Total
Net Borrowing 01.01.2019	**-**	**1,926**	**23,950**	**(22,024)**
Cash movements	(1,052)	3,717	(13,140)	15,804
Non-cash movements:				
Non-cash movements - Additions from financial leases	4,837	-	-	4,837
Non-cash movements - Capitalised interest	(1,083)	83	-	(1,000)
Net Borrowing 31.12.2019	**2,702**	**5,726**	**10,810**	**(2,382)**

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	**Book value**		**Fair value**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Financial liabilities				
Long-term & short-term borrowings	36,215	5,232	29,567	5,168
COMPANY FIGURES	**Book value**		**Fair value**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Financial liabilities				
Long-term & short-term borrowings	8,428	1,926	8,428	1,926

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 of 31 December 2019 and 31 December 2018:

	31 December 2019		
	CONSOLIDATED FIGURES		
	HIERARCHY		
	LEVEL 1	**LEVEL 2**	**TOTAL**
Financial assets			
Financial assets at fair value through other comprehensive income	124	-	**124**
Financial liabilities			
Derivatives used for hedging	-	18	**18**

31 December 2018

All amounts are in EUR thousand, unless stated otherwise

	CONSOLIDATED FIGURES		
		HIERARCHY	
	LEVEL 1	LEVEL 2	TOTAL
Financial assets			
Financial assets at fair value through other comprehensive income	164	-	**164**
Financial liabilities			
Derivatives used for hedging	-	106	**106**

	31 December 2019		
	COMPANY FIGURES		
		HIERARCHY	
	LEVEL 1	LEVEL 2	TOTAL
Financial assets			
Financial assets at fair value through other comprehensive income	124	-	**124**

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

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:

(a) 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 reviews indications of impairment of investments in subsidiaries and associates on an annual basis. Where indications of impairment exist, the Management calculates its recoverable value as the greater of fair value and value in use.

All amounts are in EUR thousand, unless stated otherwise

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.

5 Property, plant and equipment

Consolidated figures

	Land & buildings	Transportation equipment	Mechanical equipment	Furniture & other equipment	PPE under construction	Total
Cost						
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**
1 January 2019	**13,183**	**4,304**	**68,194**	**2,372**	**855**	**88,909**
Effect of IFRS 16 as at 1.1.2019: Recognition of right-of-use assets	3,611	542	-	-	-	4,154
Rights of use of assets as per IFRS 16 as at 1.1.2019	**16,794**	**4,846**	**68,194**	**2,372**	**855**	**93,062**
Acquisition of subsidiary	2,659	497	1,794	346	-	5,295
Additions	386	181	1,752	212	2,832	5,363
Additions for finance leases	1,009	88	50	-	-	1,148
Sales	-	(56)	(364)	(0)	-	(420)
Write-offs	(1,078)	(15)	-	-	-	(1,093)
31 December 2019	**19,770**	**5,541**	**71,426**	**2,931**	**3,687**	**103,355**
Accumulated Amortization						
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)**
1 January 2019	**(7,002)**	**(1,941)**	**(42,002)**	**(1,811)**	**-**	**(52,758)**
Currency translation differences	-	-	(0)	-	-	(0)
Acquisition of subsidiary	(683)	(254)	(630)	(172)	-	(1,740)
Depreciation for the year (note 24)	(1,786)	(615)	(4,111)	(158)	-	(6,669)
Sales	-	56	305	-	-	361
Write-offs	-	2	-	-	-	2
31 December 2019	**(9,471)**	**(2,752)**	**(46,439)**	**(2,142)**	**-**	**(60,804)**
Net book value as at 31 December 2018	**6,180**	**2,363**	**26,192**	**561**	**855**	**36,152**
Net book value as of 31 December 2019	**10,299**	**2,789**	**24,987**	**789**	**3,687**	**42,551**

All amounts are in EUR thousand, unless stated otherwise

Assets with rights of use included in the above as of 31 December 2019 are as follows:

Right-of-use asset

CONSOLIDATED FIGURES

	Land & buildings	Transportation equipment	Mechanical equipment	Total
Leased assets under a financial lease as at 31/12/2018	**-**	**2,166**	**357**	**2,523**
Effect of IFRS 16 as at 1.1.2019: Recognition of right-of-use assets	3,611	542	-	4,154
Rights of use of assets as per IFRS 16 as at 1.1.2019	**3,611**	**2,708**	**357**	**6,676**
Additions	1,009	88	50	1,148
Depreciation for the fiscal year	(1,071)	(514)	(188)	(1,773)
Write-offs	(1,078)	(12)	-	(1,090)
Acquisition of subsidiary	1,415	41	1,023	2,479
Rights of use of assets as at 31 December 2019	**3,887**	**2,311**	**1,242**	**7,440**

Company figures

	Land & buildings	Transportation equipment	Mechanical equipment	Furniture & other equipment	PPE under construction	Total
Cost						
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**
1 January 2019	**396**	**664**	**11,282**	**1,180**	**495**	**14,017**
Effect of IFRS 16 as at 1.1.2019: Recognition of right-of-use assets	3,593	407	-	-	-	4,001
Rights of use of assets as per IFRS 16 as at 1.1.2019	**3,989**	**1,072**	**11,282**	**1,180**	**495**	**18,018**
Additions apart from leases	35	54	566	81	2,783	3,518
Additions from leases	837	-	-	-	-	837
Sales	-	-	(7)	(0)	-	(7)
Write-offs	(1,078)	(5)	-	-	-	(1,083)
31 December 2019	**3,782**	**1,121**	**11,841**	**1,261**	**3,278**	**21,283**
Accumulated Amortization						
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)**
1 January 2019	**(24)**	**(639)**	**(10,268)**	**(914)**	**-**	**(11,845)**
Currency translation differences	-	-	(0)	-	-	(0)
Depreciation for the year (note 24)	(973)	(155)	(201)	(46)	-	(1,375)
Sales	-	-	2	-	-	2
31 December 2019	**(996)**	**(794)**	**(10,466)**	**(959)**	**-**	**(13,215)**
Net book value as at 31 December 2018	**372**	**25**	**1,014**	**266**	**495**	**2,172**

All amounts are in EUR thousand, unless stated otherwise

Net book value as of 31 December 2019	**2,787**	**326**	**1,375**	**302**	**3,278**	**8,067**

Assets with rights of use included in the above as of 31 December 2019 are as follows:

COMPANY FIGURES

	Land & buildings	Transportation equipment	Total
Leased assets under a financial lease as at 31/12/2018	-	-	**-**
Effect of IFRS 16 as at 1.1.2019: Recognition of right-of-use assets	3,593	407	4,001
Rights of use of assets as per IFRS 16 as at 1.1.2019	**3,593**	**407**	**4,001**
Additions	837	**-**	837
Depreciation for the fiscal year	-968	**(147)**	-1,115
Write-offs	-1,078	**(5)**	-1,083
Rights of use of assets as at 31 December 2019	**2,384**	**255**	**2,639**

Furthermore, the income statement includes the following amounts related to leases:

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Interest expenses related to financial leases (included in financial income/expenses -net)	(294)	-	(160)	-
Costs associated with short-term leases and leases of low value assets (included in cost of sales, distribution costs and administrative expenses)	(2,771)	-	(2,200)	-

The weighted average rate applicable to the Group as of 1 January 2019 up to and including 31 December 2019 was 5%.

6 Intangible assets

Consolidated figures

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

All amounts are in EUR thousand, unless stated otherwise

1 January 2019	**440**	**24,236**	**1,985**	**26.661**
Acquisition of subsidiary	301	-	2,919	3,220
Additions	14	-	-	14
Write-offs	-	-	(1,453)	(1,453)
31 December 2019	**754**	**24,236**	**3,451**	**28,441**

	Software and others	**Concession right**	**Goodwill**	**Total**
Accumulated Amortization				
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)**
1 January 2019	**(413)**	**(21,207)**	**-**	**(21,619)**
Acquisition of subsidiary	(281)	-	-	(281)
Depreciation for the year (note 24)	(35)	(2,424)	-	(2,459)
31 December 2019	**(728)**	**(23,630)**	**-**	**(24,358)**
Net book value as at 31 December 2018	**27**	**3,030**	**1,985**	**5,042**
Net book value as of 31 December 2019	**26**	**606**	**3,451**	**4.083**

The addition of goodwill in the current period amounting to EUR 2,299 thousand arises from the acquisition of 75.01% of the share capital in SOLID WASTE RECYCLING SA (ASA RECYCLE) for the sum of EUR 4,275 thousand. The measurement of goodwill is determined as follows:

Price paid	**4,275**
The fair value of the assets and liabilities:	
Cash and cash equivalents	169
Property, plant and equipment	4,145
Trade and other receivables	1,422
Other assets	123
Trade and other payables	(1,409)
Short-term borrowings	(1,298)
Long-term borrowings	(341)
Other liabilities	(175)
	2,635
Less: Non-controlling interests	659
Plus: Goodwill	(2,299)
	4,275

Moreover, the addition of goodwill during the current period by € 619 thousand derives from the acquisition of the remaining 50% of the EPADYM. The Company owned 50% of EPADYM which was classified as investments in associate companies. In the current financial year, the Company acquired the remaining 50% of the share capital of EPADYM by paying the amount of € 2,125 thousand. The measurement of goodwill is determined as follows:

Price paid	**2,125**
The fair value of the assets and liabilities:	
Property, plant and equipment	18
Trade and other receivables	39,819
Other assets	3,788
Trade and other payables	(2,933)
Long-term & short-term borrowings	(36,066)
Other liabilities	(1,613)
	3013
Fair value of 50% as investments in associates	1,506
Plus: Goodwill	619
	2,125

The impairment of goodwill in the current year, mainly concerns the construction segment as described below under goodwill impairment testing, and pertains to a company in the environment segment with registered offices in Germany.

Company figures

	Software and others	**Total**
Cost		
1 January 2018	**146**	**146**

All amounts are in EUR thousand, unless stated otherwise

Additions	1	1
31 December 2018	**147**	**147**
1 January 2019	**147**	**147**
Additions	13	13
31 December 2019	**159**	**159**
	Software and others	**Total**
Accumulated Amortization		
1 January 2018	**(135)**	**(135)**
Depreciation for the year (note 24)	(5)	(5)
31 December 2018	**(140)**	**(140)**
1 January 2019	**(140)**	**(140)**
Depreciation for the year (note 24)	(6)	(6)
31 December 2019	**(146)**	**(146)**
Net book value as at 31 December 2018	**7**	**7**
Net book value as of 31 December 2019	**13**	**13**

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's goodwill as at 31.12.2018 of EUR 1.98 million is mainly derived from the acquisition of Loock, which owned the technology for dry anaerobic digestion. 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.

As mentioned above, during the year the Group recognized goodwill of EUR 2,299 thousand following the acquisition of 75.01% of share capital in the solid waste recycling company(ASA RECYCLE), as well as EUR 619 thousand from the acquisition of 50% of the share capital of EPADYM, while proceeding to full impairment of goodwill of the subsidiary HELECTOR Germany after its dissolution (EUR 1.45 m).

7 Subsidiaries of the Group

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

All amounts are in EUR thousand, unless stated otherwise

	Company figures	
	31-Dec-19	**31-Dec-18**
At year start	**25,647**	**21,647**
Additions	10,004	4,000
Sale of interest in subsidiary	(2,928)	-
Transfer from Associates (note 8)	2,126	-
At year end	**34.848**	**25,647**

During the current financial year ended on 31 December 2019, the additions amounting to €10,004 thousand concerned the increase of the share capital of subsidiaries HERHOF RECYCLING CENTER OSNABRUCK GM, HELECTOR GERMANY GMBH and DOAL SA by the amount of EUR 1,500 thousand, EUR 2,000 thousand and EUR 103 thousand respectively, as well as the acquisition of 75.01% of ASA RECYCLE and 50% of EPADYM amounting to EUR 4,275 thousand and EUR 2,125 thousand respectively.

Reductions amounting to EUR 2,928 thousand refer to the return of the share capital of AEIFORIKI DODEKANISOU by EUR 2,300 thousand, as well as to the sale of DOAL SA resulting in the decrease of the Group's subsidiaries by EUR 628 thousand.

Transfer from Associated Companies amounting to EUR 2,126 thousand refers to the transfer of 50% of EPADYM after the acquisition of the remaining 50% of the company.

During the previous financial year that ended on 31 December 2018, the additions amounting to EUR 4,000 thousand concerned the increase of the share capital of subsidiaries HERHOF RECYCLING CENTER OSNABRUCK GM and Herhof Gmbh by EUR 3,500 thousand and EUR 500 thousand respectively.

Subsidiaries of the Group are analysed as follows:

Name	Registered office	Participation share 2019	Participation share 2018
AIFORIKI DODEKANISOU SINGLE-MEMBER SA	GREECE	100.00%	100.00%
AIFORIKI KOUNOU SA	GREECE	97,86%	97,86%
APOTEFROTIRAS SA	GREECE	65,00%	65,00%
VEAL SA	GREECE	50.00%	50.00%
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 – AIFORIKI DODEKANISOU SINGLE-MEMBER SA	GREECE	100.00%	100.00%
YLECTOR DOOEL SKOPJE	FYROM	100.00%	100.00%
DOAL SA	GREECE	0%	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%	60%
EDADYM SA	GREECE	100%	100%
EPADYM S.A.	GREECE	100%	50%
ASA SA	GREECE	75%	0%

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

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-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Non-current assets	17,489	19,494	1,693	1,933	150	115
Current assets	9,405	21,799	2,713	2,410	6,401	7,574
Total assets	**26,894**	**41,292**	**4,406**	**4,343**	**6,551**	**7.689**
Non-current liabilities	6,848	7,859	561	682	143	1,442
Current payables	8,438	21,791	1,268	1,172	5,418	5,285
Total liabilities	**15,286**	**29,650**	**1,829**	**1,854**	**5,561**	**6,727**
Equity	**11,608**	**11,642**	**2,578**	**2,489**	**990**	**961**
Corresponding to:						
Non-controlling interests	5,804	5,821	1,031	996	347	336

Summary Statement of Comprehensive Income

	VEAL SA		STERILISATION SA		APOTEFROTIRAS SA	
	1-Jan		1-Jan		1-Jan	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Sales	16,453	16,179	3,305	3,502	7,438	8,058
Net profit / (loss) for the financial year	**2,767**	**3,486**	**889**	**1 006**	**27**	**83**
Other Comprehensive Income/ (Expenses) for the period (net after taxes)	-	-	-	-	2	(4)
Total Comprehensive Income/ (Expenses) for the year	**2,767**	**3,486**	**889**	**1 006**	**29**	**80**
Profit / (loss) for the financial year attributable to non-controlling interests	1,383	1,743	356	402	10	29
Dividends attributable to non-controlling interests	(1,400)	(3,500)	(320)	(320)	1	(1)

Summary Statement of Cash Flows

	VEAL SA		STERILISATION SA		APOTEFROTIRAS SA	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Total inflows from operating activities	5,158	5,330	866	1,109	(213)	376
Total (outflows)/inflows from investing activities	1,510	(323)	(22)	(50)	(47)	16
Total outflows from financing activities	(13,133)	(2,000)	(897)	(935)	(10)	-
Net increase/(decrease) in cash and cash equivalents	**(6,465)**	**3,007**	**(52)**	**124**	**(269)**	**391**

8 Investments in associates & joint ventures

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
At year start	**5,567**	**4,841**	**5,473**	**5,473**
Increase of participation cost	98	-	98	-
Share in profit/ loss (after taxes)	(155)	722	-	-
Other changes to Other Comprehensive Income	333	5	-	-
Transfer from/(to) non-current liabilities	-	(1)	-	-
Transfer to subsidiaries	(1,506)	-	(2,126)	-
At year end	**4,337**	**5,567**	**3,445**	**5,473**

The transfer to subsidiaries refers to EPADYM due to the acquisition of the remaining 50% of the share capital from the Group.

During the previous fiscal year ended 31 December 2018, an amount of EUR 1 thousand (100: EUR 289 thousand) was transferred to non-current liabilities, due to the negative equity of associates wholly owned by the Ellaktor Group.

All amounts are in EUR thousand, unless stated otherwise

Associates are analysed as follows:

S/N	Name	Registered office	Participation share 2019	Participation share 2018
1	ENERMEL S.A.	GREECE	50.00%	49.19%
2	HELECTOR SA - 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 S.A.	GREECE	100.00%	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

Summary Statement of Financial Position

	ENERMEL S.A.	
	50.00%	49.19%
	31-Dec-19	**31-Dec-18**
Non-current assets	8,522	8,522
Total assets	**8,555**	**8.534**
Non-current liabilities	25	24
Current payables	33	40
Total liabilities	**57**	**64**
Equity	**8,498**	**8,470**

Agreement on summary financial statements

	ENERMEL S.A.	
	2019	**2018**
Company equity 1 January	**8,470**	**8,511**
Net (losses)/profit for the period	(42)	(42)
Company equity 31 December	**8,498**	**8,470**
% participation in associates & JV	50%	49%
Group participation in equity of associates & joint ventures	4,249	4,166
Investments in associates & joint ventures	**4,249**	**4,166**

Summary Statement of Comprehensive Income

	ENERMEL S.A.	
	1-Jan	
	31-Dec-19	**31-Dec-18**
Net (losses)/profit for the period	(42)	(42)
Other comprehensive loss for the year (net of tax)	70	-
Comprehensive total period (loss)/profit	**28**	**(42)**

Non-significant associates and joint ventures

	2019	**2018**
Accumulated nominal value of non-important associates and joint ventures	(1,419)	109
Proportion of Group in:		
Net profit for the year	(349)	10
Other comprehensive income for the period (net of taxes)	(16)	5
Comprehensive total period profit	**(364)**	**15**

9 Joint operations consolidated as a joint operation

Joint operations are broken down as follows:

All amounts are in EUR thousand, unless stated otherwise

S/N	Name	Registered office	Participation share 2019	Participation share 2018
1	J/V TOMI SA – HLEKTOR SA (ANO LIOSIA LANDFILL - SECTION II)	GREECE	40,39 %	40,39 %
2	JV DETEALA- HELECTOR SA-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 SA-MESOGEIOS (TAGARADES LANDFILL)	GREECE	30,00 %	30,00 %
6	JV HELECTOR SA – TECHNIKI PROSTASIAS PERIVALONDOS	GREECE	60,00 %	60,00 %
7	J/V HELECTOR SA– ARSI SA	GREECE	80,00 %	80,00 %
8	J/V HELECTOR SA– 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 (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 - 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	0.00%	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 (POLYGYROS)	GREECE	50.00%	50.00%
23	WESTERN MACEDONIA J/V HELECTOR SA - THALIS ES SA	GREECE	50.00%	50.00%
24	J/V HELECTOR ENVIRONMENTAL ENGINEERING SA (PARAMYTHIAS)	GREECE	50.00%	50.00%
25	J/V ACTOR - HELECTOR (OLYMPIADA)	GREECE	20.00%	20.00%
26	J/V ENVIRONMENTAL ENGINEERING SA - HELECTOR SA (ELLINIKO)	GREECE	50.00%	50.00%
27	JV HELECTOR SA - WATT SA FOR FYLI LANDFILL CELL SLOPE WORKS	GREECE	50.00%	50.00%
28	WESTERN MACEDONIA J/V HELECTOR SA - THALIS ES SA	GREECE	50.00%	50.00%
29	J/V HELECTOR SA - AKTOR FM SA	GREECE	60,00%	-
30	J/V HELECTOR SA - WATT SA (TEMPLONI LANDFILL)	GREECE	52.00%	-

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-19	31-Dec-18
Receivables		
Non-current assets	1,893	298
Current assets	12,305	19,040
	14,199	**19,338**
Liabilities		
Non-current liabilities	930	442
Current payables	8,077	10.504
	9,007	**10,946**
Equity	**5,191**	**8,392**
Income	17,294	21,304
Expenses	(15,372)	(17,609)
Earnings after taxes	**1,923**	**3,695**

10 Financial assets at fair value through other comprehensive income

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
At year start	**164**	**4,891**	**164**	**3,913**

All amounts are in EUR thousand, unless stated otherwise

(Sales)	-	(4,605)	-	(3,631)
Adjustment at fair value through Other comprehensive income: increase/(decrease)	(40)	(122)	(40)	(118)
At year end	**124**	**164**	**124**	**164**
Non-current assets	124	164	124	164
	124	**164**	**124**	**164**

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

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Listed securities:				
Shares – Foreign countries (in €)	124	164	124	164
	124	**164**	**124**	**164**

*Adjusted figures as per the new standard IFRS 9 adopted by the Group on 1 January 2018. The impact from the adjustments after the application of the new standard was directly recognized in equity on the 1st of January 2018.

The 'Adjustment at fair value through Other Comprehensive Income' is mostly due to a valuation of listed securities.

11 Guaranteed receipt from grantor (IFRIC 12)

	Consolidated figures
	31-Dec-19
At year start	39,435
Increase in receivables	6,989
Decrease in receivables	(10,797)
Unwind of discount	3,030
At year end	**38,658**
Non-current assets	28,689
Current assets	9,968
	38,658

The 'Guaranteed receipt from grantor (IFRIC 12)' includes guaranteed receivables from DIADYMA for the EPADYM SA project

On 31.12.2019, there were no receivables from overdue guaranteed receipt.

12 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-19	**31-Dec-18**
Non-current liabilities		
Interest rate swaps for cash flow hedging	18	106
Total	**18**	**106**
Details of interest rate swaps		

Notional value of interest rate swaps	750	2,250
Floating rate	Euribor	Euribor

As at 31.12.2019 and 31.12.2018 the parent company held no financial derivatives.

13 Inventories

All amounts in EUR thousand.

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Raw materials	-	44	-	-
Finished products	620	480	-	-
Production in progress	123	587	-	(0)
Prepayment for inventories purchase	116	140	116	125
Net realizable value	**858**	**1.251**	**116**	**125**

The cost of inventories expensed in "expenses per category" amounts to €13,675 thousand (2018: €9,114 thousand) and €10,808 thousand (2018: €6,342 thousand) for the Group and the Company, respectively (Note 24).

14 Trade and other receivables

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Trade receivables	26,084	33,040	6,511	12,612
Less: Trade impairment provisions	(1,916)	(1,776)	(260)	(333)
Trade Receivables - Net	**24,168**	**31,264**	**6,251**	**12,279**
Advance payments	4,877	2,124	3,466	934
Dividends receivable (note 33)	-	-	7,380	5,316
Loans to related parties (note 33)	8,406	7,534	23,817	7,924
Income tax prepayment	-	154	139	455
Public sector (prepaid and withholding taxes, insurance organisations)	8,266	3,146	5,400	466
Receivables from joint operations/joint ventures	1,616	2,379	1,497	2,369
Other receivables	4,728	10.498	3,784	5,297
Less: Other receivable impairment provisions	(2,561)	(2,467)	(2,547)	(2,446)
Receivables from related parties (note 33)	389	6,128	7,294	14,022
Total	**49,890**	**60,761**	**56,479**	**46,616**
Contract assets	8,935	3,917	8,860	3,894
	8,935	**3,917**	**8,860**	**3,894**
Total trade and other receivables	**58,825**	**64,677**	**65,340**	**50,510**
Non-current assets	6,048	8,523	21,344	8,796
Current assets	52,778	56,154	43,996	41,714
	58,825	**64,677**	**65,340**	**50,510**

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 in contractual assets and contractual liabilities in the current fiscal year are due to the following:

	Contract assets	Contract liabilities
New contracts	5,963	-
Amendments to current contracts	(158)	-
Time differences	(786)	-

A significant customer balance (approximately €20 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 €2,000 thousand and €2,000 thousand, respectively (2018: €5,850 thousand and €2,000 thousand, respectively).

All amounts are in EUR thousand, unless stated otherwise

The following table shows the maturity of such trade receivables:

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Not overdue and not impaired	14,745	19,693	3,516	8,840
Overdue:				
3 -6 months	2,673	4,315	162	1,186
6 months – 1 year	1,525	861	664	338
Over 1 year	7,573	8,171	2,169	2,248
	26,516	**33,040**	**6,511**	**12,612**
Less: Provision for impairment of receivables	(1,916)	(1,776)	(260)	(333)
Trade Receivables - Net	**24,601**	**31,264**	**6,252**	**12,279**

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-19	31-Dec-18	31-Dec-19	31-Dec-18
Balance as of 1 January	**4,243**	**3,535**	**2,779**	**2,065**
Provision for impairment	188	2,336	101	2,336
Unused provisions reversed	(73)	(1,621)	(73)	(1,621)
Discount	119	(7)	-	-
Balance as of 31 December	**4,477**	**4,243**	**2,807**	**2,779**

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 2019 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 €3,292 thousand (2018: EUR 3.191 thousand).

15 Restricted cash deposits

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Current assets	3,430	-	-	-
Total	**3,430**	-	-	-

The Committed Deposits are denominated in euro and concern reserves for future liabilities as set out in the Concession Agreement.

16 Cash and cash equivalents

Cash and cash equivalents are expressed in Euros.

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Cash in hand	55	49	17	18
Short-term deposits with banks	27,210	47,352	10,793	23,932
Time deposits	91	1	-	-
Total	**27,357**	**47,402**	**10,810**	**23,950**

The following table shows the percentage of deposits per credit rating by Standard & Poor (S&P) as at 31.12.2019 and 31.12.2018, respectively.

All amounts are in EUR thousand, unless stated otherwise

	Consolidated figures	
	2019	2018
Financial institution credit rating	Cash and cash equivalents	Cash and cash equivalents
A+	7.38%	10.62%
AA-	4.27%	16.33%
B+	-	0.02%
B	86.00%	-
B-	0.79%	72.38%
BBB	0.35%	-
NR (Not rated)	1.21%	0.65%
	100.00%	**100.00%**

	Company figures	
	2019	2018
Financial institution credit rating	Cash and cash equivalents	Cash and cash equivalents
A+	18.67%	21.02%
AA-	10.80%	5.31%
B	69.43%	-
B-	1.02%	73.60%
BBB	0.08%	0.00%
NR (Not rated)	-	0.07%
	100.00%	**100.00%**

From the balances of sight and time deposits of the Group as at 31.12.2019, approximately 86.79% (31.12.2018: 73.02%) 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 larger 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.

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.

17 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 2018	**196,722**	**2,010**	**5,216**	**7,226**
31 December 2018	**196,722**	**2,010**	**5,216**	**7,226**
1 January 2019	**196,722**	**2,010**	**5,216**	**7,226**
31 December 2019	**196,722**	**2,010**	**5,216**	**7,226**

Company figures

	Number of Shares	Ordinary shares	Share premium	Total
1 January 2018	**196,722**	**2,010**	**5,216**	**7,226**
31 December 2018	**196,722**	**2,010**	**5,216**	**7,226**
1 January 2019	**196,722**	**2,010**	**5,216**	**7,226**
31 December 2019	**196,722**	**2,010**	**5,216**	**7,226**

The total number of approved ordinary shares is 196,722 (2018: 196,722 shares), with the face value of €10.22 each (2018: €10.22 per share). All issued shares have been paid up fully.

All amounts are in EUR thousand, unless stated otherwise

18 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 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 2019	**1,708**	**4,106**	**291**	**-**	**(108)**	**(89)**	**586**	**(72)**	**6,422**
Currency translation differences	-	-	-	-	-	137	-	-	137
Transfer from/to Results carried forward	74	-	-	-	54	-	-	-	128
Changes in value of cash flow hedge	-	-	-	-	(122)	-	-	-	(122)
Changes in value of cash flow hedge	-	-	-	-	-	-	157	-	157
Actuarial loss	-	-	-	-	-	-	-	(23)	(23)
Recycling of reserve in profit and loss	-	-	-	-	-	-	-	1	1
31 December 2018	**1,782**	**4,106**	**291**	**-**	**(176)**	**48**	**743**	**(94)**	**6,700**
1 January 2019	**1,782**	**4,106**	**291**	**-**	**(176)**	**48**	**743**	**(94)**	**6,701**
Currency translation differences	-	-	-	-	-	32	-	-	32
Transfer to results carried forward	(0)	-	-	-	-	135	-	-	134
Change in the value of assets through other comprehensive income	-	-	-	-	(40)	-	-	-	(40)
Changes in value of cash flow hedge	-	-	-	-	-	-	88	-	88
Actuarial loss	-	-	-	-	-	-	-	(9)	(9)
31 December 2019	**1,782**	**4,106**	**291**	**-**	**(216)**	**215**	**831**	**(102)**	**6,905**

Company figures

All amounts are in EUR thousand, unless stated otherwise

	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 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**
1 January 2018	**526**	**4,106**	**227**	**-**	**(175)**	**118**	**(69)**	**4,733**
Currency translation differences	-	-	-	-	-	47	-	47
Change in the value of assets through other comprehensive income	-	-	-	-	(40)	-	-	(40)
Actuarial loss	-	-	-	-	-	-	3	3
31 December 2019	**526**	**4,106**	**227**	**-**	**(215)**	**165**	**(66)**	**4,743**

(a) Statutory reserve

The provisions of Articles 44 and 45 of Codified Law 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.

19 Borrowings

All amounts in EUR thousand.

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Long-term borrowings				
Bank borrowings	19,457	750	-	-
Finance leases	3,710	2,100	1,599	-
Bond Loans	3,000	-	3,000	-
Total long-term borrowings	**26,167**	**2,850**	**4,599**	**-**
Short-term borrowings				
Bank overdrafts	1	2	-	-
Bank borrowings	7,624	2,007	2,226	-
Bond loan	500	40	500	-
Finance leases	1,923	333	1,103	-
From related parties (note 33(k))	-	-	-	1,926
Total short-term borrowings	**10,049**	**2,382**	**3,829**	**1,926**
Total borrowings	**36,215**	**5,232**	**8,428**	**1,926**

The average effective rate of the Group as at 31 December 2019 was 3.32% (2018: 0.82%) for bank borrowings, and 3.51% for the Company for the current year (2018: 4,69%).

The Group's property has mortgage pre-charges of €1.536 thousand (2018: €1,536 thousand) for the bank. It shall be noted that these prenotations have been registered as a security for bank liabilities, which were fully paid as at 31/12/2019 and their removal is still pending.

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 2019						
Total borrowings	25,938	9,527	35,465	2,702	5,726	8,428
Effect of interest rate swaps	750	-	750	-	-	-
	26,688	**9,527**	**36,215**	**-**	**5,726**	**8,428**

	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**

All borrowings are expressed in Euros.

The maturity of long-term borrowings is as follows:

All amounts are in EUR thousand, unless stated otherwise

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
1 to 2 years	3,459	750	1,616	-
2 to 5 years	9,600	1,369	1,983	-
Over 5 years	13,108	731	1,000	-
	26,167	**2,850**	**4,599**	**-**

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

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Finance lease liabilities – minimum lease payments				
Up to 1 year	2 173	453	1,213	-
1 to 5 years	3,452	1,664	1,675	-
Over 5 years	661	840	-	-
Total	**6,286**	**2,956**	**2,888**	**-**
Less: Future finance costs of finance lease liabilities	(653)	(523)	(186)	-
Present value of finance lease liabilities	**5,633**	**2,433**	**2,702**	**-**

The present value of finance lease liabilities is analysed below:

	Consolidated figures	
	31-Dec-19	**31-Dec-18**
Up to 1 year	1,923	333
1 to 5 years	3,125	1,369
Over 5 years	585	732
Total	**5,633**	**2,434**

The Group and the Company adopted IFRS 16 on 1 January 2019, following the modified retrospective approach. The increase in liabilities from leases resulted in a respective increase in the net borrowings of the Group (note 2.3). The effect on the borrowing figures for the Group is presented below.

	31.12.2018 Published figures	**IFRS 16 Adjustments**	**01.01.2019 Adjusted figures**
Non-current liabilities			
Long-term borrowings	2,850	2,846	5,696
Current payables			
Short-term borrowings	2,382	1,308	3,690

20 Trade and other payables

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Suppliers	6,600	5,935	4,383	4,329

All amounts are in EUR thousand, unless stated otherwise

Accrued interest	1	21	-	-
Accrued expenses	756	829	335	445
Advances from customers	908	543	1,190	128
Wages and salaries payable	648	497	138	277
Social security and other taxes	2,371	2,756	1,247	1,906
Amounts due to Joint Operations	1,081	1,369	88	97
Amounts due to construction contracts	-	-	-	-
Subcontractors	565	707	554	704
Other payables	5,054	5,497	1,131	1,183
Total liabilities – Related parties (note 33)	745	636	2,080	2,081
Total	**18,728**	**18,790**	**11,148**	**11,150**
Non-current	740	2,337	-	-
Current	17,988	16,453	11,148	11,150
Total	**18,728**	**18,790**	**11,148**	**11,150**

All liabilities are expressed in Euros.

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

21 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-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Deferred tax liabilities:				
Recoverable after 12 months	3,172	4,288	-	-
	3,172	**4,288**	**-**	**-**
Deferred tax receivables:				
Recoverable after 12 months	(0)	1,927	2,266	2,364
	(0)	**1,927**	**2,266**	**2,364**
	3,172	**2,361**	**(2.266)**	**(2,364)**

Total change in deferred income tax is presented below.

	Consolidated figures		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Balance at period start	**2,361**	**1,040**	**(2,364)**	**(3,570)**
Debit/ (credit) through profit and loss (note 29)	(789)	1 342	96	1,205
Other comprehensive income debit/ (credit)	2	(21)	2	1
Acquisition/absorption of subsidiary	1.595	-	-	-
Closing balance	**3,172**	**2,361**	**(2.266)**	**(2,364)**

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 2018	**2,843**	**1,386**	**60**	**4,290**
Income statement debit/(credit)	(73)	(25)	7	(91)
31 December 2018	**2,770**	**1,361**	**67**	**4,198**
1 January 2019	**2,770**	**1,361**	**67**	**4,198**
Income statement credit/(debit)	(792)	(202)	7	(987)
Acquisition of subsidiary	1,556	-	105	1,660
31 December 2019	**3,534**	**1,159**	**179**	**4,871**

All amounts are in EUR thousand, unless stated otherwise

Deferred tax receivables:

	Provisions for receivables	Different tax depreciation	Tax losses	Construction contracts	Actuarial gains/(losses) reserves	Other	Total
1 January 2018	**-**	**578**	**371**	**853**	**12**	**1,435**	**3,249**
Income statement debit	-	(553)	10	-	-	(890)	(1,434)
Other comprehensive income credit	-	-	-	-	21	-	21
31 December 2018	**-**	**25**	**381**	**853**	**33**	**545**	**1,836**
1 January 2019	**-**	**25**	**381**	**853**	**33**	**545**	**1,836**
Income statement debit/(credit)	(250)	(26)	305	-	-	(227)	(198)
Other comprehensive income debit	-	-	-	-	(2)	-	(2)
Acquisition/absorption of subsidiary	30	(0)	-	-	-	35	65
31 December 2019	**(219)**	**(1)**	**686**	**853**	**30**	**353**	**1,701**

Company figures
Deferred tax liabilities:

	Different tax depreciation	Construction contracts	Total
1 January 2018	**7**	**1,391**	**1,398**
Income statement debit/(credit)	6	(25)	(19)
31 December 2018	**12**	**1,366**	**1,379**
1 January 2019	**12**	**1,366**	**1,379**
Income statement debit/(credit)	1	(202)	(201)
31 December 2019	**13**	**1,164**	**1,177**

Deferred tax receivables:

	Impairment of holdings	Different tax depreciation	Construction contracts	Actuarial gains/(losses) reserves	Other	Total
1 January 2018	**2,809**	**336**	**853**	**24**	**945**	**4,967**
Income statement credit	(108)	(326)	-	-	(789)	(1,223)
Other comprehensive income debit	-	-	-	(1)	-	(1)
31 December 2018	**2,701**	**10**	**853**	**23**	**156**	**3,743**
1 January 2019	**2,701**	**10**	**853**	**23**	**156**	**3,743**
Income statement debit	(276)	(1)	-	-	(20)	(297)
Other comprehensive income debit	-	-	-	(2)	-	(2)
31 December 2019	**2,425**	**9**	**853**	**21**	**136**	**3,443**

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.

22 Employee retirement compensation liabilities

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

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Liabilities in the Statement of Financial Position for:				
Retirement benefits	681	538	392	371
Total	**681**	**538**	**392**	**371**

The amounts recognized in the Income Statement are the following:

Consolidated figures		Company figures	
31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**

All amounts are in EUR thousand, unless stated otherwise

Charges /(credits) through profit and loss (note 28)				
Retirement benefits	118	138	81	94
Total	**118**	**138**	**81**	**94**

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

	Consolidated figures		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Present value of non-financed liabilities	681	538	392	371
Liability in Statement of Financial Position	**681**	**538**	**392**	**371**

The amounts posted in the Income Statement are as follows:

	Consolidated figures		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Current employment cost	68	86	48	49
Financial cost	8	7	6	5
Past service cost	42		25	-
Cut-down losses	(0)	45	2	40
Total included in employee benefits (note 28)	**118**	**138**	**81**	**94**

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

	Consolidated figures		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Opening balance	**538**	**453**	**371**	**335**
Acquisition/absorption of subsidiary	99	-	-	-
Indemnities paid	(83)	(80)	(56)	(69)
Actuarial loss charged to Statement of Comprehensive Income	9	27	(5)	11
Total debit/(credit) to results (note 28)	118	138	81	94
Closing balance	**681**	**538**	**392**	**371**

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

	31-Dec-19	**31-Dec-18**
Discount rate	0.90%	1.70%
Future salary raises	1.70%	1.75%

The average weighted duration of pension benefits is 16.88 years for the consolidated figures and 16.28 years for the company figures.

Analysis of expected maturity of non-discounted pension benefits:

	Consolidated figures		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Up to 1 year	13	1	10	1
1 to 2 years	4	11	-	11
2 to 5 years	39	5	37	-
Over 5 years	577	585	407	488
Total	**633**	**602**	**454**	**500**

Sensitivity analysis of changes in the main assumptions for pension benefits 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%	-8.50%	8.50%
Payroll change rate	0.50%	6.07%	-6.07%	0.50%	8.38%	-8.38%

Actuarial losses recognised in the Statement of Comprehensive Income are:

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Losses from change in demographic assumptions	16	-	-	-
(Profit) / loss from the change in financial assumptions	(5)	16	(5)	-
Net (profit)/ loss	(2)	11	-	11
Total	**9**	**27**	**(5)**	**11**

23 Grants

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
At year start	**7,454**	**8,301**	**0**	**90**
Acquisition/absorption of subsidiary	83	-	-	-
Transfer to results (note 25)	(771)	(847)	-	(90)
At year end	**6,766**	**7,454**	**-**	**0**

Out of the total Group's government grants:

i) The unamortised amount of €5,406 thousand (2018: EUR 5,986 thousand) corresponds to a grant received by the subsidiary VEAL SA under the OPCE for 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 €943 thousand (2018: €1,064 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.

iii) The unamortised amount of €347 thousand (2018: €404 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.

iv) The acquisition/absorption of a subsidiary refers to a grant to ASA RECYCLE the net book balance of which amounted to EUR 83 thousand as at 31.12.2018, date of acquisition of the company. The net book balance of the above grant amounted to EUR 70 thousand as at 31.12.2019.

24 Provisions

Consolidated figures

	Litigations pending	Landscape restoration	Tax provisions	Other provisions	Total
1 January 2018	**291**	**79**	**788**	**7,082**	**8,240**
Additional provisions for the year	-	3	-	444	447
Unused provisions reversed	-	-	(165)	(613)	(778)
31 December 2018	**291**	**82**	**623**	**6,914**	**7,910**
1 January 2019	**291**	**82**	**623**	**6,914**	**7,910**
Additional provisions for the year	-	3	-	1,838	1,841
Unused provisions reversed	(209)	-	(533)	(146)	(888)
Used provisions for the year	-	-	-	(371)	(371)

All amounts are in EUR thousand, unless stated otherwise

31 December 2019	**82**	**85**	**90**	**8,234**	**8,491**

Company figures

	Litigations pending	Tax provisions	Other provisions	Total
1 January 2018	**291**	**424**	**6,293**	**7,008**
31 December 2018	**291**	**424**	**6,293**	**7,008**
1 January 2019	**291**	**424**	**6,293**	**7,008**
Unused provisions reversed	(209)	(233)	-	(442)
31 December 2019	**82**	**191**	**6,293**	**6,566**

Analysis of total provisions:

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Non-current	2,198	1,535	191	633
Current	6,293	6,375	6,375	6,375
Total	**8,491**	**7,910**	**6,566**	**7,008**

Provisions have been posted in the income statement as follows:

	Consolidated figures		Company figures	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Other income	1,099	282	(442)	-
Financial cost	(517)	(613)	-	-
	581	**(330)**	**(442)**	-

α) 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 31.12.2019.

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.

β) 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 (2018: €3 thousand) has been recognised in 2019 as financial cost (Note 26).

All amounts are in EUR thousand, unless stated otherwise

γ) Other provisions

The remainder of other provisions amounting to EUR 8.234 thousand, including provisions relating mainly to coverage of any legal and other risks as well as provisions for potential risks in the context of the Group's activities.

25 Expenses per category

Consolidated figures

		1-Jan to 31-Dec-19			
	Note	**Cost of sales**	**Distribution costs**	**Administrative expenses**	**Total**
Employee benefits	28	19,436	69	1,305	20,810
Inventories used	13	13,541	2	132	13,675
Depreciation of tangible assets	5	6,593	-	76	6,670
Depreciation of intangible assets	6	2,348	-	111	2,459
Repair and maintenance expenses of tangible assets		1,376	1-	23	1,401
Rents		2,477	15	279	2,771
Subcontractor fees		4,924	1,419	1,137	7,480
Third party fees		7,111	610	1,759	9,480
Other		17,108	227	3,671	21,006
Total		**74,914**	**2,344**	**8,492**	**85,750**

All amounts are in EUR thousand, unless stated otherwise

	Note	Cost of sales	Distribution costs	Administrative expenses	Total
		1-Jan to 31-Dec-18			
Employee benefits	28	16,045	69	1,066	17,180
Inventories used	13	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	0	26	1,414
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**

Company figures

	Note	Cost of sales	Distributio n costs	Administrativ e expenses	Total
		1-Jan to 31-Dec-19			
Employee benefits	28	6,686	69	800	7,556
Inventories used	13	10,749	2	57	10,808
Depreciation of tangible assets	5	1.349	-	26	1,375
Depreciation of intangible assets	6	6	-	-	6
Repair and maintenance expenses of tangible assets		341	1-	2	344
Rents		1,929	15	256	2,200
Subcontractor fees		3,551	1,415	1,137	6,102
Third party fees		4,039	610	859	5.508
Other		2,767	191	1,256	4,215
Total		**31,418**	**2,304**	**4,393**	**38,115**

	Note	Cost of sales	Distributio n costs	Administrativ e expenses	Total
		1-Jan to 31-Dec-18			
Employee benefits	28	7,610	69	666	8,346
Inventories used	13	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	0	5	340
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**	**3,025**	**37,494**

26 Other income/(expenses) & Other profits/(losses)

	Consolidated figures		Company figures	
	1-Jan to		1-Jan to	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Other income				
Income from participations & securities (except dividends)	247	163	456	701
Amortization Grants received 23)	771	847	-	90
Rents	399	260	392	266
Other	(31)	319	42	11
Total Other Income	**1,386**	**1,589**	**891**	**1,068**
Other profit/(loss)				
Profit /(loss) from the disposal of subsidiaries	9	0	(565)	0
Profit/(loss) from the disposal or write-off of tangible assets	(55)	(278)	(7)	23

All amounts are in EUR thousand, unless stated otherwise

Profit/(loss) from the disposal or write-off of intangible assets	(1,453)	-		-
Extraordinary non-operating income	255	-		-
Extraordinary non-operating expenses	(162)	-	(74)	-
Income from previous years	611	-	471	-
Expenses of previous years	(1,246)	-	(418)	-
Trade impairment provisions (-)	(87)	(2,336)	(101)	(2,336)
Other receivable impairment provisions (-)	(101)	-		-
Write-offs	(127)	-	-	-
Other	(1,848)	756	106	(1,007)
Total Other profit/(loss)	**(4,204)**	**(1,858)**	**(588)**	**(3,320)**
Total	**(2,819)**	**(269)**	**303**	**(2,252)**

27 Financial income/(expenses) - net

	Consolidated figures		Company figures	
	1-Jan to		1-Jan to	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Interest expenses				
- Bank borrowings	(1,016)	(166)	(201)	(101)
- Finance Leases	(294)	(137)	(160)	-
- Financial cost for landscape restoration (note 24)	(3)	(3)	-	-
- Guarantee letter commissions	(575)	(722)	(554)	(709)
- Other financial expenses	(184)	(113)	(68)	(29)
Total financial expenses	**(2,072)**	**(1,141)**	**(982)**	**(839)**
Interest income	725	1,421	1,016	1 233
Unwind of guaranteed receipt discount	1,763	-	-	-
Total financial income	**2,488**	**1,421**	**1,016**	**1 233**
Finance income/(expenses) - net	**416**	**280**	**34**	**394**

28 Employee benefits

All amounts in EUR, save the number of employees.

	Consolidated figures		Company figures	
	1-Jan to		1-Jan to	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Wages and salaries	16,449	13,475	5,798	6,319
Social security costs	3,958	3,237	1,621	1,819
Cost of defined benefit plans (note 22)	118	138	81	94
Other employee benefits	284	330	56	114
Total	**20,810**	**17,180**	**7,556**	**8,346**
Number of employees	910	785	390	450

29 Income tax

	Consolidated figures		Company figures	
	1-Jan to		1-Jan to	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Tax for the year	1,585	4,885	121	3,679
Deferred tax (note 21)	(789)	1 342	96	1,205
Total	**797**	**6,227**	**217**	**4,884**

All amounts are in EUR thousand, unless stated otherwise

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 tax audits of its statements by statutory auditors for its more important subsidiaries.

It is noted that in accordance with relevant fiscal provisions applicable as of 31 December 2019, fiscal years up to 2013 inclusive are considered time-barred.

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

In accordance with Law 4646/2019, the income tax rate for legal entities in Greece is reduced to 24% for fiscal year 2019 and after.

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-19	31-Dec-18	31-Dec-19	31-Dec-18
Accounting profit/(losses) before tax	**(1,189)**	**14,848**	**9,912**	**13,770**
Tax imputed, based on local applicable tax rates on the parent’s profit (24%)	(285)	4,306	2,379	3,993
Effect of change to tax rate	(150)	(242)	(50)	432
Untaxed income	(107)	(50)	(2,106)	(1,317)
Expenses not deductible for tax purposes:	238	392	88	1,643
Use of tax losses from prior financial years	(551)	-	46	-
Other taxes	198	-	(232)	19
Differences from tax audit	-	-	88	-
Tax losses for which no deferred tax asset was recognized	2,189	1,136	-	107
Difference Income Tax Statement with Income Tax recognized in the previous period	7	(6)	-	-
Effect from different tax rates applying in other countries where the Group operates	(741)	693	4	6
Income tax	**797**	**6,227**	**217**	**4,884**

The average weighted tax rate for the Group for 2019 is 67.07% (2018: 41,94%).

The tax corresponding to Other Comprehensive Income is:

Consolidated figures

	1-Jan to 31-Dec-19			1-Jan to 31-Dec-18		
	Before tax	Tax (debit)/credit	After tax	Before tax	Tax (debit)/credit	After tax
Currency translation differences	32	-	32	137	-	137
Change in the fair value of financial assets through other comprehensive income	(40)	-	(40)	(122)	-	(122)
Cash flow hedge	88	-	88	157	-	157
Actuarial gains/(losses)	(9)	1	(8)	(27)	20	(7)
	71	**1**	**72**	**145**	**20**	**165**

Company figures

	1-Jan to 31-Dec-19			1-Jan to 31-Dec-18		
	Before tax	Tax (debit)/credit	After tax	Before tax	Tax (debit)/credit	After tax
Currency translation differences	47	-	47	132	-	132
Change in the fair value of financial assets through other comprehensive income	(40)	-	(40)	(118)	-	(118)
Actuarial losses	5	(2)	3	(11)	-	(11)
	13	**(2)**	**11**	**2**	**-**	**2**

All amounts are in EUR thousand, unless stated otherwise

30 Cash flows from operating activities

		Consolidated figures		Company figures	
	Note	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Profit before taxes		(1,189)	14,848	9,912	13,770
Adjustments for:					
Depreciation of PPE	5	6,669	4,911	1,375	787
Depreciation of intangible assets	6	2,459	2,440	6	5
Loss from the sale and write-off of other PPE	26	55	278	7	(23)
(Earnings)/losses from the sale of intangible assets		1,453			
(Profit) / losses from the disposal of subsidiaries		(9)		565	-
Amortisation of grants	23	(771)	(847)	-	(90)
Interest income	27	(2,488)	(1,421)	(1,016)	(1,233)
Income from dividends		(15)	-	(8 525)	(4,370)
Provisions for contingent risks		(146)	(3,815)	(209)	-
Other provisions	24	728	3,484	-	-
Retirement benefits liabilities		143	82	21	28
Debit interest and related expenses	27	2,072	1,141	982	839
Impairment provisions and write-offs		315	-	101	-
(Profit)/loss from associates	8	155	(722)	-	-
		9,430	**20,379**	**3,219**	**9,714**
Changes in working capital					
(Increase)/decrease in inventory		393	(470)	9	-
(Increase)/decrease in receivables		(3,306)	(2,074)	(2,084)	(7,485)

All amounts are in EUR thousand, unless stated otherwise

Increase /(decrease) of liabilities	6,044	5,582	2,035	(1,758)
(Increase) / decrease of Financial Contribution from the Greek State (IFRIC 12)	3,807	-	-	-
	6,938	**3,038**	**(40)**	**(9,243)**
Net Cash Flows/(outflows) from operating activities	**16,368**	**23,417**	**3,179**	**471**

31 Commitments

Operating lease obligations

The Group (as lessee) leases property, transport equipment and machinery from third parties. The leases carry varying terms, penalty clauses and rights of renewal. On renewal, the terms of the leases are renegotiated.

The following figures for the year 2018 concerned commitments of Group subsidiaries in respect of the above operating leases. From 1 January 2019, the Group has identified assets with right of use for these leases, excluding short-term and low-value leases (note 2.3, 6).

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

Commitments from operating leases:	**Consolidated figures**		**Company figures**	
	31-Dec-19	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
Up to 1 year	-	1,636	-	1.595
From 1-5 years	-	3,821	-	3,764
Over 5 years	-	16	-	16
	0	**5.472**	**0**	**5,375**

32 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.

All amounts are in EUR thousand, unless stated otherwise

With regard to 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. It is noted that in accordance with relevant fiscal provisions applicable as of 31 December 2019, fiscal years up to 2013 inclusive are considered time-barred. For the closing fiscal year 2019, the tax audit by the respective audit firms is currently underway. 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 €90 thousand and €191 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 2018, and has obtained a tax compliance certificate from PricewaterhouseCoopers S.A., without any qualification.

Subsidiaries

Name	**Years with a Tax Compliance Certificate and Unaudited fiscal years**
AIFORIKI DODEKANISOU SINGLE-MEMBER SA	2014-2018*, 2019
AIFORIKI KOUNOU SA	2014-2015*, 2016-2019
STERILISATION SA	2014-2018*, 2019
APOTEFROTIRAS SA	2014-2018*, 2019
VEAL SA	2014-2018*, 2019
DOAL SA	2014-2015*,2016-2019
EDADYM SA	2014-2018*, 2019
HELECTOR SA – AIFORIKI DODEKANISOU SINGLE-MEMBER SA	2014-2019
HELECTOR CYPRUS (formerly ELEMAX LTD)	2003-2019
HELECTOR GERMANY GMBH	2005-2019
HERHOF GMBH	2006-2019
HERHOF RECYCLING CENTER OSNABRUCK GM	2015-2019
HERHOF VERWALTUNGS GMBH	2015-2019
JV HELECTOR-ELLAKTOR-CYBARCO	2007-2019
HELECTOR BULGARIA LTD	2010-2019
YLECTOR DOOEL SKOPJE	2010-2019
JV HELECTOR SA-BILFINGER BERGER (CYPRUS- PAPHOS LANDFILL)	2013-2019
JV HELECTOR SA-BILFINGER BERGER (MARATHOUNTA LANDFILL & ACCESS WAY)	2013-2019
EPADYM S.A.	2014, 2015-2018*, 2019
URBAN SOLID RECYCLING SA - ASA RECYCLE	2014-2019

Associates

Name	**Unaudited years**

ENERMEL S.A.	2014-2015*, 2016-2019
HELECTOR SA - EDL LTD	2014-2019
PROJECT DYNAMIC CONSTRUCTION	2014-2019
ELLAKTOR VENTURES LTD	2011-2019
LEVASHOVO WASTE MANAGEMENT PROJECT LLC	-

Joint Ventures

Name	**Unaudited years**
J/V TOMI SA – HLEKTOR SA (ANO LIOSIA LANDFILL - SECTION II)	2014-2019
JV DETEALA- HELECTOR SA-EDL LTD	2014-2019
JV HELECTOR SA – MESOGEIOS SA (MAVRORACHI LANDFILL)	2014-2019
JV HELECTOR SA – MESOGEIOS SA (FYLIS LANDFILL)	2014-2019
JV HELECTOR-MESOGEIOS (TAGARADES LANDFILL)	2014-2019
JV HELECTOR SA – TECHNIKI PROSTASIAS PERIVALONDOS	2014-2019
J/V HELECTOR SA– ARSI SA	2014-2019
J/V HELECTOR– ERGOSYN SA	2014-2019
JV LAMDA – ITHAKI & HELECTOR SA	2014-2019
J/V BILFIGER BERGER - MESOGEIOS- HELECTOR SA	2014-2019
J/V TOMI SA –HELEKTOR SA	2014-2019
JV TOMI SA-HELECTOR SA & KONSTANTINIDIS	2014-2019
JV HELECTOR –ENVITEC (Recycling & Composting Plant)	2014-2019
J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA	2014-2019
J/V HELECTOR SA –TH.G.LOLOS- CH.TSOBANIDIS- ARSI SA- ENVITEC SA	2014-2019
J/V HELECTOR SA – ZIORIS SA - ZIORIS SA - SPIDER SA	2014-2019
J/V HELECTOR SA – EPANA SA	2014-2019
J/V HELECTOR SA - KONSTANTINIDIS	2014-2019
J/V HELECTOR SA - AKTOR SA (EGNATIA HIGH FENCING PROJECT)	2014-2019
JV AKTOR SA - HELECTOR SA	-
J/V HELECTOR SA– ARSI SA	2014-2019
J/V HELECTOR S.A. - THALIS ES S.A.	2019

* 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) By virtue of the interim unanimous decision of the Permanent Assize Court of Nicosia dated 18 March 2019, Helector Cyprus Ltd was acquitted on charges relating to the award of the contract for waste management plant in Larnaca, whilst the decision of the Assize Court of Nicosia of 7 February 2020 later found Helector Cyprus guilty on other charges filed against it. By its decision of 11 March 2020, the court imposed a pecuniary penalty amounting to EUR 183 thousand. Helector Cyprus has subsequently exercised its legal right to appeal under petition No 34/2020 against the aforementioned conviction, the hearing of which is pending.

33 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-19	31-Dec-18	31-Dec-19	31-Dec-18
(a)	**Sales of goods and services**	**6,857**	**8,276**	**15,427**	**12,656**
	- Sales to subsidiaries	**-**	**-**	**13,342**	**10,719**
	Sales	-	-	12,622	9,999
	Other operating income	-	-	459	587
	Financial income	-	-	170	133
	Tangible or Intangible assets	-	-	91	-
	- Sales to associates	**-**	**6,725**	**-**	**517**
	Sales	-	6,332	-	128
	Other operating income	-	-	-	-
	Financial income	-	392	-	389
	- Sales to related parties	**2,581**	**1,552**	**2,084**	**1,419**
	Sales	2,293	1,374	1 959	1,261
	Other operating income	134	171	126	159
	Financial income	154	7	-	-
(b)	**Purchases of goods and services**	**2,766**	**2,405**	**3,862**	**1,361**
	- Purchases from subsidiaries	**-**	**-**	**3,862**	**1,361**
	Cost of sales	-	-	3,759	1,093

All amounts are in EUR thousand, unless stated otherwise

	Administrative expenses	-	-	1	2
	Other operating expenses	-	-	-	195
	Financial expenses	-		102	72
	- Purchases from related parties	**2,766**	**2,405**	**-**	**-**
	Cost of sales	2,636	2,355	-	-
	Administrative expenses	43	51	-	-
	Financial expenses	61	-	-	-
	Tangible or Intangible assets	26	-	-	-
(c)	**Key management compensation**	**713**	**408**	**713**	**373**
(d)	**Income from dividends**	**-**	**-**	**8,525**	**4,369**

		Consolidated figures		Company figures	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
e)	**Closing balance (Receivables)**	**389**	**6,128**	**7,294**	**14,022**
	- Receivables from subsidiaries	**-**	**-**	**7,215**	**13,983**
	Trade receivables	-	-	5,303	5,192
	Other receivables	-	-	1,912	8,791
	- Receivables from associates	**-**	**1,010**	**79**	**40**
	Trade receivables	-	1,010	79	40
	- Receivables from related parties	**389**	**5,117**	**-**	**-**
	Trade receivables	376	38	-	-
	Other receivables	14	5,079	-	-
f)	**Closing balance (Liabilities)**	**727**	**618**	**2,080**	**2,081**
	- Payables to subsidiaries	**-**	**-**	**2,080**	**2,081**
	Suppliers	-	-	249	400
	Other payables	-	-	1,831	1,680
	- Payables to other related parties	**727**	**618**	**-**	**-**
	Suppliers	120	202	-	-
	Other payables	607	416	-	-
(g)	**Amounts payable to key management**	**18**	**18**	**-**	**-**
h)	**Dividends receivable**	**-**	**-**	**7,380**	**5,316**

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.

(j) Loans to related parties

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Balance as of 1 January	**7,534**	**7,193**	**7,924**	**15,307**
Financing during the year	8,000	160	16,079	320
Interest capitalized during the year	143	225	838	346
Repayments during the year	-	-43	(1,025)	(8,049)
Reclassification of a loan to associated party loan to a subsidiary	(7,271)	-	-	-
Balance as of 31 December	**8,406**	**7,534**	**23,817**	**7,924**

s) Loans from related parties

	Consolidated figures		Company figures	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Balance as of 1 January	**-**	**-**	**1,926**	**1,854**
Interest capitalized during the year	-	-	57	72
Repayments during the year	-	-	(1,983)	-
Balance as of 31 December	**-**	**-**	**-0**	**1,926**

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

34 Other notes

1. The Group's property has mortgage pre-charges of €1.536 thousand (2018: €1,536 thousand) for the bank. It shall be noted that these prenotations have been registered as a security for bank liabilities, which were fully paid as at 31/12/2019 and their removal is still pending.

2. The fees payable to the Group's legal auditors for mandatory audit of the annual financial statements for fiscal year 2019 amount to EUR 228 thousand (2018: EUR 204 thousand), EUR 80 thousand (2018: EUR 62

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thousand) for the Tax Compliance Report and EUR 27 thousand (2018: EUR 22 thousand) for other non-audit services.

Specifically, for the Group for the financial year 2019, the total fees to companies of the PricewaterhouseCoopers network in Greece amount to €197 thousand for the statutory audit of the financial statements, €55 thousand for the Tax Compliance Report and €24 thousand for other non-audit services.

3 For the Company, for the financial year 2019, the total fees to companies of the PricewaterhouseCoopers network in Greece amount to €146 thousand for the statutory audit of the financial statements, €30 thousand for the Tax Compliance Report and to €8 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 of the previous year of 2018

Additional information

		CONSOLIDATED FIGURES		COMPANY DATA	
	Note	**31-Dec-19**	**31-Dec-18**	**31-Dec-19**	**31-Dec-18**
A. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		6,909	20,350	11,260	14,078
B. Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		6,909	20,350	11,260	14,078
A. Determination of Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)					
Profit before taxes		(1,189)	14,848	9,912	13,770
Plus: Financial results	26	(416)	(280)	(34)	(394)
Plus: Profit/(loss) from associates and J/Vs	8	155	(722)	-	-
Plus: Depreciation and amortisation (notes 5,6,22)		8,357	6,504	1,381	703
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		**6,909**	**20,350**	**11,260**	**14,078**
B. Determination of adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)					
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		6,909	20,350	11,260	14,078
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		**6,909**	**20,350**	**11,260**	**14,078**

4.1 Events after the date of the Statement of Financial Position

1. By means of decision of the Permanent Criminal Court of Nicosia dated 7/2/2020, Helector Cyprus was found guilty with respect to the offenses of uttering a false document and creating false accounts for the purpose of committing fraud, conspiring to commit fraud and actively bribing public officials in order to expedite the payment of pending legally owed compensation. It is reminded that there had been an intermediate unanimous decision of the Permanent Criminal Court of Nicosia dated 18.3.2019, by means of which Helector Cyprus Ltd was acquitted on the charges relating to the award of the waste disposal contract of the Larnaca factory. By its decision of 11 March 2020, the court imposed a pecuniary penalty amounting to EUR 183 thousand. Helector Cyprus has subsequently exercised its legal right to appeal under petition No 34/2020 against the aforementioned conviction, the hearing of which is pending. It is noted that over the last two years the Company has given special emphasis to strengthening the structures and mechanisms of compliance and corporate

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governance, adopting international best practices and enhancing safeguards to improve transparency and control. After 1/1/2020, the following (main) contracts were signed:

- Signing of a contract (March 2020) for the project "Support, Operation, Maintenance and Repair Services of the Mechanical Recycling Plant" with a term of 6 months and with a unilateral right of extension for another 6 months with a total budget of €10.8 million.
- Signing of an amending contract (March 2020) for the extension of the provision of services as part of the project "Design, Construction and Operation of Waste Treatment and Disposal Facilities in Larnaca - Famagusta Provinces" for 4 months with an additional amendment for another 3 months (July 2021)
- Signing of a contract (May 2020) for the implementation of the project "Construction of a Site to Meet the Urgent Solid Waste Management Needs in Attica" with a budget of €4.5 million.

2. The investment of the biogas energy utilisation unit released by the Mavrorachi landfill was completed in July 2020 and the unit was electrified on 27 July 2020.

3. On July 1, 2020 and in the context of the international tender for the selection of a strategic partner in the field of Geothermal Energy, PPC Renewables proceeded with the announcement of HELECTOR SA as "Preferred Partner"

Kifisia, 31 August 2020

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