AKTOR CONCESSIONS SA

Annual Financial Statements
prepared in accordance with the International Financial Reporting Standards,
for the financial year ended 31 December 2017

AKTOR CONCESSIONS SA
HOLDING & SERVICE PROVISION COMPANY
25 ERMOU ST. – 145 64 KIFISSIA
TAX ID NO: 094211792, ATHENS TAX OFFICE FOR COMMERCIAL COMPANIES
GENERAL COMMERCIAL REGISTER NO 409701000 (FORMER SOCIETES ANONYMES REGISTER NO: 15467/01AT/B/87/566(07) – DOSSIER NO 670617)

Table of Contents

A. ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT

ANNUAL MANAGEMENT REPORT BY THE AKTOR CONCESSIONS SA BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR STARTED 1 JANUARY AND ENDED 31 DECEMBER 2017

This report by the Board of Directors pertains to the twelve months of the financial year 2017 ended (01.01-31.12.2017) and provides summary financial information on the corporate financial statements of AKTOR CONCESSIONS SA. The Report outlines the most important events which took place during 2017 and the effect that such events had on the financial statements as well as the main risks and uncertainties the company is faced with.

1. Financial results

The financial results for the year 2017 can be summarised as follows:

Sales in 2017 amounted to €1,781,016, compared to €1,742,996 in 2016.

According to the results report, profit before taxes in 2017 amounted to €37,960,713, whereas in 2016, profit before taxes totalled €28,912,887.

The Company's equity amounted to €347,995,478, whereas in financial year 2016, the corresponding amount stood at €319,010,468.

The total of the company's net cash inflows for financial year 2017 amounted to €6,559,553, having totalled €18,006,280 in 2016.

The staff employed by the Company as at 31.12.2017 numbered 14 people, whereas on 31.12.2016 the staff comprised 13 people.

2. Development of activities

Aktor Concessions SA operates as a holding company in concession and service provision.

The Company was incorporated on 23 July 1987 and is established in Greece, with registered office and headquarters at 25 Ermou St., Kifissia.

In 2017, the Company continued operating as a holding company providing specialised services to concession companies, following an expansion strategy aimed at assuming new concession projects, public-private sector partnerships and public sector asset privatisation projects.

More generally, in the concession sector, traffic in mature concession projects continues to show signs of recovery (e.g. traffic on Attiki Odos increased by 3.0% in 2017), while the Elefsina-Corinth-Patra Motorway (a project in which the Company participates with 17%) and the Maliakos-Kleidi section of the Athens-Thessaloniki Motorway (a project in which the Company participates with 20%) were completed and became fully operational.

The Waste Management PPP project in the Region of Western Macedonia, carried out by EPA – Western Macedonia SA was completed and became fully operational in June 2017.

In 2018, the Company will continue to operate as a holding company providing specialised services to concession companies.

The demand for new infrastructure projects in Greece is significant and private investment is expected to

contribute to this effort through concessions and public-private partnerships,
especially given the limited financial resources available to the Greek public sector.

The business plan of AKTOR CONCESSIONS, aimed at developing synergies with
other activities of the Group, focuses on:

- participation in new projects to be realised through PPP or concession agreements;
- expansions and actions to increase the efficiency of the Company's projects;
- expansion of participations through the secondary market.

AKTOR CONCESSIONS focuses on the following projects open for tender:

- Design, construction, financing, commissioning, maintenance and operation of the Salamina Island Permanent
Submarine Link;
- Financing, commissioning, maintenance, and operation of Egnatia Odos and its three vertical roadways, and;
- Concession of the right of use, commissioning, management and operation of Alimos Marina.
- Other future concession projects targeted by AKTOR CONCESSIONS include: Design, construction, financing, commissioning, maintenance and operation of the Northern Crete Highway in the section Chania - Agios Nikolaos;
- Waste management PPP projects;
- Attiki Odos expansion works;

3. Risk management

The Company is exposed to various financial risks, such as market risks (foreign exchange risk and interest rate risk), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: accounts receivable, cash and cash equivalents and receivables from the Greek State.

Risk management is monitored by the finance division of ELLAKTOR Group, 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 and addressing rate risk, credit risk, the use of derivative and non-derivative instruments, and short-term investment of cash.

4. Non-financial assets

The Management aims at developing AKTOR CONCESSIONS into one of the leading concession companies.

To achieve its strategic goals, Company relies on its long-standing expertise and extensive know-how in its areas of operation, as well as on innovation, competent and skilled human resources and the trust it enjoys from its customers, associates and shareholders. In pursuing its business activities, the Company focuses on the following considerations:

- human resource development;
- transparency, corporate responsibility and regulatory compliance;
- respect for and protection of the environment;
- financial risk management;
- social responsibility.

Human resources

The Company relies heavily on its human resources to achieve its corporate goals. The Company has created a safe and fair working environment, respecting the provisions of the labour
legislation, offering satisfactory remunerations and benefits, as well as additional health insurance
coverage for hospitalisation.
In order to ensure the recruitment of the best possible human resources, the Company has established

selection, training, assessment and reward procedures for its staff. In its efforts to create a stable , healthy and safe work environment that promotes the professional and personal development of employees, the Company implements Certified Health and Safety Management Systems, based on the OHSAS 18001 standard.

Regulatory compliance

The Company has adopted an Ethical and Regulatory Compliance Programme designed to prevent, identify and address ethical and regulatory compliance issues. The Company is committed to carrying out its activities honourably, ethically, with integrity and in compliance with the applicable laws, regulations and standards, the corporate policies and guidelines, and the Company Code of Ethics. The Code of Ethics defines the main principles governing the Company's business practice and policies, and the conduct of its employees.

Environmental considerations

The Company is committed to protecting and respecting the natural and man-made environment, and minimising the negative impact of its activities, while adopting the principles of sustainable development. In this context, the Company seeks to take initiatives that would promote greater environmental responsibility and the development of environmentally-friendly technologies.

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

Last but not least, the consumption of the Company's headquarters is monitored in the context of the Environmental Management System and its soundness is verified by the Certification Organisation TÜV HELLAS.

5. Subsequent events

There are no events subsequent to the financial statements that may affect substantially the Company's financial position and need to be reported in accordance with the International Financial Reporting Standards.

In view of the above, we call shareholders to approve the Company's Annual Financial Statements for the financial year 01.01.2017 – 31.12.2017, together with the reports submitted by the Board of Directors and the Independent Chartered Accountant and Auditor, and to release the members of the Board of Directors individually and the Board of Directors as a whole, as well as the Independent Chartered Accountant and Auditor, from all liability for compensation with regard to the financial year 01.01.2017 – 31.12.2017.

Further, we call shareholders to decide on the remaining items on the agenda, namely:

1. Choose one Ordinary and one Substitute Certified Auditor from the pool of certified auditors for financial year 2018, and determine his or her fee.

2. Authorise, pursuant to Article 23(1) of Law 2190/1920, the members of the Board of Directors, the General Management or individual Directors, as well as their substitutes, to participate in Boards of Directors or the Management of subsidiaries or other companies pursuing similar objectives to those of the Company.

3. Other issues and notices.

Finally, the Board of Directors also authorised the Managing Director of the Company, Mr. Leonidas G. Bobolas, to publish the Financial Statements, as required by law.

Athens, 22 June 2018

The Managing Director

Leonidas Bobolas

B. INDEPENDENT AUDITOR'S REPORT

This audit report and the financial statements that are referred to herein have been translated for the original documents prepared in the Greek language. The audit report has been issued with respect to the Greek language financial statements and in the event that differences exist between the translated financial statements and the original Greek language financial statements, the Greek language financial statements will prevail.

Independent auditor's report

To the Shareholders of "AKTOR CONCESSIONS SA"

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of AKTOR CONCESSIONS SA which comprise the statement of financial position as of 31 December 2017, the statements of profit or loss, comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31/12/2017, its financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920**.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 12 July 2018

The Certified Auditor

PricewaterhouseCoopers S.A.

Certified Auditors

268 Kifissias Avenue

152 32 Halandri, Greece

Soel Reg. No. 113

Fotis Smirnis

Soel Reg. No. 52861

C. ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2017

Annual Financial Statements
prepared in accordance with the International Financial Reporting Standards,
for the financial year ended 31 December 2017

Contents of the Annual Financial Statements for the financial year from 1 January to 31 December 2017

Statement of Financial Position

	Note	31-Dec-17	31-Dec-16
ASSETS			
Non-current assets			
Property, plant and equipment	5	1	1
Investments in real estate	6	20,438,969	20,607,876
Investments in subsidiaries	8	159,148,313	161,666,317
Investments in associates & joint ventures	9	48,467,948	48,177,917
Financial assets held to maturity	11	11,527,968	9,636,949
Available-for-sale financial assets	10	29,871,349	14,977,000
Other non-current receivables	13	208,847,610	197,051,180
		478,302,157	**452,117,239**
Current assets			
Trade and other receivables	13	21,224,829	18,618,034
Available-for-sale financial assets	10	-	16,008,212
Financial assets at fair value through profit and loss	12	534	3,115
Cash and cash equivalents	14	34,999,323	28,439,770
		56,224,686	**63,069,131**
Total assets		**534,526,843**	**515,186,370**
EQUITY			
Share capital	15	104,405,000	104,405,000
Share premium	15	41,250,000	41,250,000
Other reserves	16	178,133,645	86,599,569
Profits carried forward		24,206,833	86,755,900
Total equity		**347,995,478**	**319,010,468**
LIABILITIES			
Non-current liabilities			
Long-term borrowings	17	180,570,582	184,148,453
Deferred tax liabilities	20	221,881	254,167
Retirement benefit obligations	21	160,020	152,922
Other long-term provisions	22	-	100,000
		180,952,482	**184,655,542**
Current liabilities			
Trade and other payables	18	5,578,883	5,420,359
Dividends payable	19	-	6,100,000
		5,578,883	**11,520,358**
Total liabilities		**186,531,365**	**196,175,900**
Total equity and liabilities		**534,526,843**	**515,186,370**

The notes on pages 20 to 52 form an integral part of these financial statements.

Income Statement

	Note	1-Ian-17 31-Dec-17	1-Jan-16 31-Dec-16
Sales		**1,781,016**	**1,742,996**
Cost of sales	23	(330,066)	(451,535)
Gross profit		**1,450,950**	**1,291,461**
Administrative expenses	23	(2,202,552)	(2,088,579)
Other income	24	8,258,005	7,824,449
Other profit/(loss)	24	(2,990,908)	(13,480,634)
Operating profit/(loss)		**4,515,496**	**(6,453,303)**
Income from dividends		43,613,505	45,624,907
Financial expenses	25	(10,469,681)	(10,626,515)
Financial income	25	301,393	367,799
Profit before taxes		**37,960,713**	**28,912,887**
Income tax	27	31,672	(167,469)
Net profit for the year		**37,992,385**	**28,745,419**

The notes on pages 20 to 52 form an integral part of these financial statements.

Statement of Comprehensive Income

	1-Ian-17 31-Dec-17	**1-Jan-16 31-Dec-16**
Net profit for the year	**37,992,385**	**28,745,419**
Other comprehensive income		
Actuarial gain/(loss)	(1,502)	8,881
Other	(5,873)	-
Other comprehensive income/(loss) for the year (net of taxes)	**(7,375)**	**8,881**
Total comprehensive income for the year	**37,985,010**	**28,754,300**

The Other Comprehensive Income presented in the above statement are net, after taxes. The tax corresponding to the figures included in Other Comprehensive Income is referred to in note 27.

The notes on pages 20 to 52 form an integral part of these financial statements.

Statement of Changes in Equity

	Note	Share capital and premium reserve	Other reserves	Results carried forward	Total
1-Jan-16		**145,655,000**	**91,253,416**	**64,647,752**	**301,556,168**
Net profit for the year		-	-	28,745,419	28,745,419
Other Comprehensive Income					
Actuarial profit/(loss)	16	-	8,881	-	8,881
Other comprehensive income for the period (net of taxes)		**-**	8,881	-	8,881
Total comprehensive income for the year		**-**	8,881	28,745,419	28,754,300
Transfer to reserves	16	**-**	(4,662,729)	4,662,729	**-**
Distribution of dividend		**-**	**-**	(11,300,000)	(11,300,000)
31-Dec-16		**145,655,000**	**86,599,569**	**86,755,900**	**319,010,468**
1-Jan-17		**145,655,000**	**86,599,569**	**86,755,900**	**319,010,468**
Net profit/(loss) recognised directly in equity		**-**	**-**	(5,873)	(5,873)
Net profit for the year		-	-	37,992,385	37,992,385
Other comprehensive income					
Actuarial profit/(loss)	16	-	(1,502)	-	(1,502)
Other comprehensive income for the period (net of tax)		**-**	(1,502)	-	(1,502)
Total comprehensive income for the year		**-**	(1,502)	37,986,512	37,985,010
Transfer to reserves	16	**-**	91,535,578	(91,535,578)	**-**
Distribution of dividend		**-**	**-**	(9,000,000)	(9,000,000)
31-Dec-17		**145,655,000**	**178,133,645**	**24,206,833**	**347,995,478**

The notes on pages 20 to 52 form an integral part of these financial statements.

Statement of Cash Flows

	Note	01.01.2017-31.12.2017	01.01.2016-31.12.2016
Operating activities			
Profit/(loss) before taxes		37,960,713	28,912,887
Plus/less adjustments for:			
Depreciation and amortisation	5	170,832	1,187
Impairment	8	3,000,000	13,450,035
Results (income, expenses, gains and loss) from investment activities		(43,924,805)	(45,962,107)
Debit interest and related expenses		10,469,681	10,626,515
(Increase)/decrease in receivables		(7,701,972)	(7,727,644)
Increase/(decrease) in liabilities (except borrowings)		179,670	247,459
Provisions		(100,000)	-
Debit interest and related expenses paid		(10,204,718)	(10,871,441)
Total outflows from operating activities (a)		(10,150,599)	(11,323,108)
Investment activities			
Acquisition of subsidiaries, associates, and other financial assets held to maturity and available for sale		(21,316,440)	(24,763,461)
Sale of subsidiaries, associates, and other financial assets held to maturity and available for sale		16,193,161	8,330,533
Purchase of tangible and intangible assets and investment in real estate		(1,925)	(20,609,063)
Revenues from maturities of securities		3,600,457	14,540,000
Interest received		301,393	367,799
Loans to related parties		(6,721,000)	-
Loans repaid by related parties		-	5.000.000
Dividends received		43,613,506	45,624,907
Restricted cash -(increase)/decrease		-	3,586,996
Total inflows/(outflows) from investment activities (b)		35,669,152	32,077,711
Financing activities			
Repayment of borrowings		(3,859,000)	(3,859,000)
Dividends paid		(15.100.000)	(19,000,000)
Loans taken out		-	20,110,677
Total (outflows) from financing activities (c)		(18,959,000)	(2,748,323)
Net increase/(decrease) in cash and cash equivalents of the period (a) + (b) + (c)		**6,559,553**	**18,006,280**
Cash and cash equivalents at year start		28,439,770	10,433,489
Cash and cash equivalents at year end	14	**34,999,322**	**28,439,770**

The notes on pages 20 to 52 form an integral part of these financial statements.

Notes on the Financial Statements

1 General information

Aktor Concessions SA (the "Company") operates as a holding company in concession and service provision companies.

The Company was incorporated on 23 July 1987 and is established in Greece, with registered office and headquarters at 25 Ermou St., Kifissia.

The financial statements of the Company are included (following the full consolidation method) in the consolidated financial statements of ELLAKTOR SA, which are available on the website www.ellaktor.com. ELLAKTOR SA participates in the Company's share capital with 100%. The Company is not obliged to prepare consolidated financial statements under IAS 10(4), as its subsidiaries and associates are included in the consolidated financial statements of ELLAKTOR SA.

The financial statements were approved by the Board of Directors on 22 June 2018 and are subject to approval by the General Meeting of Shareholders.

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 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 the financial assets available for sale at fair value through profit and loss (including derivatives), which are estimated 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 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and provide a reasonable presentation of the Company's financial position, profit and loss, and cash flows, in accordance with the principle of going concern.

2.1.2. Macroeconomic conditions in Greece

In 2017, the Greek economy continued to show signs of stabilisation and gradual recovery with GDP growing by 1.4% (according to the provisional data of the Hellenic Statistical Authority) for first time after many years . At the same time, the Hellenic Republic returned to the international markets with the issue of five-year bonds in July 2017 while yields on Greek government bonds have returned to pre-crisis levels. International credit rating agencies have upgraded the country's credit rating, which, of course, still remains at non-investment grade. Should the implementation of the agreed stabilisation programmes for the Greek economy continue as planned, , growth will be further strengthened in 2018 (according to the forecasts of the competent Greek and European authorities).

Despite the obvious improvement in the economic climate, the macroeconomic risks for Greece remain. The risk for the expected economic recovery to be curbed by over-taxation also remains. At the same time, the capital control measures imposed on the country on 28 June 2015 remain in force (albeit less stringent), which also affects the economic environment. The banking system still needs to be stabilised with the targeted measures to reduce non-performing loans. Finally, geopolitical tensions have increased, and this may also affect the Greek economic environment. In view of the above, it is estimated that 2018 will be a year of challenges for the Greek economy and, hence, for the Company's domestic activities.

The most significant potential risks for the Company due to its exposure in Greece include a slow-down in the pace of execution of works and difficulties in undertaking new projects, the inability to recover receivables and the impairment of the value of tangible and intangible assets, and last but not least, the difficulty in securing low-cost funding for the Company's activities.

The Management continually evaluates the situation and its possible consequences for the Company in order to to ensure that all necessary and possible measures and actions are taken in good time to minimise potential negative impacts.

2.2 New standards, amendments to standards and interpretations

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 1.1.2017. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"

The amendments introduce mandatory disclosures that enable the users of financial statements to assess the changes in liabilities from financing activities.

IAS 12 (Amendments) "Recognition of deferred tax assets for unrealised losses"

The amendments clarify the accounting treatment relating to the recognition of deferred tax assets on unrealised losses incurred from loans valued at fair value.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

IFRS 12 "Disclosure of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information.

Standards and Interpretations effective for subsequent periods

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

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities, and also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Management estimates that the impact on the Company's financial assets and financial liabilities upon first implementation of 9 is not expected to be
significant. Specifically,:

Trade and other receivables

The assessment of cash flow characteristics does not affect the classification and measurement of trade and other receivables of the Company, which will continue to be valued at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets , which comprise unlisted securities in Greece and are valued at cost, will be classified and valued at their fair value through other comprehensive income; however the impact is not expected to be significant.

Financial assets held to maturity

The Company's financial assets held to maturity, will continue to be valued at amortised cost.

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

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

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

IFRS 15 was issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers, in order to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The adoption of the standard is not expected to have a significant effect on the Company.

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

IFRS 16 was issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the essence of the lease-related transactions. IFRS 16 introduces a single model for the accounting treatment by the lessee, which requires that the lessee recognises assets and liabilities for all lease contracts with a term of over 12 months, except if the underlying asset has non-significant value. With regard to the accounting treatment by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor continues to classify lease contracts into operating and finance leases and to apply different accounting treatment for each type of contract. The Company is currently assessing the effect of IFRS 16 on its financial statements.

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

The amendments clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve an assessment of whether a property meets the definition of investment property and supporting evidence that a change in use has occurred.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

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. The amendments have not yet been endorsed by the EU.

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

The Interpretation provides guidance on how to determine the date of the transaction in applying the foreign currency transactions standard - IAS 21. The Interpretation is applicable when an entity has received or paid advance consideration for contracts in a foreign currency.

IFRIC 23 **"**Uncertainty over Income Tax Treatments**"** (effective for annual periods beginning on or after 1 January 2019)

The Interpretation explains how to recognise and measure current and deferred tax assets and liabilities if there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

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

Annual Improvements to IFRSs (2014 – 2016 Cycle)

IAS 28 "Investments in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2018)

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

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

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

IFRS 3 "Business combinations"

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

IFRS 11 "Joint Arrangements"

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

IAS 12 "Income Taxes"

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

IAS 23 "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.

2.3 Interests in subsidiaries, associates and joint ventures

In the Statement of Financial Position of the Company, investments in subsidiaries are valued at cost less impairment.

2.4 Foreign exchange conversions

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2.5. Leases

(a) The Company as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease expense is recognised in the income statement proportionally during the lease period and includes any restoration cost of the property if such clause is included in the leasing contract.

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

(b) The Company as lessor

The Company 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.

2.6. Property, Plant and Equipment

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

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

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

- Other equipment 5 - 7 years

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

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

When the book values of tangible assets exceed their recoverable value, the difference (impairment) is posted in the income statement as expense (note 2.9).

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

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

2.7. Investments in real estate

Real estate held for long-term lease or for capital gain, or both , which is not used by the Company, are classified as investment in real estate. Investments in real estate include privately owned plots and buildings, as well as properties under construction, which are built or developed for future use as investment property.
Investment property is initially recognised at the cost, including the related direct acquisition and borrowing costs. Borrowing costs related to acquisition or construction are capitalised to the investment cost for the duration of the acquisition or construction and are no longer capitalised when the fixed asset is completed or its construction ends. After initial recognition, investment property is valued at cost less depreciation and any impairment (note2.9). Investment buildings are amortised based on their estimated useful life which is 40 years; however historic non-refurbished buildings are amortised in 20 years.
Subsequent expenditure is added to the carrying value of the property only if it is probable that future economic benefits related to such property will flow to the company and their cost can be reliably valued. The repair and maintenance cost is booked in the results when such is incurred.
If an investment in property is modified to an asset for own use, then it is classified in tangible assets. Also, when there is a change in use of the investment property evidenced by commencement of development with a view to sale, it is classified as inventories.

2.8. Intangible assets

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.

2.9. Impairment of non-financial assets

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

2.10. Financial Assets

2.10.1. Classification

The financial instruments of the Company have been classified under the following categories according to the objective for which each investment was undertaken. The Management makes the decisions on classification at initial recognition.

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

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

(b) Borrowings and receivables

These include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Borrowings and receivables are included in the trade and other receivables account in the Statement of Financial Position.

(c) Financial assets held to maturity

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

(d) Available-for-sale financial assets

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

2.10.2. Recognition and Measurement

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

Subsequently, financial assets available for sale are valued at fair value and the relative gains or losses from changes to fair value are recorded in other comprehensive income till those assets are sold or designated as impaired. Upon sale or when assets are characterised as impaired, the gains or losses are transferred to the income statement. Impairment losses recognised in results may not be reversed through profit and loss.

Borrowings and receivables, as well as financial assets held to maturity, are recognised initially at fair value and are valued subsequently at net book cost, based on the effective rate method.

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

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

2.10.3. 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 Company holds the legal right to do so and intends to offset them on a clear basis between them or to retrieve the financial asset and offset the liability at the same time.

2.10.4. Impairment of financial assets

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

In case of objective indications that financial assets held to maturity and presented at net book acquisition value have been impaired, the amount of impairment loss is calculated as the difference between their carrying value and the current value of estimated future cash flows (except for future losses from credit risks not yet incurred), discounted at the initial effective rate. Impairment losses of financial assets held to maturity are posted in results.

The impairment test for receivables is described in note 2.11.

2.11. Trade and other receivables

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

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

2.12. Cash and cash equivalents

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

2.13. Share capital

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

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

2.14. Borrowings

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

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

Loans are classified as short-term obligations unless the Company has the right to defer settlement of the obligation for at least 12 months after the balance sheet date.

2.15. 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 Company 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.

2.16. Employee benefits

(a) Post-employment benefits

The employee benefits after their retirement include defined contribution programs and defined benefit programs. 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 Company has no obligation other than paying its contributions. The contributions are recognised 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 equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in the income statement.

(b) Employment 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 Company 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.

2.17. Provisions

Provisions for outstanding litigations 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.

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

2.18. Revenue recognition

The Company recognises revenue when this can be reliably valued and it is probable that the economic benefits of the transaction will flow to the Company.

The Company's income arise mainly from the provision of services and are recorded in the period during which the services are rendered, based on the stage of completion of the service in relation to total services to be provided.

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

Dividends are accounted for as income when the right to receive payment is established.

2.19. Distribution of dividends

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

2.20. Trade and other liabilities

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

2.21. Reclassifications and rounding of accounts

The amounts contained in these financial statements have been rounded in Euro. Any differences that may occur are due to such rounding.

3 Financial risk management

3.1 Financial risk factors

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

Risk management is monitored by the finance division of the Company, and centrally by the Financial Management Division of the Ellaktor 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

i) Foreign exchange risk

The Company is not exposed to any foreign currency risks. The Company’s assets and liabilities have been recognised in Euro, being the functional currency. Currency risks might arise from future trade transactions.

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

The Company’s exposure to risk from interest rate fluctuations results from loans at floating rates. The Company is exposed to interest rate fluctuations seen on the market, which affect its financial standing and cash flows. The cost of debt may increase as a result of these changes thus creating losses, or it can decrease on the occurrence of unexpected events.

It is clarified that in recent years, Company loans have been taken out at floating rates, and total borrowing is in Euro. Therefore, the interest rate risk is mainly connected to fluctuations in Euro rates.

With regard to long-term loans, the Company's Management monitors rate fluctuations systematically and on an ongoing basis and evaluates the need to assume hedging positions, if such risks are considered to be significant. In the context of risk offsetting, the Company may enter into interest rate swaps and other interest rate derivatives.

The Company 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.

(b) Credit risk

The Company has no material concentrations of credit risk. The Company has developed policies to limit its exposure to credit risk from individual credit institutions, and cash transactions are limited to transactions with credit institutions with high credit ratings. The largest part of receivables comes from ELLAKTOR Group companies.

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 fulfill their obligations towards the Company. In order to manage this credit risk, the Company 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

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

To manage liquidity risk, the Company makes estimates of and monitors its cash flows and takes appropriate action to ensure availability of liquid assets and unused credit limits with banks. Liquidity risk is kept low, ensuring adequate cash and credit limits.

During recent years, the Company has been refinancing its borrowings in order to better manage its liquidity.

The Company's liquidity is regularly monitored by the Management. The following table presents an analysis of the Company's financial liabilities maturing on 31 December 2017 and 2016, respectively:

	31 December 2017 MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Trade and other payables	5,341,564	-	-	-	**5,341,564**
Loans	-	8,855,743	86,824,844	84,889,995	**180,570,582**
Loan interest	8,549,532	7,886,254	17,368,130	2,789,645	**36,593,561**

	31st December 2016 MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Trade and other payables	5,206,912	-	-	-	**5,206,912**
Loans	-	3,296,535	51,328,533	129,522,650	**184,147,718**
Loan interest	8,829,052	8,643,220	20,988,097	7,055,932	**45,516,300**

The above amounts are reflected in the contractual, non-discounted cash flows and therefore do not agree with the corresponding amount of loans and suppliers that are presented in the financial statements.

The Trade and Other Liabilities breakdown is exclusive of Advances from Customers and Social Security and Other Taxes.

Analysis of the Company's Loan Sensitivity to Interest Rate Fluctuations

A reasonable and possible interest rate change by twenty five base points (0.25% decrease) would lead to a decrease / increase in profit before tax for 2017, all other variables being equal, by €451,426 (2016: €460,371). It is noted that the aforementioned change in profit before taxes is calculated on the loan balances at year end and does not include the positive effect of interest income from cash deposits and cash equivalents.

3.2 Cash management

Cash management is undertaken by the finance division and aims to ensure the Company's going concern and to achieve its development plans, combined with its creditworthiness.

For the evaluation of Company's credit rating, net debt must be evaluated (i.e. total long term and short term liabilities to financial institutions minus cash and cash equivalents).

The Company's Net Debt as at 31.12.2017 and 31.12.2016 is detailed in the table below:

	31-Dec-17	31-Dec-16
Long-term bank borrowings	180,570,582	184,148,453
Total loans	**180,570,582**	**184,148,453**
Less: Cash and cash equivalents	34,999,323	28,439,770
Net Debt/Cash	**145,571,259**	**155,708,683**
Total Equity	**347,995,478**	**319,010,468**
Total Capital	**493,566,737**	**474,719,152**
Gearing Ratio	**29,4%**	**32,8%**

The Company's gearing ratio is calculated at 29.4% (2016: 32,8%). This ratio is defined as the quotient of net debt (i.e. total long and short-term bank borrowings less cash and cash equivalents) to total capital (i.e. total equity plus net debt).

3.3 Determination of fair value

Depending on the method of determining fair value, financial assets valued at fair value at the balance sheet date are classified as follows:

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

- Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).

- Level 3: for assets and liabilities whose fair value is not based on observable market data, but is mainly based on internal estimates.

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

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial liabilities				

Long-term borrowings	180,570,582	184,148,453	180,570,582	184,148,453

The fair values of cash and cash equivalents, restricted cash, trade and other receivables and trade and other payables approximate their carrying values. The fair values of borrowings are estimated based on the discounted future cash flows.

The following table presents the Company's financial assets and liabilities at fair value as at 31 December 2017 and 2016, respectively:

	31-Dec-17			
	CLASSIFICATION			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets				
Financial assets at fair value through profit and loss	534	-	-	**534**
Available-for-sale financial assets	-	29,870,986	-	**29,870,986**
Financial assets held to maturity	11,527,968	-	-	**11,527,968**

	31-Dec-16			
	CLASSIFICATION			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets				
Financial assets at fair value through profit and loss	3,115	-	-	**3,115**
Available-for-sale financial assets	-	16,008,212	-	**16,008,212**
Financial assets held to maturity	9,636,949	-	-	**9,636,949**

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.

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

The methods used by the Company for financial assets measurement include:

• Market prices or negotiators' prices for similar assets.

• The fair value of interest rate swaps, which is calculated as the present value of future cash flows.

4 Critical accounting estimates and judgments of the management

Estimates and judgments are continually reevaluated and are based on expectations of future events that are believed to be reasonable under the circumstances.

4.1 Significant accounting estimates

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

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

(a) Provisions

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 Company 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 the Management are taken into consideration for the progress of the tax results of the Company in the foreseeable future.

(b) Fair value of financial instruments

The fair value of financial instruments not listed in an active market is determined using valuation methods which require using assumptions and judgments. In preparing its financial statements, the Company makes assumptions based mostly on current market conditions.

5 Property, plant and equipment

	Furniture & other equipment	Total
Cost		
1-Jan-16	**46,741**	**46,741**
Additions except for leasing	1,187	1,187
31-Dec-16	**47,928**	**47,928**
1-Jan-17	**47,928**	**47,928**
Additions except for leasing	1.925	1.925
31-Dec-17	**49,853**	**49,853**
Accumulated Amortisation		
1-Jan-16	**(46,740)**	**(46,740)**
Depreciation for the year	(1,187)	(1,187)
31-Dec-16	**(47,927)**	**(47,927)**
1-Jan-17	**(47,927)**	**(47,927)**

Depreciation for the year	(1,925)	(1,925)
31-Dec-17	**(49.852)**	**(49.852)**
Net book value as at 31 December 2016	**1**	**1**
Net book value as at 31 December 2017	**1**	**1**

6 Investment property

	Investment property
Cost	
1-Jan-16	**-**
Additions	20,607,876
31-Dec-16	**20,607,876**
1-Jan-17	**20,607,876**
31-Dec-17	**20,607,876**

	Investment property
Accumulated Amortisation	
1-Jan-17	**-**
Depreciation for the year	(168.907)
31-Dec-17	**(168.907)**
Net book value as at 31 December 2016	**20,607,876**
Net book value as at 31 December 2017	**20,438,969**

The investments in real estate amounting to €20,438,969 pertain to a business property acquired by the Company on 30.12.2016 with the purpose of being exploited through lease.

No liens exist on investments in real estate.

7 Company interests

The Company is not obliged to prepare consolidated financial statements under IAS 10(4), as its subsidiaries and associates are included in the consolidated financial statements of ELLAKTOR SA.

Investments in subsidiaries as at 31 December 2017 included the following interests:

	Company	Registered office	Interest (%) 31-Dec-2017	Interest (%) 31-Dec-2016
1	P&P PARKING SA	GREECE	100.00	100.00
2	ATTIKA DIODIA SA	GREECE	59.27	59.27
3	ATTIKI ODOS SA	GREECE	59.25	59.25
4	MOREAS SA	GREECE	71.67	71.67
5	STATHMOI PANTECHNIKI SA	GREECE	100.00	100.00
6	AKTOR CONCESSIONS SA – ARCHITECH ATE SA (formerly PANTECHNIKI SA-ARCHITECH ATE SA)	GREECE	82.12	82.12
7	MOREAS SEA SA	GREECE	86.67	86.67
8	ROAD TELECOMMUNICATIONS SA	GREECE	100.00	100.00
9	AKTOR CONCESSIONS CYPRUS LTD	CYPRUS	100.00	100.00

Investments in associates as at 31 December 2017 included the following interests:

	Company	Registered office	Interest (%)	Interest (%)
			31-Dec-2017	31-Dec-2016
1	POLISPARK SA	GREECE	28.76	28.76
2	SMYRNI PARK SA	GREECE	20.00	20.00
3	ATHENS CAR PARK SA	GREECE	23.20	23.20
4	AEGEAN MOTORWAY SA	GREECE	20.00	20.00
5	GEFYRA SA	GREECE	22.02	22.02
6	GEFYRA LITOURGIA SA	GREECE	23.12	23.12
7	SALONICA PARK SA	GREECE	24.70	24.70
8	METROPOLITAN ATHENS PARK	GREECE	22.91	22.91
9	THERMAIKI ODOS SA	GREECE	50.00	50.00
10	3G SA	GREECE	50.00	50.00
11	EPADYM SA	GREECE	50.00	50.00

The company VISTRADA COBRA SA was liquidated in the third quarter of 2017.

8 Investments in subsidiaries

	31-Dec-17	31-Dec-16
At year start	**161,666,317**	**167,374,786**
Additions - increase in cost of investment	481,996	9,957,066
(Sales)	-	(90,000)
(Impairment)	(3,000,000)	(13,450,035)
Transfer to associates	-	(2,125,500)
At year end	**159,148,313**	**161,666,317**

The impairment loss amounting to €3,000,000 pertains to the interest of the subsidiary AKTOR CONCESSIONS AE-ARCHITECH ATE SA (former PANTECHNIKI SA - ARCHITECH ATE SA) trading as Parking CHANTH.

At year end, the Company participated in share capital increases in the following subsidiaries with the following amounts in Euro:

	Company	Amount
1	STATHMOI PANTECHNIKI SA	471,996
2	AKTOR CONCESSIONS CYPRUS LTD	10,000

9 Investments in associates

	31-Dec-17	31-Dec-16

At year start	**48,177,917**	**45,827,917**
Additions, new	296,802	224,500
(Sales)	(6,771)	-
Transfer from subsidiaries	-	2,125,500
At year end	**48,467,948**	**48,177,917**

During the year, the Company participated in a share capital increase in its affiliate company ATHENS CAR PARK SA with EUR 296,802.

The following information is presented in relation to the most significant associates:

Summary Statement of Financial Position, as reflected in the Annual Financial Report of Ellaktor SA for the year ended on 31.12.2017 (*the following amounts are in thousand Euro*)

	AEGEAN MOTORWAY SA		GEFYRA SA	
	20.00%	20.00%	22.02%	22.02%
	31-Dec-17	**31-Dec-16**	**31-Dec-17**	**31-Dec-16**
Non-current assets	640,889	550,965	313,143	326,908
Current assets	108,340	34,206	51,557	48,049
Total assets	**749,229**	**585,171**	**364,700**	**374,956**
Non-current liabilities	620,486	447,485	215,658	235,580
Current liabilities	65,706	88,771	24,636	20,535
Total liabilities	**686,191**	**536,256**	**240,294**	**256,116**
Equity	**63,038**	**48,915**	**124,406**	**118,841**

Summary Statement of Comprehensive Income, as reflected in the Annual Financial Report of Ellaktor SA for the year ended on 31.12.2017 (*the following amounts are in thousand Euro*)

	AEGEAN MOTORWAY SA		GEFYRA SA	
	1-Jan		**1-Jan**	
	31-Dec-17	**31-Dec-16**	**31-Dec-17**	**31-Dec-16**
Sales	117,814	132,043	41,719	37,536
Net profit/(loss) for the period	12,339	(1,304)	4,708	7,086
Other comprehensive income/(loss) for the period (net of tax)	1,784	1,178	857	129
Total Comprehensive Income/(Loss) for the year	**14,123**	**(125)**	**5,565**	**7,215**

10 Available-for-sale financial assets

	31-Dec-17	**31-Dec-16**
At year start	**30,985,212**	**34,350,400**
Additions	15,029,487	4,935,667
(Sales)	(16,143,350)	(8,300,854)
At year end	**29,871,349**	**30,985,212**

Non-current assets	29,871,349	14,977,000
Current assets	-	16,008,212
	29,871,349	**30,985,212**

As at 31.12.2017, the amount of €15.029.487 appearing in the line “Additions” pertained to (a) the purchase of low-risk mutual funds (€5.039.122), and (b) the purchase of shares in AKTOR SA (€9.990.365). As at 31.12.2016, the amount appearing in the line “Additions” pertained mainly to increase in the share capital of OLYMPIA ODOS SA by €3,230,000.

Available-for-sale financial assets include non-listed domestic securities (€24,967,729) and mutual funds (€4,903,620), and are denominated in Euro.

11 Financial assets held to maturity

Financial assets held to maturity include the following:

Listed securities - bonds

1. EIB bond at 0.125%, maturity on 15.04.2025
2. EFSN Investments bond at 0.200%, maturity on 28.04.2025.
3. OPAP SA bond at 3.50%, maturity on 22.03.2022.
4. MOTOR OIL SA bond at 3.375%, maturity on 01.04.2022
5. SYSTEMS SUNLIGHT SA bond at 4.25%, maturity on 20.06.2022

The change in financial assets held to maturity is shown in the table below:

	31-Dec-17	31-Dec-16
At year start	**9,636,949**	**14,826,049**
Additions	5,508,155	9,646,228
(Maturities)	(3.600.457)	(14,540,000)
(Premium amortisation)	(16,679)	(295,329)
At year end	**11,527,968**	**9,636,949**
Non-current assets	11,527,968	9,636,949
Total	**11,527,968**	**9,636,949**

The fair value of bonds as at 31.12.2017 stands at €11,527,968 (31.12.2016: €9,538,029). The maximum exposure to credit risk as at 31.12.2017 corresponds to the carrying value of such financial assets.

The amortisation of the premium of the bonds, amounting to €16.6 thousand. (2016: 295mm) has been recognised in the Income Statement for the period, row Financial Expenses.

Financial assets held to maturity are denominated in Euro.

12 Financial assets at fair value through profit and loss

	31-Dec-17	31-Dec-16

At year start	**3,115**	**3,115**
Fair value adjustment: increase/(decrease)	(2.581)	-
At year end	**534**	**3,115**

Financial assets at fair value through profit and loss include unlisted domestic securities (shares) and are denominated in Euro only.

13 Trade and other receivables

	31-Dec-17	31-Dec-16
Customers;	29,362	140,962
Trade receivables – Related parties	872,148	1,065,336
Loans to related parties	198,270,218	187,279,707
Other receivables	14,452,733	13,619,379
Other receivables -Related parties	17,047,979	14,163,830
Less: Other receivable impairment provisions	(600,000)	(600,000)
Total	**230,072,439**	**215,669,214**
Non-current assets	208,847,610	197,051,180
Current assets	21,224,829	18,618,034
	230,072,439	**215,669,214**

The total of item "Loans to associates" as at 31 December 2017 included €65,538,167 originating from Moreas SA, €4,340,391 originating from Aktor Concessions SA-Architech SA, €43.263.900 originating from Ellaktor SA, €6,359,066 originating from Epadym SA, €21,307,481 originating from Thermaiki Odos SA, €35,544,916 originating from Aegean Motorway SA, €111,150 originating from Thessaloniki Car Parks SA, and €21,805,146 originating from Olympia Odos Motorway SA.

Accordingly, the total of item "Loans to associates" as at 31 December 2016 included €63,362,125 originating from Moreas SA, €6,359,066 originating from Epadym SA, €4.340.391 originating from Aktor Concessions SA-Architech SA, €43,263,900 originating from Ellaktor SA, €27,439,694 originating from Aegean Motorways SA, €21,307,481 originating from Thermaiki Odos SA, €111,150 originating from Thessaloniki Car Parks SA, and €21,095,899 originating from Olympia Odos Motorway SA.

The total of items "Other receivables" and "Other receivables - Related parties" as at 31 December 2017 included €13,702,201 corresponding to "receivables from the Greek State", €12,218,857 corresponding to "Accrued income", €664,214 corresponding to "Prepaid Expenses", €1,711,620 intended for share capital increase, €985,685 corresponding to "Loan interest due", and €2,218,129 corresponding to "Other debtors".

Accordingly, the total of items "Other receivables" and "Other receivables - Related parties" as at 31 December 2016 included €12,918,868 corresponding to "receivables from the Greek State", €9,763,768 corresponding to "Accrued income", €618,750 corresponding to "Prepaid Expenses", €1,277,258 intended for share capital increase, €985,685 corresponding to "Loan interest due", and €2,218,880 corresponding to "Other debtors".

The company's receivables are only expressed in Euro.

The provision for impairment of other receivables pertains to receivables where a long delay in their collection is estimated.

The ageing analysis for Trade balances as at 31 December 2017 is as follows:

	31-Dec-17	31-Dec-16
Not overdue and not impaired	588,836	1,058,681
Overdue:		
3 – 6 months	13,020	108,732
6 months – 1 year	27,658	13,020
Over 1 year	271,996	25,865
Total	**901,510**	**1,206,298**

14 Cash and cash equivalents

	31-Dec-17	31-Dec-16
Cash in hand	3,359	2,925
Sight deposits	11,495,963	5,936,844
Time deposits	23,500,000	22,500,000
Total	**34,999,323**	**28,439,770**

There are no cash and cash equivalents denominated in foreign currencies.

The following table shows the rates of deposits per credit rating class by Standard & Poor (S&P) as at 31.12.2017:

Financial Institution Rating (S&P)	Sight deposits as at 31.12.2017	Sight deposits as at 31.12.2016
A+	17.57%	17.57%
AA-	14.39%	-
CCC+	68,26%	82,38%
NR	-	0.05%
TOTAL	100.0%	100.0%

15 Share capital

	Number of Shares	Share capital	Share premium	Total
1 January 2016	**2,983,000**	**104,405,000**	**41,250,000**	**145,655,000**
31 December 2016	**2,983,000**	**104,405,000**	**41,250,000**	**145,655,000**
1 January 2017	**2,983,000**	**104,405,000**	**41,250,000**	**145,655,000**
31 December 2017	**2,983,000**	**104,405,000**	**41,250,000**	**145,655,000**

The Company's share capital amounts to EUR 104,405,000, divided into 2,983,000 shares with the face value of €35.00 each.

16 Other reserves

	Statutory reserves	Special reserves	Untaxed reserves	Actuarial profit /(loss) reserves	Total
1 January 2016	**9,754,574**	**81,482,881**	**5,642**	**10,320**	**91,253,416**
Transfer from retained earnings	1,437,271	-	-	-	1,437,271
Transfer to income statement	-	(6,100,000)	-	-	(6,100,000)
Actuarial gain/(loss)	-	-	-	8,881	8,881
31 December 2016	**11,191,845**	**75,382,881**	**5,642**	**19,201**	**86,599,569**
1 January 2017	**11,191,845**	**75,382,881**	**5,642**	**19,201**	**86,599,569**
Transfer from retained earnings	1,899,619	89,635,959	-	-	91,535,578
Actuarial gain/(loss)	-	-	-	(1,502)	(1,502)
31 December 2017	**13,091,465**	**165,018,839**	**5,642**	**17,699**	**178,133,645**

(a) Statutory reserves

The provisions of Articles 44 and 45 of Codified Law 2190/1920 regulate the way the statutory reserves are formed and used: 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. Upon 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. In 2017, the Company transferred the amount of €89.6 million to special reserves available for future distribution.

(c) Untaxed reserves

According to Greek Law, tax-free reserves are exempt of income tax on condition that they shall not be distributed to shareholders. The Company does not intend to distribute said reserves in the following year, and therefore has not calculated the amount of income tax that would result in such case. Should the Group decide to distribute untaxed reserves, these will be taxed at the tax rate applicable at the time of distribution.

17 Loans

	31-Dec-17	31-Dec-16
Long-term borrowings		
Bond loans	180,570,582	184,148,453
Total long-term borrowings	**180,570,582**	**184,148,453**
Total loans	**180,570,582**	**184,148,453**

Exposure to rate fluctuations and contract re-pricing dates are as follows:

	FLOATING RATE up to 6 months	Total
31 December 2017		
Total loans	180,570,582	180,570,582
	180,570,582	**180,570,582**

	FLOATING RATE up to 6 months	Total
31 December 2016		
Total loans	184,148,453	184,148,453
	184,148,453	**184,148,453**

The book value of the floating rate loans reflects their fair value.

The maturities of long-term borrowings are as follows:

	31-Dec-17	31-Dec-16
1 to 2 years	8,855,743	3,296,743
2 to 5 years	86,824,844	51,328,844
Over 5 years	84,889,995	129,522,866
	180,570,582	**184,148,453**

18 Trade and other payables

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

	31-Dec-17	31-Dec-16
Suppliers;	719,307	723,376
Suppliers – Related parties	11,725	11,152
Accrued interest	4,145,015	4,161,180
Accrued expenses	16,071	5,256
Social security and other taxes	237,318	213,447
Other payables	449,447	305,949
Total	**5,578,883**	**5,420,359**
Current	5,578,883	5,420,359
Total	**5,578,883**	**5,420,359**

The item "Other Liabilities" amounting as at 31.12.2017 to €449,447 includes €353,897 in "Fees payable for services provided" and €95,549 in "Other Creditors".

Accordingly, the item "Other Liabilities" amounting as at 31.12.2016 to €305,949 includes €107,969 in "Fees payable for services provided" and €197,980 in "Other Creditors".

All liabilities are expressed in Euro.

19 Dividends payable

The Company does not owe dividends as at 31.12.2017.

As at 31.12.2016, the Company owed dividends to its parent ELLAKTOR SA for a total of €6,100,000, which were paid in 2017.

20 Deferred taxation

Deferred tax receivables and liabilities are compensated when there is an applicable legal right to compensate the current tax receivables against the current tax liabilities and when the deferred income taxes involve the same tax authority. Offset amounts are as follows:

	31-Dec-17	31-Dec-16
Deferred tax liabilities:		
Recoverable after 12 months	221,881	254,167
Total	**221,881**	**254,167**

Total change in deferred income tax is presented below:

	31-Dec-17	31-Dec-16
Balance at period start	**254,167**	**83,071**
Debit/ (credit) through profit and loss	(31.672)	302,531
Equity debit/(credit)	(613)	487
Closing balance	**221,881**	**254,167**

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

Deferred tax liabilities:

	Actuarial profit/(loss) reserves	Other	Total
1 January 2016	**4,214**	**321,538**	**325,752**
Income statement debit/(credit)	-	(19,539)	**(19,539)**
Other comprehensive income (debit)/ credit	3,628	-	**3,628**
31 December 2016	**7,842**	**301,999**	**309,841**
1 January 2017	**7,842**	**301,999**	**309,841**
Other comprehensive income (debit)/ credit	(613)	-	**(613)**

31 December 2017	**7,228**	**301,999**	**309,227**

Deferred tax receivables:

	Different tax depreciation	Other	Total
1-Jan-16	**-**	**242,682**	**242,682**
Income statement debit/(credit)	-	(187,007)	(187,007)
31-Dec-16	**-**	**55,673**	**55,672**
1-Jan-17	**-**	**55,673**	**55,672**
Income statement debit/(credit)	21,938	9,734	31,672
31-Dec-17	**21,938**	**65,407**	**87,346**

21 Provisions for staff redundancy and retirement compensation

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

	31-Dec-17	31-Dec-16
Liabilities in the Statement of Financial Position for:		
Retirement benefits	160,019	152,921
Total	**160,019**	**152,921**

The amounts recognised in the income statement are the following:

	31-Dec-17	31-Dec-16
Income statement charge for:		
Retirement benefits	4,983	6,667
Total	**4,983**	**6,667**

The change in the liabilities as they appear in the statement of financial position is as follows:

	31-Dec-17	31-Dec-16
Present value of non-financed liabilities	160,019	152,921
Liability in Statement of Financial Position	**160,019**	**152,921**

The amounts recognised in the income statement are the following:

	31-Dec-17	31-Dec-16
Current employment cost	14,221	8,518
Financial cost	2,447	3,175
Cut-down losses	(11.685)	(5,027)
Total included in staff benefits	**4,983**	**6,667**

Changes in liability recognised in the Statement of Financial Position are shown in the following table:

	31-Dec-17	31-Dec-16
Opening balance	152,921	158,763
Actuarial profit/(loss) charged to the Statement of Other Comprehensive Income.	2,115	(12,509)
Total expense charged in the income statement	4,983	6,667
Closing balance	**160,019**	**152,921**

The main actuarial assumptions used for accounting purposes are:

	31-Dec-17	31-Dec-16
Discount rate	1.60%	1.60%
Future salary raises	1.75 %	2.3 %

[1]: Average annual long-term inflation = 1.75%

The average weighted duration of retirement benefits is 16.03 years.

Analysis of expected maturity of non-discounted pension benefits:

	31-Dec-17	31-Dec-16
Over 5 years	207,893	205,190
Total	**207,893**	**205,190**

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

	Change in the assumption according to	Increase in the assumption	Decrease in the assumption
Discount rate	0.50%	-6.10%	+6.10%
Payroll change rate	0.50%	+6.06%	-6.06%

Actuarial (profit)/loss (remeasurements) recognised in the Statement of Other Comprehensive Income:

	31-Dec-17	31-Dec-16
(Profit)/loss from the change in the demographic assumptions	18,556	(9,828)
(Profit)/loss from the change in financial assumptions	(12.231)	2,625
(Profit)/loss due to empirical adjustments	(4,210)	(5,306)
Actuarial (profit)/loss of the year	**2,115**	**(12,509)**

22 Provisions

All amounts in EUR

	Provision for unaudited years	Total
1 January 2016	**100,000**	**100,000**
31 December 2016	**100,000**	**100,000**
1 January 2017	**100,000**	**100,000**
Unused provisions reversed	(100,000)	**(100,000)**
31 December 2017	**-**	**-**

Analysis of total provisions:	**31-Dec-17**	**31-Dec-16**
Non-current	-	100,000
Total	**-**	**100,000**

For the financial year 2010, which by 31/12/2017 is considered written-off in principle and by general rule, the Company reversed the provision of €100,000 made in previous years in order to cover any additional taxes, fines and relevant surcharges that may emerge in a future tax audit by transferring the amount of the aforementioned provision to the income statement for the year ended. See Note 30

23 Expenses per category

	01-Jan-17 to 31-Dec-17			01-Jan-16 to 31-Dec-16		
	Cost of sales	Administrative expenses	Total	Cost of sales	Administrative expenses	Total
Employee benefits	205,331	616,376	821,707	203,771	493,636	697,407
Depreciation of tangible assets	-	1.925	1.925	-	1,187	1,187
Depreciation of investment property	-	168,907	168,907	-	-	-

Repair and maintenance expenses of tangible assets	-	2,638	2,638	-	2,327	2,327
Operating lease rents	5,585	100,253	105,839	5,694	95,081	100,776
Premiums	-	8,052	8,052	-	8,428	8,428
Third party allowances	138	141,507	141,645	622	13,744	14,366
Third party fees	90,546	916,322	1,006,869	222,159	993,208	1,215,367
Other	28,465	246,571	275,036	19,288	480,968	500,256
Total	**330,066**	**2,202,552**	**2,532,618**	**451,535**	**2,088,579**	**2,540,114**

24 Other income & other profit/(loss)

	Note	1 Jan to 31-Dec-17	1 Jan to 31-Dec-16
Other income			
Income from interests & securities		8,149,199	7,815,832
Rents		9,328	9,252
Other / Extraordinary Income		99,478	(635)
Total Other Income		**8,258,005**	**7,824,449**
Other profit/(loss)			
Profit /(loss) from the disposal of subsidiaries/associates		12,488	(30,599)
Impairment of subsidiaries	8	(3,000,000)	(13,450,035)
Other profit/(losses)		(3,396)	-
Total Other profit/(loss)		**(2,990,908)**	**(13,480,634)**

The line "Income from interests & securities" includes income from bonds to related parties MOREAS SA (€2,579,227), OLYMPIA ODOS SA (€834,408), ELLAKTOR SA (€2,092,591), ACTOR CONCESSIONS SA - ARCHITECH ATE SA (€220,034) and EPADYM SA (€341,826), AEGEAN MOTORWAY SA (€2,065,089), THESSALONIKI CAR PARK (€5,916), UBS Switzerland A.G. (€4,017), Income from Mutual Funds (€6.090).

The impairment loss for 2017 amounting to €3,000,000 pertains to the interest of the subsidiary AKTOR CONCESSIONS AE-ARCHITECH ATE SA (former PANTECHNIKI SA - ARCHITECH ATE SA) trading as Parking CHANTH. The total impairments for 2016 amounting to €13.450.035 pertain to the interest of the subsidiary P&P Stathmefsi S.A. with €6.653.950 and AKTOR CONCESSIONS SA - ARCHITECH ATE SA (former PANTECHNIKI SA - ARCHITECH ATE SA) trading as Parking CHANTH with EUR 6.796.085.

25 Financial income/(expenses)

	1 Jan to 31-Dec-17	1 Jan to 31-Dec-16
Financial income		
Interest income	301,393	367,799
Total financial income	**301,393**	**367,799**

Financial expenses		
Interest expenses involving bank loans	(8.924.866)	(8,605,791)
Interest expenses	**(8.924.866)**	**(8,605,791)**
Commissions paid for letters of guarantee	(33,409)	(160,700)
Miscellaneous bank expenses	(1,494,728)	(1,564,696)
Premium amortisation	(16,679)	(295,329)
Other financial expenses	**(1,544,816)**	**(2,020,725)**
Total financial expenses	**(10,469,681)**	**(10,626,515)**

26 Employee benefits

	1-Jan-17 to 31-Dec-17	1-Jan-16 to 31-Dec-16
Wages and salaries	683,023	602,535
Social security expenses	130,065	87,865
Cost of defined benefit plans	4,983	6,668
Other employee benefits	3,637	340
Total	**821,707**	**697,407**

27 Income tax

	1-Jan-17 to 31-Dec-17	1-Jan-16 to 31-Dec-16
Deferred tax	(31.672)	167,469
Total	**(31.672)**	**167,469**

Pursuant to new tax law 4172/2013 as amended by law 4223/2013, dividends distributed to companies within the same group, from January 2014 and thereafter, are exempted from tax, on condition that the parent company participates in the company distributing the dividend with at least 10% for two consecutive years, and the other conditions as set out in Article 48 of Law 4172/2013.

Since FY 2011, Greek Sociétés Anonyme and Limited Liability Companies whose annual financial statements are mandatorily audited by certified auditors are required to obtain an “Annual Certificate” under Article 82(5) of Law 2238/1994 and Article 65A(1) and (2) of Law 4174/2013, which is issued following a tax audit performed by the legally appointed auditor or audit firm that audits the annual financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a “Tax Compliance Report” and then the statutory auditor or audit firm submits it to the Ministry of Finance electronically.

The tax on the Company’s profits before taxes is different from the notional amount which would have resulted had we used the average weighted tax factor of the company’s country, as follows:

	31-Dec-17	31-Dec-16
Accounting profit before tax	**37,960,713**	**28,912,887**
Tax rate:	29%	29%
Tax imputed based on local applicable tax rates	11,008,607	8,384,737
Adjustments		
Other income not subject to tax	(12.560.917)	(13,086,223)

Expenses not deductible for tax purposes	880,279	3,900,800
Tax losses for which no deferred tax receivables were recognised	640,358	968,155
Taxes	**(31.672)**	**167,470**

The tax corresponding to Other Comprehensive Income is:

	1-Jan to 31-Dec-17		
	Before tax	**Tax (debit)/credit**	**After tax**
Actuarial gain/(loss)	(2,115)	613	(1,502)
Other Comprehensive Income	**(2,115)**	**613**	**(1,502)**

	1-Jan to 31-Dec-16		
	Before tax	**Tax (debit)/credit**	**After tax**
Actuarial gain/(loss)	12,509	3,628	16,137
Other Comprehensive Income	**12,509**	**3,628**	**16,137**

28 Dividends per share

The Board of Directors decided to distribute dividends and Directors' fees, the amount of which will be determined by the annual Ordinary General Meeting of shareholders to be held.

29 Commitments

The amounts below pertain to commitments for operating leases of the Company.

	31-Dec-17	**31-Dec-16**
Up to 1 year	110,875	99,793
From 1-5 years	165,225	207,478
Total	**276,100**	**307,271**

30 Contingent liabilities

(a) Pursuant to the relevant tax provisions of: a) Article 84(1) of Law 2238/1994 (unaudited income taxation cases), b) Article 57(1) of Law 2859/2000 (non-audited VAT cases), and c) Article 9(5) of Law 2523/1997 (imposition of fines for income tax cases), the right of the State to impose taxes for the financial years up to 2011 is time-barred until 31/12/2017, subject to special or extraordinary provisions which may introduce longer limitation periods under conditions laid down in such provisions. Moreover, according to settled case-law of the Council of State and the Administrative Courts, in the absence of a limitation provision contained in the Codified Laws on Stamps Duty, the State's claim for stamp duty is subject to the twenty-year limitation period laid down in Article 249 of the Civil Code.

The Company has been tax audited under Law 2238/1994 for financial years 2011, 2012 and 2013 and under Law 4174/2013 for financial years 2014-2016, and has obtained a tax compliance certificate from PricewaterhouseCoopers SA without any adjustments regarding tax expenses and related tax provisions, as these are reflected in the annual financial statements of 2011-2016. For financial year 2017, the Company is subject to the tax audit by certified auditors-accountants, as provided for by Article 65(a) of Law 4174/2013. Such audit is already being performed, and the relevant tax certificate is anticipated to be delivered following the publication of the financial statements for 2017. 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.

(b) The Company has contingent liabilities in relation to banks, other guarantees, and other matters that arise from its normal business activity and from which no substantial burden is expected to arise.

(c) For its participation in the large concession projects (Corinth-Tripoli-Kalamata Motorway & Lefktro-Sparti section, Aegean Motorway (Section PATHE Maliakos Kleidi) and Motorway Elefsina-Corinth-Patra), the Company has issued letters of guarantee amounting to a total of €9,483,919.

31 Transactions with related parties

The amounts of sales and purchases in aggregate from year start, and the balances of receivables and liabilities at year end, as these have arisen from transactions with related parties in accordance with IAS 24, are as follows:

	31-Dec-17	31-Dec-16
Revenue	**9,929,359**	**7,492,813**
Income from subsidiaries	3,928,513	1,609,708
Income from associates	3,003,848	2,748,912
Income from related parties	904,408	924,397
Income from Parent	2,092,591	2,209,796
Expenses	**179,089**	**156,003**
Expenses from related parties	-	23,083
Expenses from subsidiaries	44,971	321
Expenses from Parent	134,118	132,599
Income from dividends	**43,613,505**	**45,624,907**
Fees to managers and members of the management:	**400,000**	**500,000**
Receivables	**216,190,344**	**202,508,872**
Receivables from subsidiaries	74,976,869	72,680,408
Receivables from associates	68,616,135	60,032,962
Receivables from Parent	50,792,193	48,699,603
Receivables from other related parties	21,805,146	21,095,899

Liabilities	**11,725**	**6,111,152**
Payables to subsidiaries	6,733	57
Payables to associates	-	5,720
Obligations to parent	4,992	6,105,375

32 Other notes

1. As at 31.12.2017 the Company employed 14 staff, whereas on 31.12.2016 it employed 13 staff.
2. No liens exist on fixed assets.
3. The total fees payable to the Company's statutory auditors for the mandatory audit on the annual financial statements for FY 2017 stand at €9,000 (2016: €9,000) and for other services €16,500 (2016: €12,000).
4. Other related parties represent companies that belong to the Group of the parent company, i.e. ELLAKTOR SA.

33 Events after the date of the Statement of Financial Position

There are no significant events after 31.12.2017.

Kifissia, 22 June 2018

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE HEAD OF ACCOUNTING DEPT.
DIMITRIOS A. KOUTRAS	LEONIDAS G. BOBOLAS	KONSTANTINOS I. MERTIS
ID Card No AM 643507	ID Card No Σ 237945	ID Card No X 049447