

**Report
about the compilation
of the annual financial statements
as of 31.12.2016
of
Helector Recycling center
Osnabrück GmbH
Kalkgraben 2
35606 Solms**

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A. Audit assignment

Helector Recycling center Osnabrück Ltd. - hereinafter briefly referred to as "the Company" or "the Enterprise" - has given us the mandate to prepare the financial statements as of 31.12.2016 involving the compilation of plausibility assessments and to report thereon.

The nature, scope and results of the plausibility assessments is given by this report.

The company is a small limited company under the meaning of § 267 of the German Commercial Code.

This mandate has taken as a basis the general mandate conditions of Bacher & Partner Ltd. in the version of 01.01.2015, attached as annex 5 to the present. The maximum liability amount for this contract shall be governed by § 6. In relation to third parties § 1 para. 4 and § 6 of the General Conditions of the mandate Bacher & Partner Ltd. prevail.

B. Implementation of the assignment

I. Object of the assignment

We have compiled the annual financial statements of the Company as of 31.12.2016 according to the books presented to us, the documents submitted and the information communicated.

We conducted our assignment in accordance with the pronouncement of the Institute of Chartered Accountants (IDW Standard P. 7). This includes the development of the balance sheet and profit and loss account and the Annex on the basis of accounting, inventory and the requirements of the management to the applicable accounting and valuation methods. In order to assess the reasonableness of accounting documents, books and inventory evidence submitted to us, we have made inquiries and analytical procedures to exclude, with certain assurance, that these are not proper.

The accounting and the preparation of the inventory and the annual financial statements according to the German commercial law provisions are in responsibility of the Company's management.

We have subjected the annual financial statements including the accounting of a critical assessment on the basis of a plausibility assessment.

Any further audit of annual accounts, the accounting records or other sections were not subject of the assignment. In particular, this is not an annual audit in accordance with §§ 316 ff. Commercial Code.

II. Nature and scope of the assignment

The compilation of the annual financial statements is carried out on the basis of the books kept by the company, the documents submitted to us and information granted to us, on the basis of legal regulations in accordance with the generally accepted accounting principles. The legal regulations have been also considered.

The critical assessment of the annual financial statements, including the accounting on the basis of plausibility assessments is carried out in compliance with the principle of materiality through surveys and analytical procedures.

In the framework of the plausibility assessments we have subjected the allocation of the general ledger accounts on individual items in the balance sheet or the profit and loss account, to a critical review.

The amounts reported in the Asset Accounting book values, were matched with the corresponding balances in the general ledger. The additions we have matched according to the receipts in sampling. The review of depreciation amounts, undertaken by us, took place primarily from the perspective of continuity bid.

We have not participated in an inventory of inventories. The quantity and value proof of inventories was carried out by an inventory list of the company.

At the balance sheet item "Receivables from goods and services" and "liabilities from goods and services" it was made, based on the list of balances or open items, an analysis of the composition and age structure.

The interests on the reported loan under the item "Receivables from shareholders" was computationally reconstructed.

An analysis of the composition of the items "Other assets" or "Other liabilities" was conducted with inspection of the corresponding documents.

The balances of the balance sheet item "Cash at banks" and "Amounts owed to credit institutions", was verified on the basis of corresponding bank statements.

To assess the provisions, we have primarily first subjected the documents drawn up by the company to a critical assessment. The calculation of provisions for taxation was completed.

The nature, scope and results of the work carried out by us, were noted on our work sheets.

All required documentation has been provided to us. The requested information was readily granted.

The management has confirmed to us the completeness of the accounting records, the documents submitted and information supplied in respective application of § 320 Commercial Code, in the standard professional, written declaration of completeness. The declaration of completeness of the company and a list of resource persons, were noted on our work sheets.

C. Legal, financial and fiscal background

I. Legal background

Company background

The company was established on 11.02.2002 with the conclusion and notarization of the company agreement under the firm name Herhof Recycling center Osnabrück Ltd. and was registered on 26.06.2002 in the commercial register under commercial register book no. 200090 at the District Court of Osnabrück. With decision of the shareholders, dated 08.03.2011 the firm name was changed to Helector Recycling center Osnabrück Ltd. The seat of the company was transferred to Solms.

The share capital of the company comes up to the amount of 5.000.000,00 Euro and was fully paid.

With a notarial act (Document number 656/2016) of November 04 2016, the share capital was increased from €3.000.000,00 by €2.000.000,00 to €5.000.000,00. The registration in the commercial register took place on 18 November 2016

Shareholders were until the 23.04.2013 the companies Helector S.A., Nea Kifissia/Greece (51%) and Helector Ltd., Solms (49%). With a notary's agreement of 24.04.2013 Helector Ltd. has assigned all its shares to Helector S.A. and thus from that time all shares are kept by Helector S.A.

Managing Director of the Company in 2016 were Mr. Leonidas Bobolas (Attica / Greece), Dimitris Grammatas (Attica/Greece) and Yannis Kokotsis (until 23.03.2016 Athens / Greece).

The Managing Directors are sole representatives of the company and released by the restrictions of article 181 of Civil Code

Important contracts

With the disposal company of the town and county Osnabrück GbR it was concluded an agreement about the treatment and disposal of waste on 29.03.2001. The contract has a term until 31.12.2022.

Leasehold contract with Stadtwerke (public utility company) Osnabruck as of 02/02/2006. The contract has a term until 31.12.2022.

EU project contract polystabilization plant as of 29.07.2008.

General delivery and acceptance contract.

Prior year financial statements

The prior year financial statements of 31.12.2015 have been determined by resolution of the shareholders' meeting on 31.08.2016. They were published in the electronic Federal Gazette.

II. Financial background

Company object

Object of the company is the operation of an installation for the mechanical-biological stabilization of waste as well as the undertaking of all related measures promoting the company's mission. The Company may, in the country and abroad, acquire, sell, lease further companies or participate in such -as personal liable partner -and establish branches.

III. Fiscal background

The company is tax liable at the tax office of Giessen.

The last external tax audit was carried out for the years 2011 to 2014.

D. Findings on book keeping, accountancy, annual financial statements and management report

I. Book keeping and accountancy

The business transactions of the Company are in-house recorded (J-karat system software) with the help of electronic data processing ((J-karat system software).

The books and accounts of the Company are kept in a regular way. The receipts delivered to us are properly instructed. We were not informed about facts causing us to believe that the accounting records do not conform in all material respects with the statutory requirements.

The accounts include in accordance with the declaration of completeness of management, all relevant transactions operations; our findings did not reveal anything to the contrary. The balances of the balance sheet items of the previous year's financial statements have been properly submitted.

II. Annual Financial Statements

The annual financial statements were properly developed from the books and the other necessary records of the company and were prepared for the first time in accordance with the new accounting rules of the Accounting Standards Implementation Act (BilRUG).

The balance sheet and profit-loss statement are prepared in accordance with the commercial law provisions on accounting of limited liability companies and contain all the information prescribed in accordance to the provisions of the commercial code and law on limited liability companies. The relevant legal commercial approach, disclosure and valuation rules, including the principle of Rating Continuity and the size-dependent and legal form bound rules were respected.

The Company is in accordance with § 267 Commercial Code at the balance sheet date a small corporation.

The balance sheet is classified in accordance with the provisions of § 266 Commercial Code. The Profit-Loss Statement was drawn up according to the total cost method (§ 275. 2 Commercial Code).

The Annex consists of the legal requirement for clarity and transparency. It contains all the prescribed information. To the extent it was made use of size-dependent or legal form specific reliefs or protection clauses with regard to the disclosure requirements at the annex, this was done in accordance with the relevant regulations.

III. Management Report

The compilation of a management report (exemption under § 264. par. 1 Satz 4 Commercial Code for small corporations) was lawfully waived.

E. Remarks on annual financial statements

A detailed structuring of the items of the financial statements in the form of an accounts-proof, was taken as appendix for creating the Report (Appendix 4).

I. Multi-annual comparison

Date of balance	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
	T€	T€	T€	T€	T€
Intangible fixed assets	1	3	4	6	7
Tangible assets	5.011	4.223	4.781	5.554	6.701
Inventories	534	616	430	377	341
Claims and other assets	5.496	2.091	1.840	1.773	1.522
Cash	1.608	2.105	2.280	2.112	2.352
Prepaid expenses	22	0	0	0	0
Total of assets (balance total)	12.672	9.038	9.335	9.822	10.923
Equity	5.085	4.519	3.875	3.096	2.674
Special items for investment grants	0	796	1.054	898	899
Provisions	1.995	491	458	591	576
Liabilities	5.592	2.351	2.758	4.027	5.564
Deferred income	0	881	1.190	1.210	1.210
Total capital (balance total)	12.672	9.038	9.335	9.822	10.923
Financial year	2016	2015	2014	2013	2012
	T€	T€	T€	T€	T€
Sales Revenues	7.428	7.819	8.210	8.174	8.236
Material costs	-8.451	-4.010	-3.572	-3.775	-3.883
Gross yield	-1.023	3.809	4.638	4.399	4.353
Other company revenues	7.212	245	3	78	11
	6.189	4.054	4.641	4.477	4.364
Personnel expenses	-1.030	-1.013	-944	-867	-888
Depreciations	-657	-603	-929	-1.170	-1.164
Other company expenses	-6.030	-1.413	-1.485	-1.592	-1.324
Operating income	-1.528	1.025	1.283	848	988
Financial result	-12	-63	-128	-212	-275
Result before Income Tax	-1.540	962	1.155	636	713
Income Tax	130	-295	-354	-193	-176
Other taxes	-23	-23	-22	-22	-22
Annual net profit / loss	-1.433	644	779	421	515

II. Key figures

	2016	2015	2014	2013	2012
	%	%	%	%	%
Profitability key figures					
Cost Effectiveness and financing					
Annual results/ Equity (previous year) (Equity profitability)	-31,7	16,6	25,2	15,7	23,9
Annual results/ Sales revenues (Sales revenues profitability)	-19,3	8,2	9,5	5,2	6,3
Gross profit/Sales revenues (Gross profit margin)	-13,8	48,7	56,5	53,8	52,9
Goods sold/Total output (Sales ratio)	113,8	51,3	43,5	46,2	47,1
Depreciation Fixed Assets/ Investments Fixed Assets	40,1	317,2	5.333,2	1.314,6	227,8
	31/12/2016	31/12/2015	31/12/2014	31/12/2013	31/12/2012
	%	%	%	%	%
Key figures on assets structure					
Fixed assets/total assets	39,6	46,8	51,3	56,6	61,4
Current assets/total assets	60,3	53,2	48,7	43,4	38,6
Key figures on capital structure					
Equity/total capital	40,1	50,0	41,5	31,5	24,5
Loan capital/total capital (debt grade)	59,9	50,0	58,5	68,5	75,5
Equity/Fixed Assets (Fixed assets cover I)	101,5	106,9	81,0	55,7	39,9
Key figures on liquidity (cash) (cover of short-term loan capital)					
Short-term bound assets/ Short-term loan capital	91,6	204,0	144,9	132,4	135,5

**Appendix
For the fiscal year 2016
of
Helector Recycling center
Osnabrück GmbH
Kalkgraben 2
35606 Solms**

Structure

- I. General Information
- II. Accounting and valuation methods
- III. Notes to the balance sheet
- IV. Notes to the profit and loss account
- V. Contingent liabilities
- VI. Other disclosures

I. General Information

The annual financial statements are compiled on the basis of the legal regulations in compliance with the generally accepted accounting principles. The balance sheet and the profit and loss accounts are structured under the provisions of § 266 and § 275 of the German Commercial Code.

The regulations of the Accounting Standards Implementation Act (BilRUG) were applied for the first-time.

The company is registered under the name Helector Recycling center Osnabrück GmbH in the commercial register of the district court of Osnabrück under number HRB 200090. Headquarters of the company are in Osnabrück.

II Accounting and valuation methods

The accounting and valuation policies correspond to the provisions of the commercial law. They are applied without changes to the previous year.

Purchased assets of intangible fixed assets are valued at their purchase value, reduced by scheduled straight-line depreciations.

Tangible fixed assets are capitalized at cost and amortized according to the schedule. . Depreciation is generally linear in accordance with the expected useful life

Assets valued at acquisition or production cost up to 1.000,00 € will be treated in accordance with the applicable thereto tax regulations.

Inventories are evaluated at acquisition cost or production cost, taking into account the principle of lower value and the requirement of commercial prudence. The production costs of finished and unfinished products are subject to a corresponding proportionate share of the cost.

Receivables and other assets are stated at acquisition cost or at a lower price at an effective date. Value adjustments are formed to a sufficient extent from the point of view of the commercial prudence principle.

For contingent risks and contingent liabilities provisions are made.

All liabilities and provisions are recognized at their settlement amounts

III. Notes to the balance sheet

The development of fixed assets is shown in the table "Development of **Fixed Assets**" (Annex 1.2). It is integral part of the appendix

Receivables from shareholders refer -as in the previous year- exclusively to receivables from deliveries and services.

Other provisions relate primarily to provisions for the probable repayment of European Union project grants from the Seventh Framework Program for research and development in the field of renewable energies as part of the pre-financing of the company's polystabilization project (1.677⁰T€). The project was discontinued by the European Union in the financial year 2016.

Liabilities

The liabilities , according to their term-dates are as follows:

		Remaining term		total
	Up to one year	One year up to five years	Over than five years	
	€	€	€	€
1. Liabilities to banks	189.633,33 (684.599,78)	0,00 (196.852,77)		189.633,33 (881.452,55)
2. Liabilities from supplies and services	4.802.693,22 (1.064.629,30)			4.802.693,22 (.064.629,30)
3. Liabilities to affiliated companies	151.070,50 (0,00)			151.070,50 (0,00)
4. Other liabilities	448.124,50 (405.151,99)			448.124,50 (405.151,99)
total	5.591.521,55 (2.154.381,07)	0,00 (196.852,77)	0,00 (0,00)	5.591.521,55 (2.351.233,84)

(values in brackets: previous year)

The liability amounts reported in the balance sheet to banks are secured as follows

- a) Mortgage of 10 million Euros as leaseholder.
- b) Global assignment of all claims from supplies and services
- c) Agreement dated 16.06.2008 with the bank Sparkasse Osnabrück as collateral for the collateral assignment of all machines, inventory objects, technical facilities and installations of dry stabilize plant.

IV. Notes to the profit and loss account

Income and Expenses of exceptional magnitude.

a) Expenses for purchased services

As a result of a plant fire, the cost of purchased services increased by approximately 5.314 T€.

b) Other operating income and expenses

The insurance indemnities received as a result of a plant fire resulted in an increase of approximately 7.008 T€ in other operating income. Correspondingly, other operating expenses for fire damage increased by approximately 3.951 T€.

V. Contingent liabilities

The company has received funding from the European Union for a project (polystabilization plant). These funds were paid as pre-financing to the company as project manager (2.135 T€) and partly (up to 167 T€) passed on to the project partners.

As a result of the completion of the project, it is probable that all of the funding received as pre-financing will be returned by the company to the European Union. In the internal relationship of the project partners, the respective amounts received from the pre-financing are to be reimbursed by the project members to the company (project manager).

The expenditure grants received in the course of the project cannot be returned to the European Union in the event of an unsuccessful project.

VI. Other disclosures

Continuation of the company

In the past financial year, the company had an average of 27 employees.

In fiscal year 2016, the management of the company was exercised in the financial year by following persons:

- Mr. Leonidas Bobolas , technical Director, Attica/Greece
- Mr. Dimitris Grammatas, commercial Director, Attica/Greece
- Mr. Yannis Kokotsis, commercial Director, (until 23.03.2016) Athens/Greece

The annual financial statements of the Company is included through the financial statements of shareholder Helector SA in the consolidated financial statements of Ellaktor S.A. (Parent company, which establishes the consolidated financial statements for the smallest and biggest group of companies). The consolidated financial statements are available in the commercial register at the registered office of the parent company (Kifissia / Greece) and on the Internet homepage (www.etae.com)

Signing of Management

The Managing Directors sign the annexed 1 Financial Statements as of 31.12.2016 with total assets of € 12.671.685,61 in accordance with § 245 Commercial Code as follows:

Solms,.....

Helector Recycling center Osnabrück GmbH

(Leonidas Bobolas)

(Dimitris Grammatas)

Manager

Manager

Certificate

To Helector Recycling center Osnabrück GmbH, Solms:

We have compiled, according to our assignment, the annual financial statements - consisting of balance sheet, profit and loss account and notes - of Helector Recycling center Osnabrück GmbH, Solms, with total assets of € 12.671.685,61€ for the fiscal year from 01.01. to 31.12.2016 prepared in accordance with the German commercial law. Grounds for the preparation were the documents presented to us, books and inventory evidence, which according to our assignment were not audited, but were assessed for plausibility, and the information provided to us. The accounting and the preparation of the inventory and the annual financial statements in accordance with German commercial law are the responsibility of the Company's management.

We have carried out our engagement in compliance with the standards of the Institute of Chartered Accountants: principles for the preparation of financial statements (IDW S 7). This includes the development of the balance sheet and profit and loss account and the Annex on the basis of accounting, inventory and the requirements for the applicable accounting policies. In order to assess the reasonableness of accounting documents, books and inventory evidence submitted to us, we have made inquiries and analytical procedures to exclude, with certain assurance, that these are not proper. We were not aware of any circumstances, which speak against the regularity of the documents presented to us and the financial statements drawn up on this basis by us.

Bonn, May 23, 2017

Bacher & Partner GmbH

Auditors - Chartered accountants